

# Sansetsu UK: reducing risk and saving money in manufacturing

## Background

Established in 1978, Sansetsu UK manufactures protective packaging solutions, delivering *Sancell* bubble film products to customers across UK industry. The company is committed to ensuring more flexible approaches in manufacturing, which includes working to optimise energy usage, manage risk and control costs.

## Challenges

Sansetsu UK is an intensive energy user: power is a significant part of its overall spend. Historically, the company was on fixed-term contracts. When Sansetsu UK started investigating prices in detail, it recognised that a more technical approach could lead to major gains. With *Consultus* already engaged to manage energy procurement, this has developed over the years into an energy management service supporting all aspects of procurement.

“Our relationship with *Consultus* goes back more than 20 years,” says Akio Hayakawa, Managing Director, Sansetsu UK. “Energy has become a far more important issue in recent times than it was ten years ago. Prices have been volatile and generally rising, with our spend increasing from 1-2% of turnover to 4.5%. We manufacture plastic extrusion products and use a lot of electricity to heat the granules into plastic sheets. Our spend now is £550,000 to £650,000 per year, so finding the most cost-effective solution is important. When we conducted a review, it became clear our electricity prices could have risen by 30% - they would have gone through the roof.

See the solution overleaf

One of Europe’s largest extruders of Polyethylene Bubble Film is benefitting from a transparent approach and more flexible energy procurement from *Consultus*, to help save money on energy.

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***‘Working with Consultus helped Sansetsu UK save tens of thousands of pounds in energy in only five months.’***

“So while it’s primarily a cost issue, we also believe our energy consultant needs to be clear and transparent in how they work. *Consultus* has always followed an ‘open book’ approach: many other energy brokers say they will do things ‘for free’ and aren’t clear about where their payment actually comes from.”

## Solution

Services provided by *Consultus* include supplier contract negotiation, account management, risk management based on a defined Risk Policy, and Electricity Consortium membership for flexible procurement through the *Consultus* Buying Club (CBC). This replaced more rigid fixed contracts, some of which were long-term. Consortium buying is based on an agreed strategy, with *Consultus* tracking and responding to the market on behalf of Sansetsu UK.

“We have multiple smaller sites in the same vicinity, and it’s so much easier for us to ‘forget’ about electricity or gas for a year or two, in the sense that we know it’s being taken care of, and instead focus on core business activities,” Hayakawa continues. “We were always confident that *Consultus* had done its due diligence with suppliers and was advising us of the preferred options. With moving to the buying group, with a variable rate, we’ve benefited hugely. We knew consortia were available but thought they were only available on a larger scale, for much bigger consumers rather than a company of our size.”

Bill Validation is included at no additional cost. This “check and balance” ensures buying club members are always charged accurately.

Sansetsu UK receives a consistent billed rate for its energy throughout the year, with quarterly and annual reconciliation based on real-life market performance.

## Outcomes

Sansetsu UK was confident the new approach could deliver the gains it wanted through more flexible procurement. Up-to-date information and reconciliation enabled *Consultus* to report savings in the first five months of £28,155. “I’m very happy we decided on this method to purchase our energy,” said Akio Hayakawa. “It’s still early days but we’ve clearly benefited already, as it shows on the bottom line. We get the energy we need and are never paying more than we should be.

Given the amount of money we spend on electricity, and through our relationship with *Consultus*, they have always been transparent. That openness is the most important aspect: honesty, the information they provide, and the trust that has built up. I’m approached by brokers all the time and every few years we do conduct a review. If it comes down to price, *Consultus* is always very competitive - as well as providing that transparency. I’m keen to know more about other services from *Consultus* that could benefit Sansetsu UK.”

“This is a great example of *Consultus* working in partnership with a client, providing a robust risk strategy and ongoing energy procurement to deliver measurable benefits,” adds David Peake, Chief Operating officer, The *Consultus* International Group.

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Akio Hayakawa  
Managing Director



**Phone:**  
+44 (0)330 221 1000

**Email:**  
info@consultus.com

**Twitter:**  
@Consultus\_Group

**LinkedIn:**  
/company/consultus.group/

**Facebook:**  
/ConsultusInternationalGroup/

**YouTube:**  
/watch?v=BHEhlyKMprE&t=1s

**Address:**  
The Consultus International Group Limited,  
Consultus House, Sheene Road, Leicester, LE4 1BF, UK

