

Expense Reduction Firm Saves Big for Michigan Publishing Company

By Max Friar, Alliance Cost Containment

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Alliance Cost Containment of Grand Rapids, MI overcomes challenges to generate maximum savings for publishing client in merchant card fees, parcel shipping and office products.

Alliance Cost Containment, a Grand Rapids-MI based expense reduction and cost containment advisory firm engaged a West Michigan-based publishing company in the late summer of 2008. Like many small businesses, the economic realities of 2008 were squeezing the company's margins and it was under pressure to find places to save money.

According to Alliance Cost Containment Principal, Nancy Stanton, "like so many of our clients, they (the company) did not have the resources in terms of people, time or expertise to understand whether they were paying fair market prices for many of the items and services that were being purchased on a repeatable basis."

According to Stanton, Alliance Cost initiates an engagement opportunity by performing a high-level analysis of what the prospect is buying and who they are buying it from. "We request an excel download of Accounts Payable by vendor for the past 24 months," said Stanton. "We then analyze, benchmark and come back typically within 7-10 business days with our preliminary analysis." Stanton emphasized, "because Alliance conducts our expense reduction services strictly on a contingency basis, we like to make sure savings opportunities exist before we commit to an engagement; we need to make sure the engagement is worth our time and our clients' time."

In the case of the publishing company, Stanton and her colleagues quickly noticed an opportunity to saving on the areas of office products, merchant card fees and parcel shipping. "The company spent a lot of money in these areas," noted Stanton. By switching to our certified national suppliers, we were able to saving them 10%, 48% and 30%, respectively. Furthermore," quipped Stanton, "because our client's suppliers know a third-party is looking, they will naturally be less inclined to institute price increases in the future. And when they do, prices will likely increase at a slower rate than for other customers."

"In the end," noted Stanton, "our client realized what many businesses are coming to understand: third-party cost reduction experts, particularly those that work on contingency, really make sense for a company that does not have the time, expertise or personnel to focus on indirect spend items and services".

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Alliance Cost Containment is a Michigan-based expense reduction and cost containment firm focused on reducing expenses for organizations related to commonly purchased items: freight, telecom, office supplies, MRO, janitorial, packaging, printing, and more.

Category	Expense Reduction, Cost Containment, Consultants
Email	Click to email author
Phone	616-551-3717
Address	940 Monroe Ave NW, Suite 337 Grand Rapids, MI 49503
City/Town	Grand Rapids
State/Province	Michigan

Zip 49503
Country United States