



**Expense Reduction
Analysts**

Specialist Procurement Advisors

Supplier Relations Guide

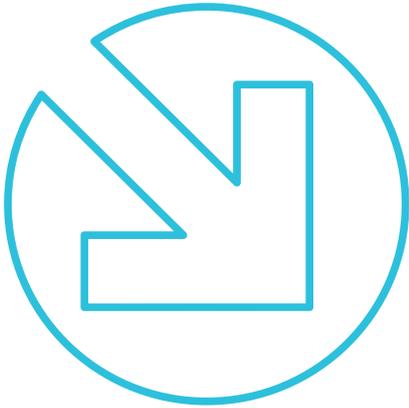
“what are you capable
of delivering”

Smarter spending



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Introduction Specialist Procurement Advisors - Smarter Spending

Expense Reduction Analysts UK & Ireland (ERA) is part of a global network of Specialist Procurement Advisors.

Our teams enable organisations to save money and boost business performance through effective procurement, improved supplier management and smarter spending habits. ERA's sector specialists build long-term relationships with medium to large enterprises, going beyond short-term gains to deliver objective analysis, informed market expertise and continued financial benefits.

We value both client and supplier relationships and work closely with the supplier market to achieve this objective. We learnt many years ago the most powerful question we can ask you is:

“what are you capable of delivering?”

We recognise that for any supplier-client relationship to function effectively, both parties must be able to fulfil their business objectives. If you can help our clients to reach their business objectives, by delivering more (however that is defined), then we know ERA and its clients will be able to help you achieve your business objectives.

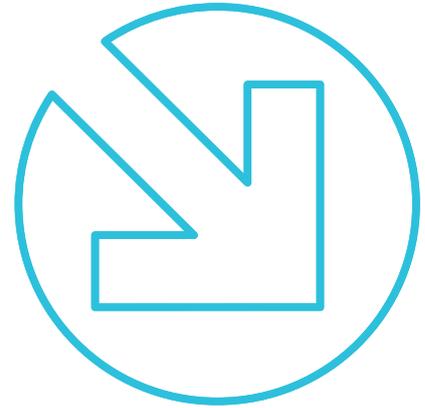
We take a long-term view of the market. Although we act as an extension to our clients' own purchasing teams, and are charged with obtaining best value from suppliers, we understand that those suppliers also need to run profitable and sustainable businesses.

Real value can be brought to our mutual clients if we can encourage and facilitate innovation and alternative solutions to the client's current buying needs. You are the key to this for us.

This document is designed to help you understand how the ERA process works within the context of the supplier-client relationship and to understand our Code of Practice. We hope that this document will help you work effectively within our process to retain and win more business.



Frequently asked questions



As a quick reference guide for you and your organisation, we have prepared some of the most frequently asked questions that suppliers ask about working with Expense Reduction Analysts. We recognise we could never predict every question you may have, therefore if you have a question which is not covered by this document, please feel free to ask.

Question

As an incumbent supplier, are you looking to take my account away?

Answer

Absolutely not! Expense Reduction Analysts has been retained to obtain the best value in terms of quality, service and price. In 50% of the assignments we manage the incumbent(s) retain the business. In ensuring we achieve best value it is our standard procedure to include the incumbent supplier(s) in the RFP process. In working with the client and supplier(s) we often identify efficiencies, which can help to adjust (or streamline) buying methods. These, in turn, could enable you to provide the client with the better value they seek.

Question

Are you looking for the cheapest price?

Answer

Absolutely not! We are only paid a fee if we show that we have been able to deliver best value. Best value to us is a combined measure of service levels, delivery standards, quality, reliability and price.

Question

Do you have your own favoured suppliers?

Answer

No. Consultants select suppliers for inclusion in the competitive proposal list on the basis of meeting each of our clients' individual needs and ensuring potential suppliers are aligned to the business objectives of the client. ERA Group Office maintains a central database, which holds records of the suppliers with whom we have worked. These records hold relevant information on goods and services offered by the supplier and a history of our experiences with the supplier. This information is used to select a number of alternative suppliers whom we consider are the best match for the clients' criteria on each project.

Question

Do you receive any income from suppliers?

Answer

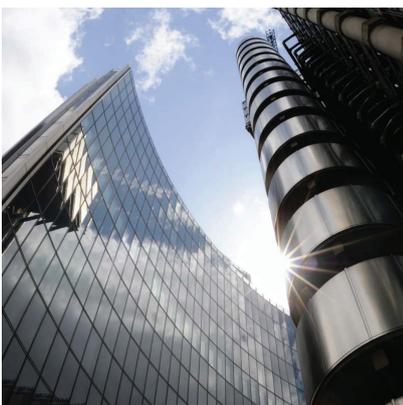
Our fees are paid by our clients. Expense Reduction Analysts is totally objective and independent of suppliers and this is the key to the success of our service. We have a strict policy of taking no form of hidden payment from any supplier, so you can be confident that every assignment is transparent and handled impartially, honestly and openly. In the event that structured rebate schemes or third party commissions enable better pricing for our client, then ERA may take advantage of these, but only after full disclosure and discussion with our client.

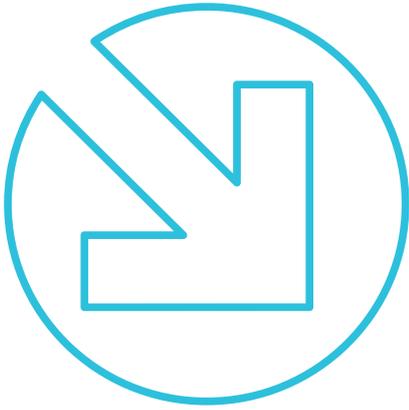
Question

I have submitted RFPs to you before but never had any feedback!

Answer

All consultants should notify you if you have been unsuccessful with a proposal and also let you know some of the reasons why the client did not select you over others. If this does not occur, please contact the consultant directly to request feedback or let ERA Group Office know so we can help improve our own performance.





How we operate with Suppliers

If you are an incumbent or prospective supplier to a client who engages ERA to review a particular cost category, you can expect a courteous and professional relationship with the team of consultants involved. If at any stage in our dealings you do not feel we have met this promise, then please let us know via our feedback and complaints process shown on page 10 of this guide.

If you are the major incumbent supplier we will always strive to involve you in the review process early and ensure you have an even chance of retaining the business, unless the client has instructed otherwise. Using our collective knowledge and experience, we are generally able to quickly determine if our client is receiving the best value from their current suppliers. If we feel there is an opportunity to improve upon the value being received by our client by looking in the open market, or if our client has raised other service issues with the current supply chain, we will select and invite alternative suppliers to respond to an RFP, alongside the incumbent/s.

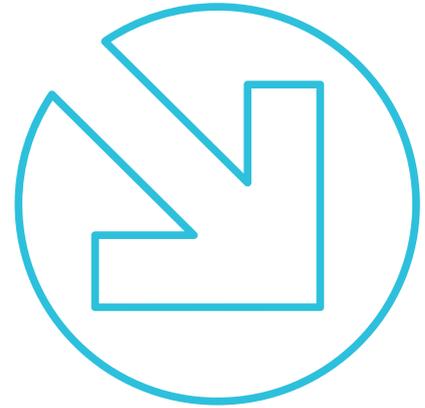
Historic notes within our Procurement System, based on our past experiences, will often determine whom we select. In other cases we may be approaching you for the first time, having identified you as a viable alternative supplier to our client by other means.

We always endeavour NOT to waste the time of any suppliers and subject to the market will usually invite a maximum of 4 to 6 suppliers into the RFP process. Often we may question you in some detail before issuing an RFP, to save you the time of preparing a proposal if your services are not a good fit to deliver best value to our client. We will always notify you if your proposal is unsuccessful and provide you with as much information as possible to help increase your chances of winning business through us in the future. As the incumbent or alternative supplier, do not mistake this as a chance to re-submit your RFP. We generally rely on the first responses and do not engage in multiple proposals or play supplier proposals off against each other.

Your early involvement in developing best practices within the supply chain is always encouraged as it should enable you to offer better value to the client. Assisting in the development of an improved process will demonstrate your commitment to the success of the project. We advocate close working relationships and see them as routes to best value, competitive pricing, efficient working practices and ultimately a long term profitable relationship for everyone involved.

Our consultants will record all supplier dealings within our Procurement System to help us build a long-term record of your service levels, pricing performance and overall client satisfaction with you.

How we operate with Suppliers (Continued)



What you can expect from us as a procurement advisor

- Professional respect and courtesy
- Discussions with consultants who fully understand the client's buying patterns, having completed a detailed review of historic purchasing
- The opportunity to submit an RFP on a level playing field along with any other existing suppliers and any other alternative suppliers)
- A prompt response to all reasonable questions
- Details of any possible changes in supply methods, which may enable better value to be offered
- An invitation to offer innovation or change to deliver our mutual client more value
- To be treated on a level playing field along with any other suppliers involved

- A full summary of relevant purchase patterns
- The opportunity to be entered into the supplier database within our Procurement Systems
- A copy of our letter of authority to negotiate on behalf of the client shall be provided on request
- A debriefing in the event of an unsuccessful Request For Proposal (RFP) response
- A suitable implementation schedule in the event of a successful RFP

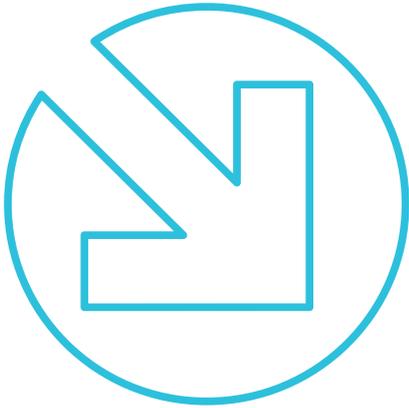
If you are an incumbent supplier you can also expect

- Early involvement in the review process
- Genuine impartial review of the of the current value for money being offered to the client

What we expect from you as a supplier

- Professional respect and courtesy
- Prompt responses to all communications
- Accurate detail on any RFP submitted to you
- Proposals which reflect long term best value and not just unsustainable headline rates to win contracts
- Respect for the contractual position our mutual client has awarded us to deal with you and for you not to approach the client directly in an attempt to circumvent the process
- Best value which is a combination of product/service quality, customer service and price
- For you to enjoy an acceptable profit margin for the product or services you provide to our joint client.
- Written confirmation that you are willing and able to comply with the Client's policy and practices on Anti-Slavery and Human Trafficking in accordance with the provisions of the Modern Slavery Act 2015.





How we operate with Suppliers (Continued)

If you win a Request For Proposal (RFP)

Our consultants will inform you when your proposal has been successful.

The main actions required are:

- Providing service level agreements and a price list based on the agreed prices to the client and our consultant
- Meeting with the client and our consultant to discuss operational efficiencies identified in the project as and when required
- Meeting with the client and our consultant to discuss and agree performance measures upon which ongoing service delivery will be monitored
- Providing usage reports to the client and consultant on an agreed frequency. This usually takes the form of a monthly review by our consultant
- Taking prompt action to resolve any problem or complaint identified by the client or consultant
- Keeping our consultants fully involved and informed of any problems you experience with, or any changes requested by, the client during the period of our engagement on this project

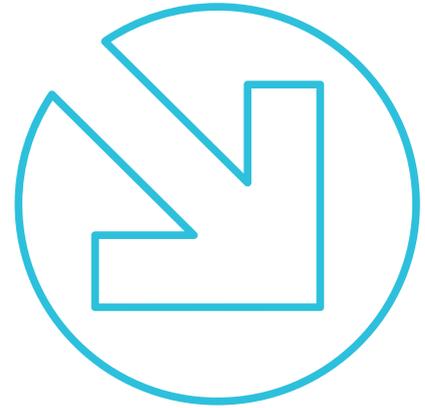
When introducing a new supplier to a client, our goal is to minimise the disruption to the client's business by having the new supplier fully operational as soon as possible.

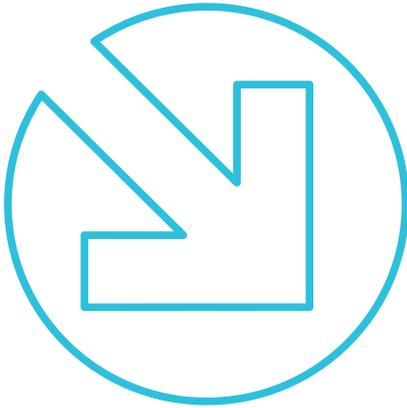
In addition to the points above the main actions required by the new supplier are:

- Meeting the client to discuss handover procedures and view other materials, as appropriate
- Coordinating with our consultant, particularly during the implementation period
- Meeting with the client and our consultant after the first month of operation to review progress, where required



The Expense Reduction Analysts process mapped out





Code of Practice

Fees

Our fees are paid solely by our clients and no form of hidden remuneration or payment is ever received by anyone in Expense Reduction Analysts from suppliers. In the event that structured rebate schemes or third party commissions enable better pricing for our client, then ERA may take advantage of these, but only after full disclosure and discussion with our client.

Unsolicited gifts

We wish to make it clear that under no circumstances do any of our consultants accept gifts from suppliers as remuneration. To avoid any confusion, gifts of any kind with a value greater than £50, including but not limited to vacations/travel, meals, event tickets, commissions, retail vouchers or gifts of any nature, are considered remuneration.

Conflict of interest

Expense Reduction Analysts works exclusively for the client in a consultative relationship and will not allow any dealings or negotiations on behalf of that client to be influenced by any outside work or offer of outside work by the supplier or any related party.

Confidentiality

We are committed to maintaining the highest degree of integrity in all of our dealings with potential, current and past suppliers, both in terms of normal commercial confidentiality and the protection of all personal information received in the course of providing our business service.

Ethics

We always conduct our services honestly and honourably, and expect our clients and suppliers to do the same. Our advice, strategic assistance and the methods imparted through our knowledge, take proper account of ethical considerations, and the protection of our clients and suppliers.

Duty of care

Our actions and advice will always conform to relevant laws and standard industry practices.

Contracts

Our client contract authorises us to represent our client in dealings with the supplier market but does not allow us to commit our client to any contractual obligations. Our clients, however, often rely on our experience in their final decisions regarding which supplier with whom to work with. Our contract binds us always to work in what we perceive to be a client's best interest.

Achieving best value

In all supplier negotiations and subsequent recommendations to our clients we will judge each offering on a basis of best value. A definition of best value shall include, but not be limited to, consideration of service levels, product quality, delivery terms, trading history, cost of change of supplier and price per unit. Expense Reduction Analysts will never recommend a change of supplier based on price alone.



Quality assurance

To maintain the quality of what we do, we conduct ongoing reviews of goals, activities, outcomes and cost effectiveness. These reviews are conducted via regular meetings with our clients and suppliers.

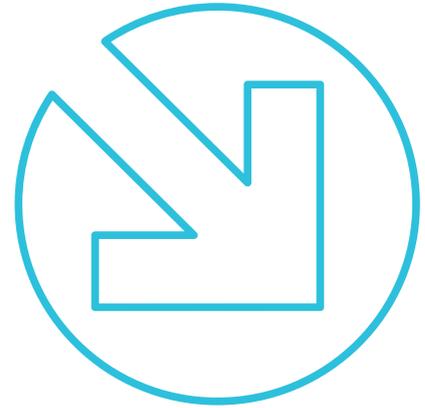
Professional conduct

We conduct all of our activities professionally and with integrity. We take great care to be completely objective in our judgment and with any recommendations that we make, so that decisions are never influenced by anything other than the best and proper interests of our clients.

Equality and discrimination

We strive to be fair and objective in our advice and actions and we are never influenced in our decisions, actions or recommendations by issues of gender, race, creed, colour, age, disability or any other factor not directly related to the needs of our clients.

Complaints procedure



Please note that although we attempt to be open in our dealings with you as a supplier, in some cases we may be bound by client instructions which prevent us from disclosing certain details to you or your representative.

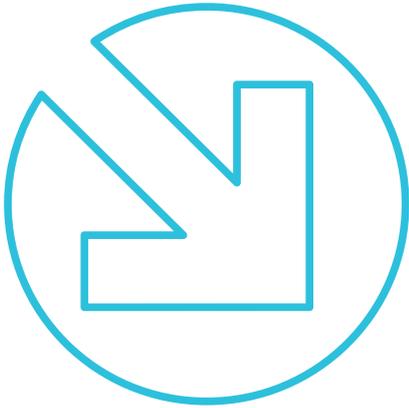
These instructions may conflict with your belief of our client's views. Although there is nothing we can do to prevent these instances, we thank you in advance for your understanding.

To further our commitment to supplier relations we have a disputes and complaints procedure. Should you ever feel that you have grounds for complaint, this should be raised with the consultant in question.

Should the matter fail to be resolved to your satisfaction, you should send an e-mail detailing your concerns to ERA Group Office at suppliers@erauk.net or alternatively you can call 02380 829 737

We will acknowledge receipt of a complaint immediately and ask any further questions we may have at that stage. We will then investigate the complaint internally and report back to you with our findings.





Our Procurement System

Benefits of inclusion

Inclusion in the supplier database within our Procurement System gives you an additional channel to market your products and services. Expense Reduction Analysts has a team of consultants who, on behalf of hundreds of clients, have a purchasing influence on hundreds of millions of pounds per year. Suppliers who are able to meet our clients' requirements for best value have the opportunity to win substantial amounts of new business at no direct sales cost to themselves.



Entry into our Procurement System

An Expense Reduction Analysts consultant will usually meet with suppliers who are new to our organisation to gain relevant information with regards to the company and the goods and services it offers. The consultant will then enter these details into our database.

E-mail Group Office at suppliers@erauk.net or phone **02380 829 737** or register online at www.expense-reduction.co.uk and click on the supplier section.

If you have marketing information in electronic format, for example catalogues or presentational material, which you feel we should know about, please forward these to suppliers@erauk.net and they will be added to your record.

Update procedure

In order to keep your database entry up-to-date please inform Expense Reduction Analysts of any changes, such as contact details and the range of products or services you provide. You can do this by contacting a consultant, who will update the record accordingly. Alternatively you can e-mail the changes to suppliers@erauk.net.

Smarter Spending

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Visit us at:

www.expense-reduction.co.uk

www.expense-reduction.ie



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