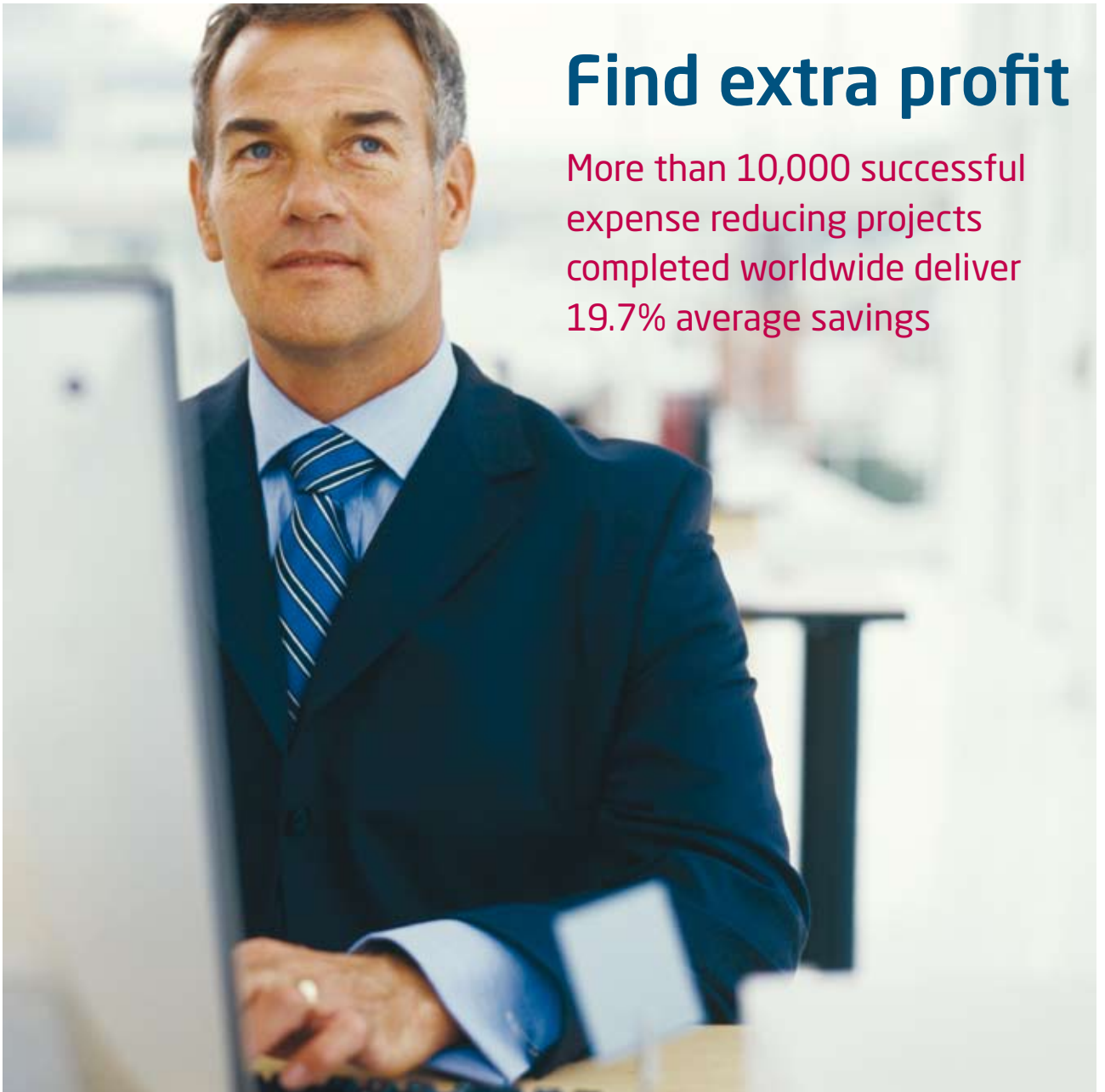




Find extra profit

More than 10,000 successful expense reducing projects completed worldwide deliver 19.7% average savings



**Expense Reduction
Analysts**



Predictable, double digit savings in your non-core expenses.

Small airline in Brussels, 17% saved.
Healthcare giant, turnover US\$227.55 billion, 20% saved. Manufacturer, USA, \$250,000 savings straight to the bottom line.

Latest data released by Expense Reduction Analysts from more than 10,000 projects with cost conscious companies worldwide has generated surprise in the business community.

In the US alone, across 297 projects through April 2007, savings amounted to \$18,018,006.00, at an average saving of 19.4%

In Europe, a similar story emerges. In the UK, £30,773,105.00 was saved across 3,172 projects with an average saving of 13%.

Every business person responsible for a P&L knows that the fastest way to generate extra profit is to cut costs. It's simply easier to trim expense than it is to generate sales growth. So you would think that most companies have their costs well under control.

Yet the results show predictable, double digit savings in pretty much every company P&L. And it works not only for corporations but with government, educational institutions and non-profit organizations.

How can these savings have been missed? What is the secret to finding them?



"The savings on insurance that we achieved exceeded all our expectations. We would not have made those savings without their valuable guidance."

Geoff Hunt, Deputy General Counsel, Volkswagen Group United Kingdom Limited

USA: \$107,670 average savings per client
Average saving 19.4%



“There is no magic bullet, but it works.”

The trouble with the traditional corporate approach to lowering cost is that it quickly runs into two key limitations.



First you need to avoid cutting back so far that quality suffers. A drop off in the quality of your suppliers can harm efficiency, and ultimately harm sales to your customers.

Secondly, and perhaps more importantly, you can simply run out of areas to trim.

As founder Frederick Marfleet explains, Expense Reduction Analysts have achieved spectacular results by focusing on non-core costs. The approach yielded immediate gains and

has now been proven to work again and again over 14 years.

In our experience companies know their own business well. They tend to have the best suppliers in place and have strategic costs locked down.

But when it comes to the non-core costs, that's where a specialist who knows the sector inside out can make a difference. This is not about the usual spreadsheet methodology.

What's required is real and practical knowledge of each cost category.

This is why whatever expense category you care to review, over 10,000 projects the results are the same. We have the practical innovations and experience in each area to make these gains.

While most financial or accounting consultants merely run over the spreadsheets and make recommendations on where costs can be chipped away, the Expense Reduction Analysts approach is to support clients through implementation and monitoring.

The savings are driven by flawless execution of new processes and vendor compliance with new terms, Marfleet continues.

We work with our clients for at least 18 months to ensure that the estimated savings come to fruition. Most of our clients see an immediate and significant impact to their bottom line within 90 days.

Ernst & Young saves €250,000 on car fleet expenses.

Expense Reduction Analysts in Brussels was called in to look at the way Ernst & Young purchased and managed its 1000-strong vehicle fleet.

We were able to achieve a quarter of a million Euros in savings by redefining the service level requirements of the fleet to achieve better pricing with fewer suppliers. A new car supply process combined with software and management tool gave Ernst & Young total control over the cost of its car fleet.

Lower cost is not incompatible with higher quality, according to Ghislain Vanfraechem, facilities manager at Ernst & Young.

The new system ensures rigorous cost control over areas such as car maintenance, fines, insurance issues, fuel consumption and breakdowns.

ERNST & YOUNG
Quality In Everything We Do

UK: £30,733,000 saved

Revealed: Where savings are found

This chart represents a sample of our most common category results for North America, Western Europe and Australasia. We also review custom expense categories as needed by our clients worldwide.

| Category | North America | Europe | Australasia |
|------------------------|---------------|--------|-------------|
| Cleaning | 21% | 27% | 20% |
| Construction | | 9% | |
| Couriers | 20% | 19% | 21% |
| Factory Consumables | 22% | 13% | 13% |
| Financial Services | | 13% | |
| Fleet Management | 9% | 8% | 8% |
| Food Services | 20% | 15% | 14% |
| Fork Lift Services | 18% | | |
| Freight | 18% | 20% | 19% |
| Information Technology | 14% | 28% | |
| Insurance | 23% | 25% | 21% |
| Janitorial Supplies | 31% | 17% | 16% |
| Laboratory Supplies | 25% | 14% | 17% |
| Leasing | | 12% | |
| Merchant Card Fees | 33% | 23% | 20% |
| Office Products | 35% | 25% | 23% |
| Packaging | 21% | 14% | 14% |
| Payroll Processing | 44% | 44% | |
| Photocopiers | 27% | 31% | |
| Postage | | 20% | |
| Print | 14% | 24% | 26% |
| Records Management | 38% | 24% | 24% |
| Security | | 27% | |
| Telecommunications | 26% | 35% | 21% |
| Travel | | | 15% |
| Uniforms | 24% | 30% | 21% |
| Utilities | 7% | 21% | 9% |
| Waste Management | 29% | 17% | 24% |

The data described in this brochure are aggregated from our customer relationship management database ("CRM") and other consultant reporting. This reporting is comprised of data input by all of our consultants worldwide and accordingly may contain human errors or omissions. The data may not include every project we have worked on. The data provided is not a representation of any savings that you may experience in your business. Your actual savings may be more or less.

How it's done

Toshiba "delighted" after 40% is slashed from courier costs.

By setting a benchmark against which Toshiba could measure their spending on couriers Expense Reduction Analysts found a way to cut 40% from their costs. Interestingly, the way it was done is the opposite of traditional notions of saving.

Expense Reduction Analysts recommended that Toshiba continue with their three incumbent suppliers, but that they also needed to take on a fourth courier company and change their insurance arrangements.

So how does bringing in another courier generate savings?

Toshiba is a massive company; a household name in technology. Chances are you have one of their products in your own home. Toshiba is on every continent, and while global presence is an achievement, it also brings with it the tangled logistics of interoffice shipments. Of course, a huge company like Toshiba can negotiate a great deal with a courier company, can't they?

"We were happy with the service being provided by each of the three couriers we were using but were keen to learn whether or not our expenditure in this area could be reduced," said Remy Reinker, Finance Manager with Toshiba.

This is a common trend when discussing courier costs. Most companies are under the impression that they already have good rates, that they monitor closely and that they are benefiting from negotiated contract rates.

"They've been told they're getting a good price. But if they don't have a benchmark to measure against, how do they know if they are really getting any discount at all? As a result of their courier review, Toshiba now gets benchmark pricing on every service, so they know not just what they should be spending, but exactly what they should be saving."

A key decision point for Remy was that Expense Reduction Analysts was prepared to carry all the risk, meaning Toshiba had absolutely nothing to lose by letting Expense Reduction Analysts review the situation.

20% savings across the board for pharmaceutical giant.

Established in Mexico in 1951, Pfizer produces a wide range of consumer healthcare products. With around 87,000 people in more than 150 countries and registering turnover of US\$48.4 billion, Pfizer Mexico approached Expense Reduction Analysts in a bid to reduce its business costs.

Expense Reduction Analysts began looking at several categories including courier, telecommunications, insurance and printing expenses. After completing an examination of courier and insurance expenditure, Expense Reduction Analysts was able to make recommendations that would save Pfizer 20%, with further studies in its outgoings still to be completed.

"Expense Reduction Analysts has delivered good results because it put together detailed analysis of our business expenditures which we would never be able to do ourselves in the short-term," says Luisa Barraza, standards end processes manager of Pfizer Mexico. "Their knowledge of operating costs enabled our company to improve business efficiency."



"You guys have done what I have been trying to do for three years, but couldn't - either I didn't have the time, or the energy, or the expertise."

Chris Richards, Sr. Vice President, General Manager, Gleason Industries, US

“We already monitor costs closely.”

According to Expense Reduction Analysts COO, Ken Hagerstrom, this is something his people in the field hear all the time.



We are dealing with a variety of companies from the medium sized firms that make up the backbone of the economy, right up to big global players.

They have their in-house teams and retained accountants who are focused on costs and profitability. So understandably managers are skeptical that we will be able to find anything extra.

Yet, at the end of the day we have been able to find savings without impacting quality.

So when we are out on site or in the boardroom with clients for the first time, being able to prove the savings we expect to deliver, in any category, encourages companies to decide to work with us.

No fees means no risk.

Your in-house people and accountants are likely to be doing a great job of what they do. But on average, because of our specific expertise in each category, we are able to find that 19.7% extra in the non-core spend says Hagerstrom.

The best thing for our clients is that the benefit of the saving is shared.

We don't charge fees. Instead we split the future benefit of the savings with the client.

So, it works well to have Expense Reduction Analysts working alongside your existing team. We work closely with a number of accounting firms who are happy to bring us in to work with their clients because it drives results for everyone.

It's a powerful mix. The manager at an East Coast Hospital we worked with saved \$100,000 for every hour invested in the project.

Deloitte office costs cut.

Expense Reduction Analysts achieved cost savings averaging 20% for global professional services firm Deloitte, after being invited to review expenditure in areas including communications and courier services.

“We took an interest in Expense Reduction Analysts’ proposal because despite continued efforts to keep our office costs at reasonable levels, we thought it would be interesting to know whether a fresh and independent perspective might

identify new cost saving opportunities for us”, says Raul Rivas, a partner at Deloitte Uruguay.

“Expense Reduction Analysts’ proposal carried no financial risks and as the company has been working successfully with Deloitte in other parts of the world, we engaged its services.”

Key areas of expenditure were identified for investigation and after conducting a thorough review, savings averaging 20% were achieved without

affecting the quality and efficiency of Deloitte’s internal office services.

Deloitte.



Couriers and overnight delivery: \$250,000 saved

Janome CFO, Michael McDonagh called in Expense Reduction Analysts to review their annual \$1,000,000 expenditure on overnight delivery.

Janome needed to distribute sewing machines and accessories to over 600 distributors around the country, including the QVC Channel, JCPenney, and a wealth of smaller retailers. On-time delivery, reliability, and delivery area coverage were top priorities in addition to cost savings. In addition, the technology capabilities of the supplier to integrate easily

with the operations of Janome’s three warehouse locations was a prime requirement.

After a thorough data analysis, and a trial with a competing carrier, more advantageous contractual terms were negotiated with the incumbent supplier, UPS. An additional benefit for Janome was the implementation of electronic invoicing which eliminated the manual processing of data, and created a wealth of additional shipping information, available electronically to Janome’s database for further

analysis and reporting. This has been of benefit as we look at the supplier’s performance and assess their compliance with the new contract, said Carol Della Valle, Janome’s office manager.

Together, Janome and Expense Reduction Analysts monitored the carrier’s shipping performance while Janome enjoyed the 25% savings generated.

Save time and money by leaving the details to Expense Reduction Analysts

ABB called in Expense Reduction Analysts in Brussels to assist in reducing the company's outsourced building maintenance costs and facility services at four of its plants in Belgium and the Netherlands.

As a leader in power and automation technologies which enable improved performance while lowering environmental impact, Asea Brown Boveri (ABB) operates in close to 100 countries worldwide and employs more than 103,000 people. As the company's priorities shifted, facilities management was no longer a focus.

"Building maintenance was one of the activities we decided to abandon some years ago," explains ABB Benelux chief executive officer Marco Kroon. "Today, our core products include robots, various electrical and

"We are delighted with the potential savings that Expense Reduction Analysts were able to identify," says ABB real estate director Gerard de Leeuw. "We're happy to have used this service which has taken very little involvement on our side."

electronic automation systems and naval turbines. Building maintenance is not part of this anymore."

After extensive reviews, Expense Reduction Analysts was able to make recommendations to reduce ABB's maintenance and facilities expenditure.

The incumbent supplier was more focused on providing means rather than results. The benefit of bringing in a temporary outside partner, such as Expense Reduction Analysts is that we can isolate savings opportunities more easily, leaving the client to rightly focus on its core business activity.

"Businesses worldwide, in every industry have one thing in common - savings opportunities in non-core operating expenses."

Whether your spend is \$5,000 or \$500,000, a focus on non-core expense reduction can still help you drive savings. The irony is often that the smaller a business is, the fewer resources it has in place to keep costs under control and the more likely

we can help find significant savings in key cost categories. As a result, Expense Reduction Analysts is as relevant to a smaller business as it is to a FTSE 100 or Fortune Global 500 corporation...



Finding the extra profit. The question for any manager looking at this savings data, is where might you be missing savings opportunities?

While the work of Expense Reduction Analysts is involved and complex, for the companies themselves, unlocking the savings is actually very easy.

Your time investment is low. Your costs are nil.

Your only decision - where would you like to find that extra profit?

Whatever category you choose to name, we know on average how much you are going to save - and those savings will go straight on the bottom line.

It's all there in black and white.



find extra profit

Argentina Australia Austria Belgium Brazil Canada Chile Colombia Cyprus Ecuador
France Germany Greece Hungary Italy Jordan Luxembourg Mexico Morocco Netherlands
New Zealand Panama Portugal Spain Switzerland United Arab Emirates United Kingdom
United States Uruguay



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Analysts**

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