



Client: Standard Soap Company
 Type of Business: Manufacturer
 Savings Achieved: £100,000+

Auditel's expertise helps reduce Standard Soap's overheads

Gillian Gibbon of Auditel was introduced to Standard Soap Company by their accountants, Target Winters, in 2006.



Profile:

Standard Soap Company Ltd, based in Ashby de la Zouch, is one of the UK's largest contract soap manufacturers, specialising in the development, manufacture and packaging of bespoke personal care products for high street stores and designer brands.

Savings breakdown:

CATEGORY	£ SAVINGS P.A.*	£ SAVINGS TO DATE**
Water	£6,693	£34,657
Gas	£3,600	£59,493
Electricity	£5,000	£7,642
Waste	£2,500	£2,213
Energy efficiency		£30,900
	(not yet achieved)	
TOTAL		£104,000

*Ongoing Saving (£) p.a.

** Savings to date including rebates



From left to right: David Guttridge, Managing Director; Leng Leng Teh, Financial Controller; Gillian Gibbon and Neil Calcutt, Auditel Consultants

Initially, Gillian focused on sorting out known issues with Standard Soap's gas billing, negotiating £52,200 in rebates and identifying a further £3,600 in ongoing annual savings. She then made more savings against electricity (£5,000 p.a.) and waste management expenditure (£2,500 p.a.), while her colleague Nigel Collins organised an energy consumption audit. This highlighted a number of measures to improve the factory's energy efficiency and potential savings of £30,900 p.a.

At this stage of the project Gillian asked her colleague Neil Calcutt, who specialises in Water and Sewerage audits, to look for savings in this area too. Like most UK companies Standard Soap had always considered their water and sewerage overheads to be fixed costs because the nature of the market means it isn't possible to shop around for lower prices. However, opportunities to lower water and sewerage overheads do exist if you have the time and expertise to look for them.

As with any overhead category, Neil's first task was to review Standard Soap's recent water and sewerage bills to establish exactly what they were paying for. He also undertook a site survey from which he established that the majority of the factory's clean waste water is discharged into a nearby brook. From the bills, however, it was

clear that Standard Soap was being charged for putting it back into the public sewerage system. Neil therefore appealed to the water company for a rebate of the overpayments they had been making, but the claim was dismissed because the water company insisted that the brook connected to the public system further down the line.

Neil was convinced this wasn't the case so he undertook a series of detailed, complex and time-consuming investigations to trace every connection to the public drains around the site. At the same time as carrying out his own investigations and organising independent engineers and surveyors to visit the site, Neil had the difficult and delicate task of balancing negotiations between all the different interest groups involved in the case. These included the local water authority, the British Waterways Authority responsible for maintaining the brook, and the water regulator Ofwat responsible for overseeing the appeals process itself. Eventually Neil was able to prove his case conclusively and negotiate a rebate of £32,126. In addition, he implemented another £6,693 of ongoing annual savings as a result of proving that the water authority was using incorrect values to calculate the overall size of the Standard Soap site.



Lowering the cost of doing business

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