



Case study - 3.5T commercial fleet cost reduction

Chilled food manufacturer reduces total cost of commercial delivery fleet through detailed cost analysis and market testing

Client

Chilled food manufacturer operating a commercial refrigerated fleet of 190 3.5T Mercedes Sprinters and 40 HGV's ranging from 7.5T up to 44T.

As part of a wider procurement programme, fleet cost reduction identified as key driver of savings.

Approach

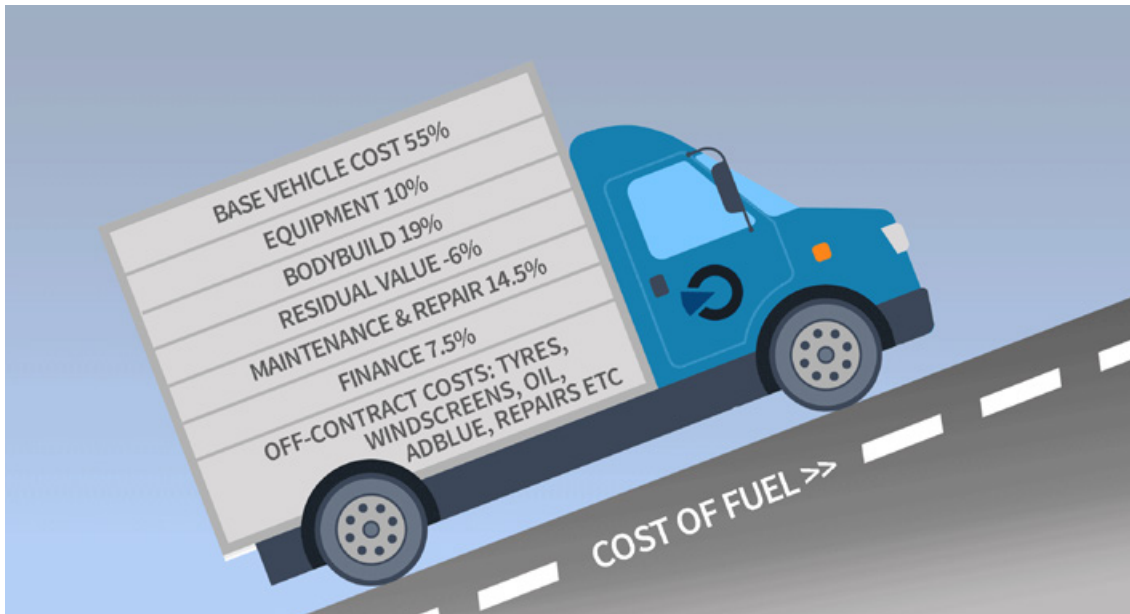
Undertook a complete spend analysis of 'contract' and 'off-contract' spend.

Identified through market analysis and deep dive into the cost components of the vehicles, opportunities for more cost effective components which can also be double-lived.

Developed the strategy around a 6 year replacement programme to realise the optimum savings benefit.

Results

- Strategy in place to realise 16.8% cost reduction through a change in manufacturer of high cost vehicle components
- 6 year TCO model to double life after the initial 3 year lease term:



- Additional savings realised in new agreement through previously chargeable non-contract spend items being included in the new agreement as standard



We are specialists in procurement cost reduction. Our consultants work closely with all kinds of organisations to improve their profitability through identifying, delivering and maintaining savings in procurement expenditure. A relentless focus on bottom-line results combined with our deep supply-market knowledge ensures that spend is optimised – and stays optimised.

- Our team has achieved over £20m in savings
- Projects are self-funding with no risk for clients
- We work closely with your people to embed best practice
- Our unique spend intelligence service ensures ongoing savings

Identifying savings | Delivering savings | Maintaining savings

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