

FDY pares uniforms & linens costs 10.5%

CLIENT	FDY	COST CATEGORIES	Uniforms & Linens
SECTOR	Food Services		

SAVINGS INVESTED IN TRAINING AND MARKETING TO HELP GROW BUSINESS

PRICES DIFFERED FROM CONTRACTS AND BY LOCATION; FREIGHT CHARGES ADDED; AND OTHER COSTS INCREASED

FDY provides food services to college and universities, retail restaurants, special events, concessions services, corporate offices and industrial cafeterias. It is one of the nation's largest 100% nationally certified minority-owned companies and has four locations in the Carolinas.

In analyzing FDY's expenses for uniforms and linens, Consultants with Expense Reduction Analysts (ERA) spotted pricing and service charges for identical items that differed by location; prices higher by as much as 23% from originally contracted costs; freight charges that added as much as 11% to the cost of items; and other price increases on many items.

ERA CAPS INCREASES AND ENSURES COST CONSISTENCY

Because FDY had 60-month contracts with its suppliers that did not expire for two to three years, the company would have had to pay substantial fines for early termination of its agreements.

Nonetheless, ERA industry experts successfully negotiated cost reductions with one of the incumbent suppliers. Consultants also secured the same, lower pricing for items at all locations and capped price increases at 5% annually.



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Cost controls are vital to our day-to-day operations. ERA Consultants' level of knowledge, expertise and professionalism has enabled us to go from three linen vendors to one vendor with drastic savings.

Their continuous monitoring of the account has enabled me to focus on other areas.

Ora Jackson, HR Director

PROJECT INFORMATION

Expense :	Uniforms & Linens
Industry:	Food Servicest
Supplier:	Incumbent
Savings:	10.5%