

Bates: Fuelling a Cost-Effective Future

CLIENT:	Bates Office
SECTOR:	Office Supplies
COST CATEGORIES:	Fuel

THE CLIENT

Bates Office is one of the UK's largest B2B service providers.

Its history begins with founder George Henry Bates trading from a cramped typewriter engineering shop in London during the 1930s. Today, it has three national distribution centres, 130 employees, an annual turnover of £44 million and an expanding fleet of vehicles.

In its own words, despite Bates's national coverage, it 'remains a family-run business with a longstanding heritage.'

THE CHALLENGE

Bates prides itself on an ability to deliver at least 98% of orders the next day. To fulfil this impressive objective, the company relies on fuel cards for its fleet. The use of fuel cards allows the company to track spending, monitor usage and file expenses more efficiently.

In recent years MD Spencer Osborne has witnessed a price creep from suppliers, raising the cost of fuelling Bates's expanding fleet.

Having been an Expense Reduction Analysts supplier for several years, Bates was familiar with ERA's forensic, independent and objective approach to procurement.

Spencer, therefore, knew what to expect when he was approached by Senior Principal Consultant St John Rowntree for a vehicle fuel project.

After a conference call with Ken Rogers, ERA's fuel and transport operations specialist, Bates agreed that ERA should proceed with the project.

THE SOLUTION

Firstly, ERA analysed the previous spending and compared it against their market intelligence and knowledge of current market pricing.

ERA then used its market knowledge to approach fuel card suppliers whose product offering best matched Bates's geographic and service requirements. After all, drivers shouldn't have to divert from their day-to-day routes to take advantage of cheaper fuel.

After 16 months of implementation:

9,875

invoice lines have been reviewed by ERA.

471,644 Litres

litres of fuel have been drawn.

13%

savings achieved.

Following ERA's tender process, Bates chose to switch their fuel card supplier in order to obtain the highest level of savings, with no change to the level of service or coverage being offered.

After implementation, ERA continues to monitor supplier pricing and user behaviour. This includes reporting instances where premium fuel purchases have been made, as well as purchases at higher cost sites. Furthermore, with an ever-increasing emphasis being placed on fleet emissions, ERA's supply audit provides comprehensive information to assist with their plans to reduce greenhouse gases.



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Aside from projected savings, ERA provides added value such as exception reporting as part of their no-savings, no-fee analysis and reporting”

**SPENCER OSBORNE,
MANAGING DIRECTOR,
BATES OFFICE**