

Energising Your Procurement

A local organisation reduces its energy spend.

Benefits Achieved

Savings: A total reduction in energy portfolio costs of 23% or £1.1million.

Invoice Processing: Reductions in invoice processing costs of £60,000.

Quick Wins: Quick wins of approximately £90,000 used to fund the project and minimise cost risks.

Green Outcomes : Carbon reductions of 15% across the portfolio.

OrangeMaple

OrangeMaple is an established operations and procurement transformation company.

Using a range of tools we help leading private and public sector organisations achieve savings and efficiencies in their operations and procurement functions.

The Challenge: A leading and well-respected organisation based in central London realised that market conditions and their current energy practices had led to a 124% increase in energy spend between 2004 and 2008.

As energy spend represented a significant issue for the organisation, and they were unable to access lower wholesale energy prices, they felt it was time to address the issue.



A significant barrier to success was time. The new contract was due to expire in less than 6 months.

The Solution: OrangeMaple's expertise encompassed a more strategic view of energy; rather than identifying a single element such as procurement or energy management, it was decided that a more holistic approach would provide the most benefit for the council both in the short-term and the long-term.

The Results: The bottom line result was a 23% saving across all energy. This included a cost reduction of 17% against existing 2006 prices and this was also in a rapidly rising market. Modern e-procurement and tendering methodologies facilitated better contract negotiation, coupled with a more flexible process which now allowed the council more options for future contracts.

A part of the overall savings, over £90,000 was achieved from correcting inaccurate portfolio data (incorrect or overcharging by suppliers). These provided quick wins to assist funding other parts of the initiative.

OrangeMaple consultants also assisted the local authority to eliminate risk premiums paid by suppliers by better understanding the portfolio of

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We're on the web!
www.orangemaple.co.uk

Our Approach

Customer Centred - We focus on customer knowledge transfer and long term sustainable savings.

Best Practice - From analysis techniques to sourcing strategies & transformation practices we aim to ensure you are at the forefront of expert thinking & design.

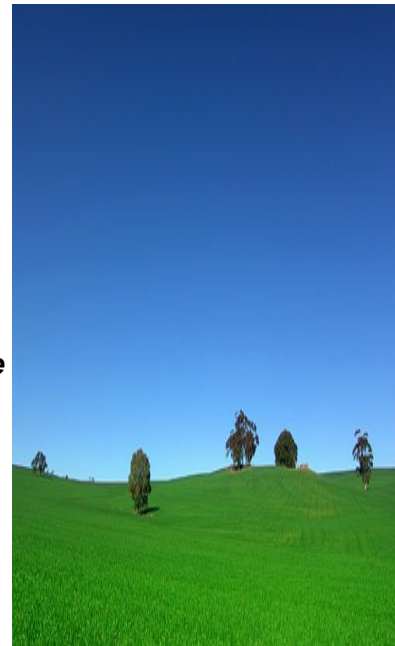
Stakeholder Involvement - Understanding your spend means understanding your organisation. We involve stakeholders to ensure the best overall results.

Commodity Experts - We use our commodity experts to ensure savings are maximised.

Green Outcomes

As well as cost factors, the organisation also had to be mindful of new 'green' legislation such as the Government White Paper (2006) dealing with the reduction of carbon emissions, and sustainable energy and renewable technology initiatives.

OrangeMaple's knowledge of the energy industry allowed the organisation to access 'greener' products from Suppliers. Carbon reductions of 15% across the whole portfolio were achieved.



A Note About OrangeMaple

Because our experience lies not only in procurement but also transformation we don't just look to produce an external analyst report that will sit on the shelves after we leave. Our approach is to have 'skin in the game' ourselves to ensure we push you to realise the full potential your supply base has to offer.

Our competitive advantage lies in this approach but also our 'Supply Chain Optimisation & Profitability' strategy.

Ask us about it!

OrangeMaple aims to inspire companies to innovate and change their operations and procurement through structured transformation.