



Client: The Pallet Network Ltd
Sector: Distribution
Savings: 26% on Electricity

Auditel delivers cost and time savings for palletised distribution Network – The Pallet Network



Profile:

The Pallet Network (TPN) is based in Minworth near Sutton Coldfield on the outskirts of Birmingham. It is one of the UK's leading palletised freight distribution networks, offering a variety of Next Day, Economy, Premium and Tail Lift services throughout the UK and Ireland as well as Europe and Scandinavia.

TPN has recently moved into a brand new purpose designed 315,000 sq ft facility, one of the most environmentally friendly sites in the sector, capable of handling well in excess of 12,000 pallets a night.

TPN's Membership comprise nearly 100 of the best independent transport companies in the UK and Ireland.



From left to Right
Paul Copsey, and Stephen Heathcock, Auditel Consultants;
Adam Leonard, Managing Director, The Pallet Network; and
John Bowers, Finance Director, The Pallet Network

Savings breakdown:

CATEGORY	% SAVING	£ SAVING
Electricity		£30,919
Year 1	26%	£11,502
Year 2	8%	£3,065
Year 3	26%	£16,352

In 2006, concerned by rising energy costs and wanting an expert view from a third party, Richard Eldred, late Chairman of The Pallet Network (TPN), invited Auditel to review their electricity costs, as the contract was coming up for renewal.

John Bowers, Finance Director of TPN, takes up the story, "As part of their initial discussions with us, Auditel asked us to explain how we operated to get a feel for how the business worked. With this information, and following an audit of the electricity billing, they told us that the current single rate tariff structure was inappropriate for our usage.

"Being a distribution hub, we use a lot of electricity at night, but Auditel discovered that we were being charged daytime rates, around the clock! This meant that the lower tariffs charged at night were not being taken advantage of."

As the contract renewal was due imminently Auditel acted quickly to tender the market to determine

the best available rates for TPN, with the intention of obtaining the most competitive rates, move the supply if required, then go about changing the metering to take advantage of a more suitable tariff structure. In year one this resulted in a saving of 21% (£9,683), rising to an impressive 26% (£11,502) when the tariff to Economy 7 was updated.

In year two a further saving of 8.4% (£3,065) was achieved, followed by a further saving of 26% in year three and a credit worth £14,000 for historical overcharges.

Further cost analyses are to follow soon for gas, for which the contract expires in November; landline and mobile communications; and water and sewerage.

John Bowers is delighted, "Auditel has done a great job for us, saving us not only money but also time spent dealing with utility companies and negotiating contracts. I wouldn't hesitate to recommend the service to other businesses."

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John Bowers, Finance Director



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