



# **We Benchmark Suppliers against the Best in the Industry**

Helping to Boost our Clients' Profits



**BENCHMARK COST  
SOLUTIONS**  
*Best of Breed PROFIT Boosters*





# 7 REASONS

## TO CONSIDER BUSINESS OUTSOURCING

### 5 QUESTIONS TO ASK YOUR POTENTIAL PARTNER



- 1 **Save** - up to 70% on your local labour costs
- 2 **Enable** - you to allocate local resources to high value tasks while delegating mundane and time consuming tasks.
- 3 **Enable** - you to leverage a global knowledge base and have access to world class capabilities.
- 4 **To gain access** - to resources not available internally.
- 5 **To delegate** - functions that are difficult to manage and control while still realising their benefits.
- 6 **Expand** - and gain access into new market areas.
- 7 **Productivity increase** - MEASURED productivity and lower labour costs, delivering a beneficial impact to your bottom line.

### Benchmarks Outsourcing Check list – Features of a quality partner

Questions to ask potential suppliers	Client Benefit
1 How many staff does a Team leader manage is it more than 15?	Great performance 200% increases reported. High level of accuracy 99% + Not spread thin managing 30 + team members
2 Detail and proof how are Staff supported with coaching, mentoring, incentives supporting the families.	Staff retention of 98% + Retaining skills and expertise.
3 Do you have an Australian management team.	Delivering a true understanding of Australian workplace and client expectations.
4 Do you have clear, concise Snapshot reporting?	Clear and concise accuracy report. Utilisation report to enable capacity for additional tasks.
5 Do you get Full utilisation of staff not shared across various businesses.	Aligned to your business, tasks and culture only. They can wear your company logo/ uniform.





# Category Analysis – Methodology

I get asked this all the time about Category Analysis  
you will learn the **5 steps** to enable you to perform a STRONG Category analysis.



## STEP 1 | Current Situation Review

- › Current Spend \$400K \$8M
- › Current Suppliers – who and how many?
- › Contractual status of all suppliers- contact exp, exclusivity, min/ max volumes?
- › Previous and current initiatives within the category – worked, not worked
- › List of common issues or successes within the category – white board it, or get them all out down on paper ask all levels of the business
- › Approval from Business to review, engage communicate with all stake holders.



## STEP 2 | Industry Review

- › Size of the industry – gen freight, refrig freight limited
- › Main participants – Transport sector, Waste who are they?
- › Cost structure – Fixed, variable, break it down, per kg, per cubic, per usage of a metric
- › Cost influences –
- › Regulatory issues – govt levies, compliance fire systems.
- › Emerging industry trends – egg focus on recycling, govt grants



## STEP 3 | Strategy Definition

- › Combination of customer requirements
- › Industry opportunities aligned to develop a plan for the next three to five years within the category.



## STEP 4 | Implementation

- › Document the steps necessary to implement the strategy, including an approximate timeline and milestone achievement plan.
- › Some categories require a lot of planning, IT integration, Waste management will require site visit timing of swap out.



## STEP 5 | Approval

- › Seek approval from the business to pursue the proposed strategy. Sounds obvious but we see this often with all good intent a team of people have got to step 5 but had not considered all business units at the beginning or how it effects parts of the business





# 3 AREAS

OF OPPORTUNITY IN YOUR COMMERCIAL ENERGY CONTRACTS

**LEVERAGE • TIMING • DEEP DIVE ANALYTICS**



*Ok I will be blunt a lot of clients first say " hey I can do this myself" I negotiated 11% saving ..*

**Let me share what a specialist will look at and do for you:**

**1**

They have **LEVERAGE** to negotiate INDEPENDENTLY with the retailers, Example we negotiate **Over 100M Spend**

**2**

**TIMING** using market intelligence I cant stress enough the power of market intelligence and timing plays WHEN... to go to market and NO not always WHEN contract is due. Examples \$1m saving over 3 years, \$180k saved 3 years \$1m spend...

**3**

Deep dive analytics -

- › Peak Demand
- › Are you on the right tariff
- › Review of operational procedures that influence costs to run an analysis ROI.





# Energy Saving – LED Lighting

## What is your business missing out on?

Quality LED high bay retrofit delivers exceptional ROIs and fast payback. State incentives and financing can further increase the returns.

A typical 400W metal halide lamp can cost up to \$450 annually. Our ultra efficient LED reduces that to \$100. Plus you get improved lighting with ZERO maintenance and 5 year warranty.



## Did you know high bay retrofit saves Petbarn 77% in energy?

Get in touch with us for a savings proposal



Send all pages of your Energy bill



Number of high bay lights



Hours of operation



We will send you a savings proposal





# 10 REASONS

TO MANAGE SUPPLIER RELATIONSHIPS AND WHAT ARE THE BENEFITS



- 1** Measurement directs behaviour. Most employees consciously or unconsciously operate on the following assumption: "tell me how you measure me, and I will tell you how I will behave."
- 2** Measurement makes performance visible. If it's not being measured, it simply can't be managed
- 3** Measurement focuses attention. When people are faced with so many competing demands on their time and resources, what is measured tends to get their attention particularly when it is linked to reward systems.
- 4** Measurement clarifies expectations. Measures are a primary means by which management can communicate its expectations to employees, in a clear and unambiguous manner.
- 5** Measurement increases objectivity. Measurement is essential to "managing by fact" – otherwise you are left to lead with charm and personality.
- 6** Measurement improves execution. As former Allied Signal CEO and co-author of Execution Larry Bossidy has remarked "when I see companies that don't execute, the chances are that they don't measure."
- 7** Measurement promotes consistency. Unmeasured systems tend to be highly variable systems, with all the negatives for quality that implies.
- 8** Measurement facilitates feedback. Feedback in the form of timely, relevant measures is the basic navigational device of any individual or organisation.
- 9** Measurement improves decision-making. One of the major causes of failure in decision-making is poor or non-existent use of data. One accurate measure can be worth a thousand opinions.
- 10** Management promotes understanding. Quality guru W. Edwards Deming thought that systematic process measurement led to the "profound knowledge" that was essential to top quality outcomes.





# Managing Supplier Relationships

## Supplier meeting outcomes

AREA	DETAIL	Comments/Action points
1. Snapshot report	<ul style="list-style-type: none"><li>› Discuss</li></ul>	
2. Executive summary	<ul style="list-style-type: none"><li>› Discuss</li><li>› Determine action points</li><li>› Agreed due dates/follow up dates</li></ul>	
3. Feedback from actual end users	<ul style="list-style-type: none"><li>› From end user.</li><li>› C Suite</li><li>› Operations team</li><li>› Warehouse managers</li></ul>	
4. Market information	<ul style="list-style-type: none"><li>› Competitors product/service</li><li>› Acquisitions/mergers</li></ul>	
5. Risk	<ul style="list-style-type: none"><li>› Product being superseded</li><li>› Government legislation pending</li><li>› OHS</li><li>› Price wars</li><li>› Brand devaluation</li></ul>	
6. Issues	<ul style="list-style-type: none"><li>› Discuss</li><li>› Action points</li><li>› Resolution dates</li></ul>	
7. Damages/return fo credits	<ul style="list-style-type: none"><li>› Metric against %</li><li>› Identify possible causes</li><li>› Is supplier holding up the process</li></ul>	
8. Leverage	<ul style="list-style-type: none"><li>› Look at sales, usage.</li><li>› Consolidation opportunities</li><li>› Industry update</li><li>Internal benchmarking</li><li>Identify strong performers and find out how &amp; why, their methodology for achievement &amp; share.</li></ul>	
9. Value add	<ul style="list-style-type: none"><li>› What value add ideas can you bring?</li></ul>	
10. Bundling opportunities	<ul style="list-style-type: none"><li>› Are there bundling opportunities?</li><li>› Consolidation</li><li>› Value add services</li><li>› Geographical opportunities</li></ul>	
11. Payment terms	<ul style="list-style-type: none"><li>› Review what's actually happening</li><li>› Any opportunities?</li></ul>	