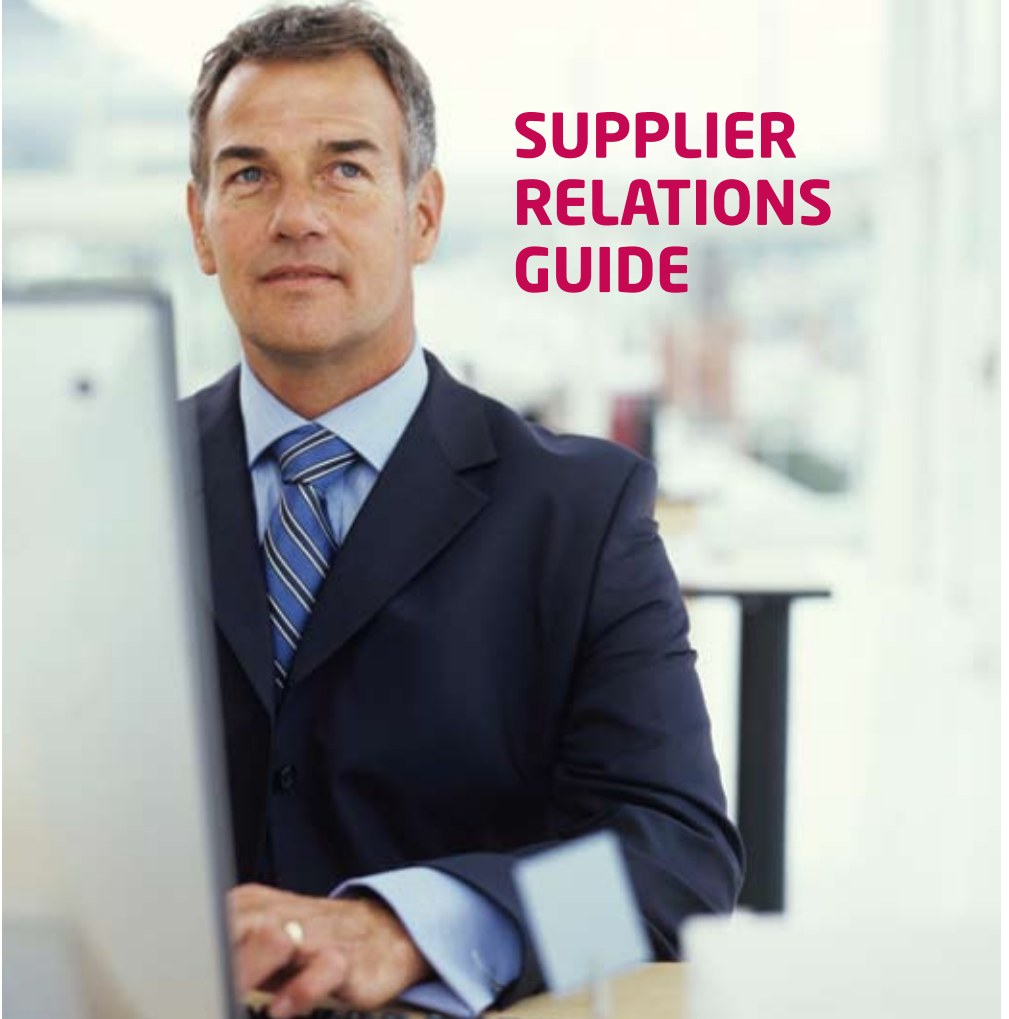




# SUPPLIER RELATIONS GUIDE



# Table of Contents

1	Introduction	2
2	How we operate with suppliers	3
	Incumbent suppliers	3
	Prospective suppliers	5
	If you win a Request For Proposal (RFP)	7
	The process mapped out	9
	Frequently asked questions	10
3	Code of Practice	12
4	Complaints Procedure	13
5	Our Procurement System	14
	Benefits of inclusion	
	Entry into our Procurement System	
	Update procedure	



## Introduction

Expense Reduction Analysts is an international consultancy that specialises in helping clients to find extra profit by reducing costs on non-core operating expenses.

We have worked with thousands of clients worldwide to ensure that they receive the best value in terms of price, quality and service. We value both client and supplier relationships and work closely with the supplier market to achieve this objective.

We recognise that for any supplier-client relationship to function effectively, both parties must be able to fulfill their business objectives. We take a long-term view of the market. Although we act as an extension to our clients' own purchasing and management teams and we are charged with obtaining best value from suppliers, we understand that those suppliers also need to run profitable and sustainable businesses.

This document is designed to help you understand how the Expense Reduction Analysts process works within the context of the supplier-client relationship and to understand our Code of Practice. We hope that this document will help you work effectively within our process to retain or win more business.

# How we operate with suppliers

## Incumbent suppliers

If you are an existing supplier to a client who engages Expense Reduction Analysts to review expenses, you can expect a courteous and professional relationship with the team of consultants involved. If you represent a major share of the expense of the project, our consultants will attempt to contact your sales representative for a meeting early in our review process, subject to the client's wishes.

## What you can expect from us

- Professional respect and courtesy
- Discussions with consultants who fully understand the client's buying patterns, having completed a detailed review of historic purchasing
- The opportunity to quote along with any alternative suppliers (provided the client does not specifically request that you be excluded)
- A prompt response to all reasonable questions
- Details of any possible changes in supply methods, which may enable better value to be offered
- To be treated on a level playing field along with any other suppliers involved
- A full summary of relevant purchase patterns
- The opportunity to be entered into the supplier database within our Procurement Systems
- A copy of our letter of authority to negotiate on behalf of the client shall be provided on request
- A debriefing in the event of an unsuccessful Request For Proposal (RFP) response
- A suitable implementation schedule in the event of a successful RFP

Your early involvement in developing best practices within the supply chain is always encouraged as it should enable you to offer better value to the client. Assisting in the development of an improved process will demonstrate to our mutual client your commitment to the success of the project. We advocate close working relationships and see them as routes to best value, competitive pricing and efficient working practices.

## What we expect from you

- Professional respect and courtesy
- Prompt responses to all communications
- Accurate detail on any RFP submitted to you
- Respect for the contractual position our mutual client has awarded us to deal with you and for you not to approach the client directly in an attempt to circumvent the process
- Best value which is a combination of product/service quality, customer service and price
- For you to enjoy an acceptable profit margin for the product or services you provide to our joint client





## Prospective suppliers

You may be approached as a possible alternative supplier to one of our clients.

Using our collective knowledge and experience, we are generally able to quickly determine if our client is receiving the best value from their current suppliers. If we feel the incumbent supplier is not representative of the best value in the market, or if our client has raised other service issues, we will select and invite alternative suppliers to respond to an RFP. Historic notes within our Procurement System, based on our past experiences, will often determine whom we select. In other cases we may be approaching you for the first time, having identified you as a viable alternative supplier to our client by other means.

We always endeavor NOT to waste the time of any alternative suppliers and subject to the market, will usually invite a maximum of 4 to 6 alternative suppliers for RFP. Often we may question you in some detail before issuing an RFP, to save you the time of preparing a proposal if your services are not a good fit to deliver best value to our client.

We will always notify you if your proposal is unsuccessful and provide you with as much information as possible to help increase your chances of winning business through us in the future. **Do not mistake this as a chance to re-submit your RFP. We generally rely on the first responses and do not engage in multiple proposals.**

Our consultants will record all supplier dealings within our Procurement System to help us build a long-term record of your service levels, pricing performance and overall client satisfaction with you.

## What you can expect from us

- Professional respect and courtesy
- Discussions with consultants who fully understand the client's buying patterns, having completed a detailed review of historic purchasing
- A summary of purchase patterns for the last 12 months and manageably sized RFP documents, which typically reflect 80% of the spend volume
- The opportunity to submit an RFP on a level playing field along with existing suppliers and any other alternative suppliers
- A prompt response to all reasonable questions
- Details of any possible changes in supply methods which may enable better value to be offered, i.e. less frequent orders of higher volume or consolidated invoicing
- The opportunity to be entered into the supplier database within our Procurement Systems
- A copy of our letter of authority to negotiate on behalf of the client shall be provided on request
- A debriefing in the event of an unsuccessful RFP
- A suitable implementation schedule in the event of a successful RFP

Your involvement in developing best practices within the supply chain will always be encouraged as it should enable you to offer better value. Assisting in the development of an improved process will demonstrate to our client your commitment to the success of the project. We advocate close working relationships and see them as routes to best value, competitive pricing and efficient working practices.

## What we expect from you

- Professional respect and courtesy
- Prompt responses to all communications
- Accurate detail on RFP responses
- Best value, which is a combination of product/service quality, customer service and price
- The opportunity to enjoy an acceptable profit margin for the products or services you provide to our joint client



## If you win a Request For Proposal (RFP)

As an incumbent supplier

**Our consultants will inform you when your proposal has been successful. The main actions required by the incumbent supplier are:**

- Providing service level agreements and a price list based on the agreed prices to the client and our consultant
- Meeting with the client and our consultant to discuss operational efficiencies identified in the project as and when required
- Providing usage reports to the client and consultant on an agreed frequency. This usually takes the form of a meeting in month one and then quarterly thereafter
- Taking prompt action to resolve any problem or complaint identified by the client or consultant
- Keeping our consultants fully involved and informed of any problems you experience with, or any changes requested by, the client during the period of our engagement on this project



## As a successful alternative supplier

When introducing a new supplier to a client, our goal is to minimise the disruption to the client's business by having the new supplier fully operational as soon as possible. The main actions required by the new supplier are:

- Providing service level agreements and a price list based on the agreed prices to the client and our consultant
- Meeting the client to discuss handover procedures and view other materials, as appropriate
- Coordinating with our consultant, particularly during the implementation period
- Meeting with the client and our consultant after the first month of operation to review progress, where required
- Providing usage reports to the client and our consultant on an agreed frequency, usually taking the form of a meeting in month one and then quarterly thereafter
- Taking prompt action to resolve any problem or complaint identified by the client or our consultant
- Keeping our consultants fully involved and informed of any problems you experience with, or any changes requested by, the client during the period of our engagement on this project

## The Expense Reduction Analysts process mapped out

**1** The Expense Reduction Analysts consultant completes a full review of the client's purchasing and requirements; creates a Situation Report detailing price, usage and service requirements; and obtains client authority to speak with incumbent suppliers

**2** Incumbent(s), along with a number of alternative suppliers selected from our database and other sources, are contacted by our consultant and informed of the project in progress

**3** All suppliers are given, upon request, a copy of our Supplier Relations Guide. Incumbent suppliers who specifically request it are also given a copy of our client letter of authorisation

**6** The consultant makes recommendations, based on suitability and best value, to the client in a Findings Report. The client makes the final decision on the most suitable option based upon the recommendations and ensuing discussions

**5** Consultants use our exclusive Procurement Systems and methodology to analyse supplier responses to determine whether best value is being offered to the client based on their needs

**4** RFPs for the business opportunity will be issued to all suppliers involved. NOTE: These requests are a one time only invitation to respond

**7** All suppliers are formally notified of the outcome of their proposal, successful or otherwise

**8** An implementation schedule is agreed with the successful supplier(s) and the client

**9** All successful response results are recorded in our Procurement System for future reference. This information is only used for internal purposes and is not shared with outside parties



## Frequently asked questions

As a quick reference guide for you and your organisation, we have prepared some of the most frequently asked questions that suppliers ask about working with Expense Reduction Analysts. We recognise we could never predict every question you may have, therefore if you have a question which is not covered by this document, please feel free to ask.

### Question

Are you looking to take my account away?

### Answer

Absolutely not! Expense Reduction Analysts has been retained to obtain the best value in terms of quality, service and price. In 50% of the assignments we manage the incumbent(s) retain the business. In ensuring we achieve best value it is our standard procedure to include the incumbent supplier(s) in the RFP process. In working with the client and supplier(s) we often identify efficiencies, which can help to adjust (or streamline) buying methods. These, in turn, could enable you to provide the client with the better value they seek.

### Question

Are you looking for the cheapest price?

### Answer

Absolutely not! We are only paid a fee if we show that we have been able to deliver best value. Best value to us is a combined measure of service levels, delivery standards, quality, reliability and price.

**Question**

Do you have your own favoured suppliers?

**Answer**

No. Consultants select suppliers for inclusion in the competitive proposal list on the basis of meeting each of our clients' individual needs. Group Office maintains a central database, which holds records of the suppliers we have worked with. These records hold relevant information on goods and services offered by the supplier and a history of our experiences with the supplier. This information is used to select a number of alternative suppliers whom we consider to best match the clients criteria on each project.

**Question**

Do you receive any income from suppliers?

**Answer**

Absolutely not! Our fees are paid by our clients. Expense Reduction Analysts is totally objective and independent of suppliers and this is the key to the success of our service. We have a strict policy of taking no form of payment from any supplier, so you can be confident that every assignment is handled impartially, honestly and openly.

**Question**

I have submitted RFPs to you before but never had any feedback!

**Answer**

All consultants should notify you if you have been unsuccessful with a proposal and also let you know some of the reasons why the client did not select you over others. If this does not occur, please feel free to contact the consultant directly to request feedback.



# Code of Practice

## **Fees**

Our fees are paid solely by our clients and no form of remuneration or payment is ever received by anyone in Expense Reduction Analysts from suppliers.

## **Unsolicited gifts**

We wish to make it clear that under no circumstances do any of our consultants accept gifts from suppliers as remuneration. To avoid any confusion, gifts of any kind with a value greater than £50, including but not limited to vacations/travel, meals, event tickets, commissions, retail vouchers or gifts of any nature, are considered remuneration.

## **Conflict of interest**

Expense Reduction Analysts works exclusively for the client in a consultative relationship and will not allow any dealings or negotiations on behalf of that client to be influenced by any outside work or offer of outside work by the supplier or any related party.

## **Confidentiality**

We are committed to maintaining the highest degree of integrity in all of our dealings with potential, current and past suppliers, both in terms of normal commercial confidentiality and the protection of all personal information received in the course of providing our business service.

## **Ethics**

We always conduct our services honestly and honourably, and expect our clients and suppliers to do the same. Our advice, strategic assistance and the methods imparted through our knowledge, take proper account of ethical considerations, and the protection of our clients and suppliers.

## **Duty of care**

Our actions and advice will always conform to relevant laws and standard industry practices.

## **Contracts**

Our client contract authorises us to represent our client in dealings with the supplier market but does not allow us to commit our client to any contractual obligations. Our clients, however, often rely on our experience in their final decisions regarding which supplier with whom to work with. Our contract binds us always to work in what we perceive to be a client's best interest.

## **Achieving best value**

In all supplier negotiations and subsequent recommendations to our clients we will judge each offering on a basis of best value. A definition of best value shall include, but not be limited to, consideration of service levels, product quality, delivery terms, trading history, cost of change of supplier and price per unit. Expense Reduction Analysts will never recommend a change of supplier based on price alone.

### Quality assurance

To maintain the quality of what we do, we conduct ongoing reviews of goals, activities, outcomes and cost effectiveness. These reviews are conducted via regular meetings with our clients and suppliers.

### Professional conduct

We conduct all of our activities professionally and with integrity. We take great care to be completely objective in our judgment and with any recommendations that we make, so that decisions are never influenced by anything other than the best and proper interests of our clients.

### Equality and discrimination

We strive to be fair and objective in our advice and actions and we are never influenced in our decisions, actions or recommendations by issues of gender, race, creed, colour, age, disability or any other factor not directly related to the needs of our clients.

## Complaints procedure

Please note that although we attempt to be open in our dealings with you as a supplier, in some cases we may be bound by client instructions which prevent us from disclosing certain details to you or your representative. These instructions may conflict with your belief of our clients views. Although there is nothing we can do to prevent these instances, we thank you in advance for your understanding.

To further our commitment to supplier relations we have a disputes and complaints procedure. Should you ever feel that you have grounds for complaint, this should be raised with the consultant in question. Should the matter fail to be resolved to your satisfaction, you should send an e-mail detailing your concerns to Group Office at [suppliers@erauk.net](mailto:suppliers@erauk.net) or alternatively you can call **0845 058 4771**

We will acknowledge receipt of a complaint immediately and ask any further questions we may have at that stage. We will then investigate the complaint internally and report back to you with our findings.

# Our Procurement System

## Benefits of inclusion

Inclusion in the supplier database within our Procurement System gives you an additional channel to market your products and services. Expense Reduction Analysts has a team of consultants who, on behalf of hundreds of clients, have a purchasing influence on hundreds of millions of pounds per year.

Suppliers who are able to meet our clients' requirements for best value have the opportunity to win substantial amounts of new business at no direct sales cost to themselves.

## Entry into our Procurement System

An Expense Reduction Analysts consultant will usually meet with suppliers who are new to our organisation to gain relevant information with regards to the company and the goods and services it offers. The consultant will then enter these details into our database.

E-mail Group Office at [suppliers@erauk.net](mailto:suppliers@erauk.net) or phone **0845 058 4771** or register online at [www.erauk.net](http://www.erauk.net) and click on the supplier section.

If you have marketing information in electronic format, for example catalogues or presentational material, which you feel we should know about, please forward these to [suppliers@erauk.net](mailto:suppliers@erauk.net) and they will be added to your record.

## Update procedure

In order to keep your database entry up-to-date please inform Expense Reduction Analysts of any changes, such as contact details and the range of products or services you provide. You can do this by contacting a consultant, who will update the record accordingly. Alternatively you can e-mail the changes to [suppliers@erauk.net](mailto:suppliers@erauk.net).



Argentina Australia Austria Belgium Brazil Canada Chile Columbia Ecuador France  
Germany Greece Hungary Jordan Italy Lebanon Luxembourg Mexico Morocco Netherlands  
New Zealand Panama Portugal Spain Taiwan United Kingdom United States Uruguay



[www.erauk.net](http://www.erauk.net)