

METCO Services find great annual savings

CLIENT Emerson Group

SECTOR Commercial

COST CATEGORIES Insurance, Office Supplies, Utilities.

THE CLIENT

METCO Services is an Emerson Process Management business and is the largest specialist provider of impartial liquid and gas flow measurement and metering related services worldwide.

Originally established in 1976 as ICE, METCO services started out as a supplier of field technicians to the St Fergus gas plant in the North East of Scotland. Since then, the company has expanded significantly and joined the Emerson group in 1999.

THE CHALLENGE

As the business continued to grow in recent years, financial director Andy Lowden became increasingly concerned that there were inadequate systems in place to manage the company's suppliers. Andy Lowden, Finance Director "I was aware that we needed a thorough look at what we were spending and that we didn't have the resources to do this ourselves," explained Andy.

"There was an understandable tendency to focus on growing the business rather than the ongoing operational running costs, coupled with the fact that we didn't have the detailed knowledge that Expense Reduction Analysts' specialist consultants have. We weren't managing some of our key suppliers as effectively as we could have been and we weren't able to devote the effort to thinking about the relationships we had with them and the value they offered."

METCO Services enlisted the help of ERA, a global leader in cost and purchase management in April 2008 and the process began with a look at its insurance suppliers, which was followed by workwear and PPE.

Further projects included office supplies and short-term car hire, where METCO Services has reduced its costs by 32 per cent and 26 per cent respectively. Next, the company will closely examine its taxation advisory services and utilities spend.



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**ANDY LOWDEN,
FINANCE DIRECTOR, METCO SERVICES**

"To get a better understanding of what was needed, our team worked very closely with METCO Services' staff who were involved with procurement," explained Graham Geddes, the associate at ERA who managed the review.

"It was also important for METCO Services to liaise with their parent, Emerson Group, to ensure that our recommended suppliers were in line with their policies. However, despite the parent company's general purchasing power, the prices we were able to influence in our focussed projects were lower. Suppliers were then selected based on both the value they offered in terms of cost and the fit they had with the company's values and aims."

Andy has also noticed a change in the company's culture, which reflects a greater awareness of cost management. He summarises, "We've taken the inefficiency out of our processes and our suppliers feel we're a better customer because of it."