



From Waste to Value: How ABB Spain Earned €750,000 annually with ERA Group

A CEO's guide to transforming indirect costs into lasting efficiencies



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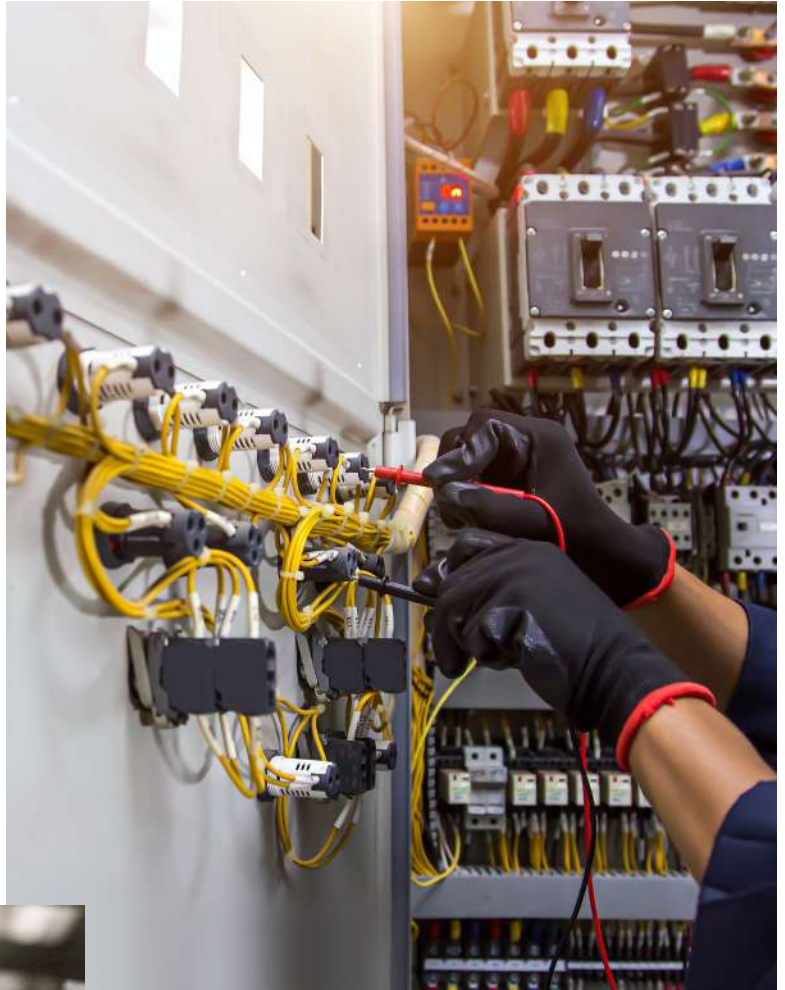
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Global Technology, Local Challenges

From satellites orbiting the earth to power stations at the bottom of the sea, ABB's technologies touch almost every corner of modern industry. Asea Brown Boveri (ABB), the Swiss-Swedish leader in electrical engineering and industrial automation, headquartered in Zurich, operates in over 100 countries, employs more than 135,000 people, and generates revenues of €36 billion annually.



In Spain and Portugal, ABB is recognised for its centres of excellence and pioneering projects, driving innovation in robotics, electrification, and automation. Yet even world-class engineering companies face challenges when it comes to costs that don't sit at the heart of their operations.

As Rafael Suñé, former CPO for ABB Spain and Portugal, recalls:

“We were doing very well with direct costs, but we were forgetting about the indirect costs. And when you add them up across multiple sites, they amount to a very big sum.”

This realisation opened the door for ABB to explore how ERA Group could help.



The Challenge: Complexity in Indirect Costs

Indirect costs - cleaning, office supplies, landscaping, and waste management - may not drive product innovation, but they directly affect profitability. At ABB Spain, five factories and up to 25 cost centres were handling procurement independently.

The result was fragmentation:

- **Multiple suppliers (10–15 in some categories).**
- **Duplication of effort across sites.**
- **No consolidated strategy for overheads.**

Adding to the complexity were compliance requirements. Spanish law (LISMI - LGD) requires companies of ABB's size to demonstrate active inclusion of disabled workers - either through direct hiring, working with Special Employment Centres, or contributions to foundations. ABB also needed suppliers to meet the company's strict global Supplier Qualification System.

The challenge was clear: simplify and consolidate indirect costs, deliver savings, and meet social responsibility obligations - all without disrupting daily operations.

Turning Insight into Action

ERA Group's approach was to blend specialist expertise with practical, on-the-ground engagement.

The project began with a full audit of the four categories:

- Cleaning
- Office supplies
- Landscape services
- Waste management (hazardous, non-hazardous, and metallic/scrap)

Luis Ybarra, expert at ERA Group, appointed a dedicated group of experts. Each worked side-by-side with ABB's designated contacts, while coordinating with factory managers across Spain.

The process involved:

- Benchmarking existing contracts against market data to identify overpricing.
- Consolidating suppliers to reduce from as many as 15 providers in some categories down to just 1-2.
- Embedding CSR requirements into supplier negotiations, ensuring ABB met both its Supplier Qualification standards and LISMI/LGD obligations.
- Maximising scrap value: instead of focusing only on lowering costs, ERA improved the revenue ABB received from selling metallic waste - increasing returns by 24%.

Communication was critical. Analysts visited factories, engaged directly with stakeholders, and ensured minimal disruption. Initial scepticism soon gave way to confidence.

As Suñé explains:

🗨️ **When we started, some employees were reluctant to share information. But once ERA consultants spoke personally to each team, everything became more positive.** 🗨️



Results: €750,000 Saved and More

The collaboration delivered annual savings of €750,000, equivalent to up to 25% across the four categories.

Breakdown of results:



Cleaning
32%
SAVINGS



Office supplies
38%
SAVINGS



Landscape services
28%
SAVINGS



Waste
22%
SAVINGS
(plus 24% increased revenue from scrap sales)

Beyond the numbers, ABB gained:

- A simplified supplier base, reducing administrative burden.
- Stronger alignment with CSR obligations.
- A more motivated procurement team, encouraged by the visible impact of joint efforts.

As Suñé notes:

BB The results have been excellent. It is exceptional, not only for the savings achieved, but also for the reduction of the administrative process. This has helped people see that joined efforts bring better results. **QQ**



Scan the QR code to view the
ABB Client testimonial

Lessons for Business Leaders

The ABB Spain project demonstrates that even companies with world-class procurement for direct costs can leave significant value untapped in indirect categories.

With ERA's category specialists, ABB not only secured financial savings but also built processes that reduced complexity and strengthened compliance.

"The key to success resides in the professionalism of ERA. They are experts, people who know each category in depth. When you rely on experts, it becomes simple to achieve the objectives you set." - Rafael Suñé, CPO, ABB Spain and Portugal



Conclusion: From Fragmentation to Focus



What began as a fragmented approach across five factories and 25 cost centres became a unified strategy that saved ABB Spain three-quarters of a million euros annually.

By leveraging ERA's insights, ABB was able to:

- Reduce supplier fragmentation.
- Unlock hidden savings in overlooked categories.
- Ensure compliance with both corporate and national requirements.
- Motivate its teams through visible, shared success.

For business leaders, the message is clear: indirect costs matter. Managed strategically, they can deliver savings, simplify operations, and reinforce corporate values.

ERA finds savings where you least expect them - turning complexity into capital for growth.



BB The key to success resides in the professionalism of ERA Group. They are experts, people who know well each of the materials that we have set to work. Therefore, it was actually quite simple. When you rely on an expert for each account, it is easy to reach to objectives that you have set. **qq**

RAFAEL SUÑÉ, CPO, ABB SPAIN





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