

“Autumn leaves are coming down”... but are your business costs?

Submitted by: Auditel (UK)

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Auditel [<http://www.auditel.co.uk>] is the UK and Ireland’s leading provider of strategic cost management. It is designed to boost efficiency, reduce waste and deliver sustainable profit improvement. For the last two decades, our team of 200 highly-skilled professionals has built a reputation as trusted advisors to over 3,000 medium and large organisations.

Chris Allison, Auditel’s Managing Director says:

”Strategic Cost Management’ is far more aligned to the specific needs and future plans of the business than ‘Cost Reduction’. It is not just looking at the savings to be made from energy to phone bills but for them to be as cost-efficient as possible.

“For example, with the energy spend, it would be easy to find the cheapest deal on the market and make a decision based purely on cost. However, a key strategic priority for the business could be to decrease their carbon footprint. This means that the choice cannot be made simply on price.

“In the same way, switching phone providers may save money over a set time but does the new provider offer all the services required, to meet the company’s growth objectives over the same period?”

Auditel began to lay the foundations of Strategic Cost Management in 2012. Extensive independent research was undertaken and together with leading business publication Management Today, a survey was conducted. The results underlined the fact that there is a genuine lack of understanding in the business world between simple cost cutting exercises and strategic cost management.

The survey showed that you need a plan in place to make sure that those costs are monitored on a regular basis. You need the right people, tools, knowledge and processes. Many companies still choose to divert in-house resources from their strategic roles to carry out time-consuming cost management exercises. These may do little more than scratch the surface of what is achievable and then costs come flooding back. Here is a case study taken from one of our recent clients.

Riverhills Health Club and Boutique Spa

Formerly Clarice House, Riverhills is a classic country house that features an exclusive Health and Fitness Club, Day Spa and Health and Beauty Salons as well as a Hair Salon. Their association goes back to 2002 when there were three sites. Two were sold in 2015 and Clarice House Ipswich was re branded as Riverhills in 2016.

Outsourced Specialists

In the highly competitive health and beauty business, Managing Director Stuart King was keen to hand over his cost management to outsourced specialists.

He says: “Like any business we knew we had to keep on top of all our overheads, not just those that demand attention. As a dynamic 24-hour organisation, we just didn’t have the tools or the contacts to do this 100% of the time – through outsourcing, we could focus better on our customers. In 2002, we appointed Auditel and continue to appreciate their advice and management to this day.”

Positive Outcomes

Over all these years, Auditel have found significant savings, but also, as Stuart adds: "We've had experts on call for any issues or new opportunities as they arise. We have established an honest trusting relationship. Auditel not only analyses costs, tenders suppliers and recommends improvements. They also implement and project manage those changes."

Here are just a few examples of how Auditel's approach adds value:

Swimming Pool Lighting

Auditel audited and supplied the LED lighting and project-managed the installation of new energy meters in the swimming pool area and elsewhere. They delivered significant cost savings and also improved their guests' experience.

Gas for oil

Auditel recommended changing the gas-fired burner to oil-fired. They managed the entire process from initial quotations through to the implementation and achieved a 50% annual saving by the switch.

Money down (the wrong) drain!

Auditel realised that the water bills were higher than expected. They found that the client had been paying the water bill for properties across the road! A £1,000 rebate was paid by the water company and significant annual savings continue to flow back.

Stuart King is full of praise...

"Auditel provides an essential service if you're serious about outsourcing to concentrate on what you do better than anyone else. I feel that they're a part of my team, as much as my management colleagues. I haven't had to speak with, complain to or contact any telecoms, energy or water companies now for over 14 years - not sure how you can measure that!"

Initial Savings Breakdown

Fixed Line 21% pa

Water £1,000 Rebate
2% pa

Gas £33,163

Electricity £39,880
32%pa

Since 2002, Auditel have made savings for the Group of over half-a-million pounds

Chris Allison agrees: "By outsourcing your organisation's cost management to Auditel, your team will regain the time and peace of mind to use their talents and excel in their specific areas.

"Why not contact us today to book your Strategic Cost Review? We can fit you in before all the leaves have fallen!"

About Auditel.

For over 21 years, Auditel has been reducing financial waste and improving bottom-line profits for thousands of organisations throughout the UK and Ireland with their strategic cost management. Their clients range from small businesses to global brands such as Pizza Express, YMCA and Oxford University. Auditel's flexible fee structure gives clients' the choice and the ability to manage cost and strategy for the long term.

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