

ERA does the heavy lifting for TJ Transport, delivering impressive results across a number of categories

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| CLIENT: | TJ Transport |
| SECTOR: | Construction |
| COST CATEGORIES: | Fuelcards, Utilities, Merchant Card Fees, Tyres and Tyre Management, Communications (ongoing), Temporary Labour (ongoing), Plant Hire (ongoing), Workwear (ongoing) |

Expense Reduction Analysts exceed financial and qualitative targets for leading Bulk Haulage provider, TJ Transport, resulting in an extended partnership to look at further cost categories.

THE CLIENT

TJ Transport Ltd is a leading bulk haulage provider, serving the construction, building materials and waste industries. For over 20 years, TJ Transport Ltd has operated through a network of quarries and wharves around the UK, providing an all-encompassing service for commercial customers.

THE CHALLENGE

John Gosling, Managing Director and Barry Curtis, Finance Director of TJ Transport met with ERA Principal Consultants Keith McGregor and David Keating in May 2018 to explore the possibility of finding hidden savings within their business.

From this meeting ERA were able to scope a programme of work with the potential to deliver substantial cost reductions over a number of areas of the business.

The immediate priority was Fuelcards and Utilities due to their level of spend and imminent contract maturity. Keith and David engaged Duncan Rogers and Steve Letley, experts from ERA's Transport and Utilities teams respectively.

Duncan's initial assessment highlighted opportunities to improve the value for money achieved on Fuel and Fuelcards whilst maintaining the very specific coverage requirements for TJ Transport's fleet. Following a market review Duncan was able to table a number of options that would allow TJ to reduce their costs whilst improving payment terms which, for what is a substantial cost to TJ's business, was of huge benefit. TJ, Duncan and the new suppliers worked together to implement the new solution which was rolled out in line with TJ's own driver training schemes.

SUMMARY OF SAVINGS



TOTAL SAVINGS FOR TJ TRANSPORT TO DATE: →£161,000



ERA has demonstrated a clear understanding of our requirements from a product, service, and quality perspective in all areas they have reviewed. It's clear they have the expertise and in depth understanding of the cost areas and have been able to put forward sustainable value adding solutions for our business.

BARRY CURTIS,
FINANCE DIRECTOR, TJ TRANSPORT

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Steve's review of utilities determined that it was important to maximise TJ's leverage in the market by bringing all contracts towards common end dates such that all requirements were tendered at once. This process was undertaken in a couple of stages that resulted in the alignment of all contracts. The subsequent renewals have allowed ERA to buy TJ's utilities at opportune moments (when the markets are low), and well in advance of contract maturity.

The programme then moved on to reviewing Tyres and Merchant Cards Fees. Duncan used his experience in this area to review tyres, with Paul Davidson, an expert from ERA's Payments and Banking team was engaged to review Merchant Card Fees.

Duncan picks up the story:

"My initial assessment of the ratio of fuel spend compared to tyre spend suggested the spend on tyres was higher than it might be. My detailed assessment of the invoices from the incumbent suppliers confirmed this, and coupled with TJ's desire to reduce vehicle downtime it was clear to me that we could provide a solution that would reduce costs and improve tyre husbandry."

The review undertaken by Duncan put options forward that would allow TJ to make substantial savings across tyre purchasing whilst increasing on the road time via improved tyre maintenance and monitoring, and implementing a common brand across the fleet. The implemented solution has seen substantial cost savings, not only in prices paid, but from reduced vehicle damage and allowing TJ to keep the vehicles on the road for longer.

Paul Davidson's detailed analysis of the Merchant Card Fees suggested that costs may be able to be reduced whilst retaining the incumbent supplier. This was particularly important as in parallel TJ had an IT project ongoing that would impact on how card transactions were processed. Paul and Barry were able to work together on this review to ensure that the solution being put in place by the IT provider was fit for purpose from a card processing perspective, whilst generating savings. An additional benefit brought forward was that Paul was able to secure a named account manager at the supplier as a part of this process.

Paul commented "With these type of reviews the card transaction solutions are often embedded with our clients' businesses, and this was particularly the case with TJ where ongoing IT projects were also being undertaken. It was important in this review that I could use ERA's understanding of the Merchant Card Fees suppliers to put forward solutions without a change of supplier".

The initial phase of the programme reviewed 4 cost areas for TJ, and exceeded initial financial and qualitative targets ERA had agreed with the management team at TJ. The programme has now been extended to cover Communications, Temporary Labour, Plant Hire and Workwear.



The implemented solution has seen substantial cost savings, not only in prices paid, but from reduced vehicle damage and allowing TJ to keep the vehicles on the road for longer.

DUNCAN ROGERS
PRINCIPAL CONSULTANT, EXPENSE REDUCTION ANALYSTS

BENEFITS DELIVERED

- Restructuring of fuel purchasing to increase value for money
- Alignment of utilities contract end dates and buying in ahead when market rates are low
- Reducing Tyre costs, improving on the road time through improved tyre husbandry
- Worked with TJ's IT contractor and TJ to reduce Merchant Card Fees