



**Expense Reduction
Analysts**

Understanding Our Relationship with Suppliers

A guide to unlocking the opportunities
of good supplier-client relationships



Value Through Insight™

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We strive for long-term partnerships based on teamwork, trust and transparency

Value Through Insight™

01

Introduction



Expense Reduction Analysts (ERA) is a global network of more than 700 consultants in over 30 countries. Our mission, since 1992, has been to deliver value to our clients by finding savings in expenses without affecting operational efficiencies, or quality of service.

ERA works with thousands of clients worldwide to ensure they receive the best value in terms of price, process, quality, and service. ERA values both client and supplier relationships and works closely with the supplier markets to provide the most current and relevant information to our clients.

As a supplier, you'll be pleased to learn that the ERA process is about more than just price. Our subject matter experts (Solution Delivery Specialists) collaborate with suppliers to identify opportunities for our clients to improve service, technology, and supplier support.

ERA is a consultancy firm specialized in cost optimization and supplier management aiming to obtain improved value from our clients' suppliers, while simultaneously recognizing that suppliers also need to run profitable and sustainable businesses.

This guide is designed to help suppliers understand the ERA process, how we engage with suppliers and your involvement in the supplier-client relationship. ERA values the opportunity to create long-term sustainable relationships with suppliers for current and future dealings.

Frequently Asked Questions

Q Is Expense Reduction Analysts looking to take the incumbent supplier's account away?

Absolutely not. ERA has been engaged to obtain the best value in terms of quality, process, service, and price. In more than 60% of the assignments managed by ERA, the incumbents retain or increase the business. It is ERA's standard procedure to include incumbent suppliers in the fair and neutral process of achieving optimized results. When using our unbiased method with the client and supplier(s), we often identify efficiencies that can help to adjust (or streamline) purchasing methods. These, in turn, could enable the incumbent suppliers to provide the client with the better value they seek.

Q Is Expense Reduction Analysts looking for the cheapest price?

No. Our goal is to source a competitive solution for our clients that meets or exceeds their requirements. These requirements will always include price as a consideration. However, other factors are evaluated - such as the quality of the product/service, process improvement, account management and value-added offerings. ERA's engagements typically extend for 24 months post-implementation of the new arrangements, and any pricing agreements or quality and service offerings must be sustainable. If ERA or the client determines that the arrangements are unsustainable or unsatisfactory, our ongoing commitment to our clients would be to source alternative solutions as part of our engagement. The additional time and resources needed by all parties to do this may significantly impact the difference realized from the lowest-cost option.

Q Do you have your own preferred suppliers?

No. Our consultants research the market in the best interest of our clients. They review suppliers based on meeting each clients' individual needs, ensuring potential suppliers align with the business objectives of the client. In a typical scenario, ERA will invite incumbent suppliers, client-nominated suppliers and alternative suppliers that ERA believes can fulfill the client's specific requirements.

Q How is ERA remunerated?

ERA is remunerated by the terms according to our engagement agreement and any bonuses, incentives, commissions, or referral fees in any supplier offering are transparent to our client.

Q I have submitted tenders to you before but never had any feedback! Why?

Our consultants should notify you if you have been unsuccessful with a proposed solution and advise you of the reasons why the client did not select your service. If this does not occur, please contact the involved consultant directly to request feedback or contact supplier@expensereduction.com to make ERA aware of the situation. We want you to be informed about the decision-making circumstances for future opportunities.

How the ERA Process Works



ERA considers all those involved, and every step is examined closely so that all parties benefit from the agreements.

“The personal relationship we’ve formed with ERA over the years is a testimonial to the value of knowing and believing in who you work with. ERA and Echo have operated as mutual advocates and strategic partners for their respective clients, enabling both companies to deliver maximum value and service. The combination of ERA’s business development relationships and category expertise, and Echo’s resources and technology has proven to truly deliver value to the client, ERA and Echo over the long term. We are excited to build on our success with ERA for many more years to come.

Matt Walsh, Director of Business Development,
Echo Global Logistics (US)

How ERA Operates With Suppliers

Whether you are an incumbent or alternative supplier to a client who engages ERA, you can expect an unbiased, courteous and professional relationship with a team-oriented approach focused on delivering solutions to our clients in a timely and sustainable manner.

ERA will always strive to involve incumbent suppliers in the early stages of the review process unless otherwise instructed by the client. By doing so, we can better understand their relationship with our clients and ensure they have an opportunity to retain the business. ERA consultants utilize their collective knowledge and expertise to quickly determine if current products and services purchased by the client reflect the best value at a fair market price. If we believe there is an opportunity to improve value for the client, or if the client raises concerns with the existing supply chain, a project review will occur. In this event, our consultants will select and invite qualified alternative suppliers to participate in the project review, alongside the incumbents.

Benefits of Working with ERA

ERA consultants commence and maintain regularly large numbers of cost review projects, many of which involve reviews with multiple suppliers. Suppliers can benefit from the additional business development channel that ERA offers by making ERA aware of their product, service, and unique value proposition.



What Suppliers Can Expect From ERA

- Professional conduct 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 a proposal along with other qualified suppliers
- A timely 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 greater value to our mutual client through product or service alternatives or innovations
- To be treated fair on a level playing field, along with other suppliers in consideration
- A full summary of relevant purchase patterns
- A copy of the letter of authority to negotiate on behalf of the client shall be provided upon request
- A debriefing in the event of an unsuccessful response
- A suitable implementation schedule in the event of being awarded as future supplier
- Ongoing monitoring of implemented arrangements for a minimum of 24 months. This commonly helps support client purchasing behavior, establishes ERA as a mediator for any supplier or client disputes and protects against competing suppliers eroding the new arrangements.

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Thanks to the great work by ERA, we've been able to retain our existing supplier but on significantly enhanced terms, so we've got the best of both worlds! We're able to maintain existing relationships, save money and feel confident that we've got water tight policies in place. What more could you ask for?

**Phil Bannister, Head of Operations,
Harpenden Building Society (UK)**

What ERA Expects From Suppliers

- Professional conduct and courtesy
- Prompt responses to all communications
- Accurate detail on any requirement submitted to suppliers
- Proposals which reflect long-term best value and not unsustainable offers to win contracts
- Submitting your best offer at the first opportunity. ERA does not believe in multiple rounds of negotiations without strong reasons. We encourage all suppliers to put their **best** proposal forward in their first response.
- Respect for the contractual position the client has awarded ERA to deal with all suppliers and for suppliers not to approach the client directly in an attempt to circumvent the process
- Best value which is a combination of product and service quality, customer service, process and price
- For suppliers to enjoy reasonable profit margin for the product or services they provide to our client
- Consistently meeting commitments specified in proposals, service level agreements and other arrangements



Benefits of Inclusion in Our Process System

Inclusion in our supplier database gives suppliers a long-term channel to market their products and services within the ERA Network. ERA has a team of consultants who, on behalf of thousands of clients, have a procurement influence over hundreds of millions of budgets per year. Suppliers who can meet the best-value requirements of ERA's clients can win substantial amounts of new business at no direct sales cost to themselves.

Entry in Our Database

An ERA consultant will meet with suppliers who are new to our organization to gain a better understanding with regards to the company and its offered goods and services. The consultant will then enter the supplier's information into our worldwide database.

If suppliers have marketing information in electronic format (for example, catalogs or presentation material that they believe ERA should know about) they can forward materials to: supplier@expensereduction.com

Update Procedure

To keep their database entry up-to-date, suppliers need to inform ERA or its consultant of any changes, such as contact details and the range of products or services provided. They can do this by contacting an ERA consultant, who will update the record accordingly, or by sending an e-mail to: supplier@expensereduction.com

Values of Our Relationships

Remuneration

ERA will be solely paid by its clients and no form of hidden remuneration or payment shall be received by any ERA consultant from suppliers.

Unsolicited gifts

ERA wishes to make it clear that under no circumstances should any ERA consultant accept gifts from suppliers as remuneration or to influence results.

Conflict of interest

ERA 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

ERA is committed to maintaining the highest degree of integrity in all their dealings with potential, current and past suppliers, both in terms of normal commercial confidentiality and the protection of all personal information received while providing their business service.

Ethics

ERA always conducts its services professionally and ethically - and expects its clients and suppliers to do the same. ERA consultants' advice, strategic assistance and work methods are implemented with the ethical considerations and the protection of their clients and suppliers in mind.

Duty of care

ERA's actions and advice will always conform to relevant laws and standard industry practices.

Client agreements

The consulting engagement with our clients authorizes ERA to represent the client in dealings with the supplier market but does not allow ERA to commit their client to any contractual obligations. The clients, however, often rely on ERA's experience in their final decisions regarding which supplier to work with in the future. The client agreement binds ERA to always work in what ERA perceives to be a client's best interest.

Achieving best value

In all supplier negotiations and subsequent recommendations to our clients, ERA will evaluate 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, performance history, cost of supplier change and price per unit that provides the greatest overall benefit under the specified selection criteria. ERA will never recommend a change of supplier based on price alone.

Quality assurance

To maintain the quality of what ERA does, ongoing reviews of goals, activities, outcomes and cost effectiveness are conducted via regular meetings with ERA's clients as well as suppliers.

Professional conduct

ERA conducts all their activities professionally and with integrity. ERA takes great care to be completely objective in their decisions and with any recommendations that they make, so that decisions are never influenced by anything other than the best and proper interests of their clients.

Equality and discrimination

ERA strives to be unbiased, fair and objective in its advice and actions and is never influenced in their decisions, actions or recommendations by issues of gender, race, creed, age, disability or any other factor not directly related to the needs of their clients.

Complaints Procedure

As a further commitment to supplier relations, ERA has adopted a procedure for disputes and complaints. Should any supplier feel that they were not treated fairly, they should raise the matter with their ERA consultant. Should the matter fail to be resolved to their satisfaction, the supplier should send an email detailing their concerns to: supplier@expensereduction.com

ERA will acknowledge receipt of a complaint immediately. The complaint will then be investigated internally and ERA will report back to the supplier with the findings.

Please note that although ERA attempts to be open in all dealings with suppliers, in some instances we may be bound by client instructions that prevent disclosure of certain details to suppliers or their representatives.



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