



Case study - Airline saves 45% on cost of livery

Airline saves 45% on cost of livery by challenging the incumbent supplier and creating competition in the supply-market

Client

European regional airlines provider

- Flying 5 million+ passengers a year on over 100 routes
- A fleet of over 70 aircraft

Approach

A long-term incumbent supplier tends to become comfortable when not carefully managed.

Lack of strategic contracts, regular market research, and benchmarking by the customer/client was leading to consistent price increases over time.

The above two points were addressed with urgency in this project.

Results

- A price reduction of 29% was achieved by direct negotiation with the incumbent in the short-term.
- New material and technology was identified by market research.
- A tendering activity was completed with leading suppliers in the market.
- The most capable v competitive supplier was selected, and a 3+2 year contract was agreed with a Termination for Convenience clause in favour of the client.
- A total of 45% combined cost and price reduction was achieved.
- A lead-time reduction of 20% was achieved.



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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