



FM company: major savings in business energy and water

Background

French food services and facilities management company develops, manages and delivers a wide range of services 'designed to improve the quality of life' for its clients and customers. In the UK and Ireland, 35,000 employees work at more than 2,000 locations across all market sectors, with services covering Corporate, Healthcare, Schools, Universities, Government, Energy and Resources, and Sports and Leisure.

Challenges

Facilities Management company has an annual energy spend of more than £5 million. With diverse client-focused operations depending on effective energy and water supplies, FM wanted to improve how it bought and managed business energy and business water for itself and on behalf of clients. This required moving away from a traditional fixed-term fixed price way of purchasing to a far more dynamic method in more flexible risk-managed ways.

One of the UK's biggest service companies is drawing on world-class consulting, utility procurement and management expertise from *Consultus* to improve energy services and save money.

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'Working with Consultus enabled FM to save 23% on utility costs in the first year and 8% on water contracts.'

See the solution overleaf

Solution

FM appointed *Consultus* in 2014 following an RFP, with the company engaged to provide a range of Energy and Utility Management services including Tendering and Negotiation, Billing, Bill Validation, Risk Workshops and Risk Policy/Management, Account Management, Reporting (Financial, Consumption, General), Data Management, the **myEnergy** client portal, and Market Intelligence. The relationship began with Mobilisation, with an Implementation Plan developed to collect data from numerous sources and upload information into *Consultus* systems. A Risk Workshop then defined challenges and opportunities covering key issues such as price, volume and legislation.

“We discussed FM’s risk appetite, which was of course affected by the fact that they bought on behalf of some of their clients,” says Michael Savage, Head of Global Accounts. “With this in mind, we ran through the suite of purchasing options available with a strong recommendation based on client requirements. This was tailored and ‘hybrid’, with different options to give FM the necessary individual budget control, which could be separated per entity, but also allowing the company to take full advantage if the market changed.” This was a critical requirement: FM needed individual entities of a contract to have autonomy if necessary, even if the expectation was that the group would move as one.

A Risk Policy was drawn up, with the *Consultus* team managing various stakeholder needs and queries before sign-off. Simultaneously, *Consultus* approached the market to negotiate optimum supply contracts for both gas and electricity. A tender pack issued to all suppliers detailed the client’s specific needs.

Outcomes

The *Consultus* team negotiated and agreed a contract that was not only the most economically advantageous but also aligned perfectly with FM’s unique contractual requirements. Once the strategy was agreed, the contract defined and Risk Policy enacted, *Consultus* then rolled out other key services including Bill Validation, Client Portal, Market Intelligence and Water Procurement: these services were new to FM at that time, and have delivered measurable financial benefits.

Indeed, the flexible dynamic strategy provided by *Consultus* provided immediate gains: FM saved 23 percent on its utility costs within the first year of the relationship, along with 8 percent on UK water contracts.

“Having a complex portfolio consisting of managed properties and client properties brings its own challenges,” says Category Manager, FM company. “*Consultus* has assisted with all aspects including tendering, reporting, strategy and account management, delivering great savings from the outset. We have come to rely on the proactive approach provided by *Consultus*.”

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