

# Rank Group: improving utility services and reducing costs in a complex estate

## Background

Listed on the London Stock Exchange and a member of the FTSE 250 Index, the Rank Group is a UK-based gambling company that includes well-known brands, such as Grosvenor Casino and Mecca Bingo. With 139 UK locations, 16.6 million UK customer visits per annum and more than 10,000 employees, UK retail business revenues totalled to £571 million in 2017. Formerly known as The Energy Brokers, *Consultus* has worked with Rank for more than a decade, helping the group procure essential utilities for its diverse estate in smarter ways, to control and reduce costs across 54 casinos and 84 bingo clubs. This long-term relationship has evolved over the years.

“We’ve been working with *Consultus* for more than 10 years,” says Graham Pugh, Senior Purchasing Manager, Rank Group. “Why have we continued to work with them? They know the Rank estate inside out and have always provided a good, competitive offer. The key word is trust, not least because they understand our business and know our protocols: needing to gain board approval for certain expenses, for example. We have confidence in the quality of their work, and everything is fully auditable.”

## Challenges

At the beginning of the relationship in 2006, Rank had no experience of managing energy purchasing in-house. At that time, the group did not have a definitive validated list of all energy supplies, while enquiries had also established that Rank had not received a correct Non-Half Hourly electricity invoice for almost two years.

See the solution overleaf

This UK-based gambling business benefits from a range of consulting and utility services including Supplier Contract Negotiation, Bill Validation Risk Management, Budget Monitoring and Water Procurement.

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The situation was ripe for change. Within Rank's extensive senior management experience was familiarity with *Consultus* and the company was regarded as a 'safe pair of hands' to resolve its current situation and get energy purchasing on track.

"When we still had a far greater Non-Half Hourly estate, we had major billing issues with the supplier," Graham Pugh recalls. "*Consultus* managed and found a resolution to those issues that both parties were happy with. They then helped us to put in place AMR on our gas meters and provided advice on AMR for our electricity meters."

"They understand our business and because of the complexity of the utilities we work with, they have retained our business. By heeding their advice, we don't get into those kinds of problems any more. They proactively keep us out of trouble."

## Solution

Initially, the team helped Rank to establish its portfolio by working from individual invoices, across more than 140 sites, then negotiating to resolve the billing problem. Following that, the original purchasing strategies developed were fixed, to provide a stable price and support easy decision-making. However, *Consultus* rapidly demonstrated the benefits of a more flexible approach, leading to Rank purchasing energy via flexible contracts for 10 years. As energy markets have evolved, so too has Rank's purchasing strategy, with increasing price volatility driving a greater need for cost controls.

Moreover, increased focus on improved cost management has resulted in far closer scrutiny of Rank's energy purchasing performance, increasing the need for more regular and more detailed communications on market movements as well as Rank's ongoing energy and purchasing strategy.

Services now provided include Supplier Contract Negotiation, Risk Management, Bill Validation, and Budget Setting and Monitoring. *Consultus* has also been engaged to manage Rank Group's water purchasing requirements in the newly-deregulated water market; Rank's trust in the team was a key factor in this decision, helping the business to better understand and gain advantage from this new and developing marketplace.

## Outcomes

The Rank Group is benefiting from a well-managed approach to utilities, extending from purchasing strategy to end invoice. "Our long-term relationship means we have a strong understanding of Rank's history and its requirements - which means we can provide robust advice and proven services in a manner that is bespoke to Rank," says Luke Booth, Head of Consultancy, *Consultus*.

Graham Pugh adds, "The most important point is that because they've been working with us for so long, the team properly understands the Rank estate and its requirements, proactively looking after our needs in a complex industry. They know the industry and our business so I can trust *Consultus* to do what they are good at, helping manage the market on behalf of Rank in order to supply utilities to our business."

“They know our estate inside out and have always provided a competitive offer. The key word is trust.”

Graham Pugh  
Senior Purchasing Manager  
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