

Small partner, major savings

CLIENT	The Bemis Group
SECTOR	Packaging
COST CATEGORY	Transport (air, sea, road)

THE CLIENT

The Bemis Group is a global leader in developing and producing high-quality, responsible packaging.

THE CHALLENGE

ERA was commissioned to optimize the transportation expenses (road, sea and air) for the Group in Europe.

THE SOLUTION

“First, there was a phase of data gathering within the various companies of the Bemis Group,” said Yannick Magnon, Purchasing Manager of Bemis Europe. “By definition, transport is a local operation, split between the different production sites, warehouses and clients. The individual needs of each unit have been well understood and alternative solutions initiated.”

“The data was then edited and a strategy developed to launch a tender in the market with a number of transport providers able, with all our purchasing volume, to deliver the expected competitive service. We chose them together.”

“There was then, for both teams, a very active programme to validate results and options to choose from. Proposals will be made on the basis of a thorough analysis of the suppliers’ offers. Then an elaborate iterative procedure enabled us to evaluate which was the best compromise for each of our individual units, the final decision being ours, both at local and corporate levels.”

“The last step was about the implementation of options,” said Yannick Magnon. “This was a very significant and crucial stage. It is quite easy to display savings on an Excel spreadsheet or PowerPoint presentation. It’s harder to make them real. Changing suppliers never goes as planned. It’s something practical, there are always some problems. You have to load and unload pallets, be on time, deliver and ensure quality... it’s a very competitive market and Bemis has a high reputation in the market with regards to services. Therefore we did not want to compromise on the quality of services.”

“Expense Reduction Analysts helped us, and are still helping with the implementation of the different options chosen. This is not a seamless task. We meet with the operational and logistics managers from each site to try and find solutions. They make sure that every month the services provided are consistent with the ones we agreed upon. They check invoices. If there are any issues with claims on quality, they manage them with us. They are putting normal sales pressure on providers to make sure they honour their commitments. Even today, this expert panel is the

preferred interface for the Bemis group transport providers. The tender process lasted around 6 months and the implementation phase was monitored for about 2 years.”

“We achieved savings by outsourcing transportation costs, and first of all, it enabled us to have an overall view of our transportation expenses,” said Yannick Magnon. “We have no common IT systems to all sites. Then it helped us make significant double-digit savings on our transport services. We have worked with suppliers we had never worked with before. This allows us to have a real rotation in the suppliers’ portfolio. We kept many of our incumbent suppliers, whilst challenging them, but have also brought in new ones. This qualitative gain will also generate value and savings for Bemis for years to come. Once there is a dynamic, the market players see that it is still possible to come into our group. Both these reasons – not having the internal resources and being able to save money thanks to this partner – fully justifying drawing on their expertise.”

“ERA respects the work done by our employees, take into account their ideas and experience and come up with concrete solutions. They offer options whilst identifying the risks and opportunities, but the decision remains the responsibility of the client, i.e. the Bemis Group. Where they differentiate themselves from other consultants is with regards to implementation and monitoring. There are always people on the market who promise the earth, but disappear when faced with the unexpected, and you are left to deal with all the problems. This different monitoring is a great improvement. Once you decide to buy, when you change suppliers or renegotiate prices, things don’t go according to plan because the decision is made. There are always unforeseen problems, issues. And you must devote large amounts of energy to solve them.”

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