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## **Competitive Bids Are The Most Effective Process In Cost Reduction**

A structured competitive bid will generally result in better pricing than one-on-one negotiations with suppliers. In one clear example, a client had recently secured a 20% cost reduction in facilities services from the incumbent suppliers using face-to-face negotiations.

Nonetheless, CCS recommended creating a structured RFP to include multiple suppliers as well as the incumbents. We identified an array of 12 qualified local, regional and national suppliers. We developed a detailed scope of work and expanded the scope of the RFP to make the offering more attractive. Terms and conditions remained the same as with the current suppliers. The client arranged group facility tours with finalists.



Ultimately, the incumbent suppliers won the competitive bid on a "total best value" basis, but the competitive bid netted an additional 20% savings! Because the incumbents won, there were no transition issues or expenses.

Particularly in economic times like these, competitive bidding is a most valuable cost-reduction tool to ensure best value... even if some savings have already been realized.

### **Improve Your Business Insurance Costs This Year**

Insurance policies are typically hard to read and clients have been conditioned to avoid

thinking critically or even questioning whether their wording in their policies can be improved.

To improve your policy wording, it is important to understand the categories of Business Insurance. Areas to be considered:

- Property Insurance
- Casualty Insurance
- Liability Insurance
- Commercial Auto
- Workers Compensation
- Business Interruption

### **Other Insurance or Scripted Policies**

It could very well be that your business is so unique to have need for coverage that is a mixture of some of the coverage listed above or something written specifically for your particular risk. Other coverages which should be considered include Director and Officers Liability Insurance, Marine, Aviation, Corporate Travel, Professional Indemnity, Employment practices, Fidelity Crime, Special Crime Kidnap and Ransom, Product Recall. You can also consider using virtual captives depending on the annual cost of your insurance program.



Use your next renewal as an opportunity to customize the wording of your insurance policies so that they fit your business and work for you when claims arise. We can help you tailor your policy to suit the needs of your business ensuring that you are adequately covered. Our subject matter expert is not a broker and does not compete with your incumbent broker. There is no requirement to change your incumbent broker to benefit from our services. They specialize in providing businesses with independent, impartial and objective review and analysis of their insurance programs, risk mitigation and cost management initiatives. CCS suggests you allow us to perform a high level governance review and gap analysis for your business at least 6 months prior to your next renewal.

## **CASE STUDIES OF COVERAGE IMPROVEMENT AND PREMIUM SAVINGS!**

### **RETAIL**

**BACKGROUND:** National Retail (building supplies) Chain.

**NEEDS:** Incumbent broker had been retained for over a decade and as a consequence they required a review of national property, motor and liability insurance coverage. There were significant gaps and unnecessary costs. They wanted to save money on premiums, Annual Premium spend \$800,000.

**SOLUTIONS:** Significantly reduced risk management and insurance expenditure, while delivering effective coverage enhancements across all of the major policies.

**SAVINGS: \$190,000 - 23%**

### **HUMAN RESOURCES**

**BACKGROUND:** International Workforce Management Services Company.

**NEEDS:** Required a review of personal accident, professional and general liability insurance coverage. There was concern for broker advocacy and gaps in coverages. To reduce costs of \$1 million.

**SOLUTIONS:** The preferred broker is now the Company's advocate resulting in significant coverage improvements and substantial cost reduction. Their insurable risks were identified and now better managed.

**SAVINGS: \$300,000 - 30%**

### **MANUFACTURING**

**BACKGROUND:** Manufacturing Company.

**NEEDS:** Required a review of property, casualty and workers compensation insurance program. There were global coverages and risk exposures. They wanted to save money on premiums, 2009-2010 Annual Premium spend \$659,000.

**SOLUTIONS:** New broker with global services was selected and significant coverage improvements were made. The insurable risks were identified and are now better managed.

**SAVINGS: \$207,000 - 31%**

### **ROAD & TRANSPORT**

**BACKGROUND:** National Transport Research Company.

**NEEDS:** To ensure their insurance program was efficient and cost effective. Review of policies for professional indemnity, public and products liability, property and business interruption. To save money on premiums, Annual Premium spend \$380,000.

**SOLUTIONS:** Cost savings and effective coverage enhancements across all of the major policies without the need to change the incumbent broker.

**SAVINGS: \$102,000 - 27%**

## **About Cost Containment Specialists**

Cost Containment Specialists is a national expense reduction firm that provides advisory services to organizations to assist them in reducing their indirect operating expenses. We engage Subject Matter Experts (SME) that have specific expense expertise in over 30 spend categories to analyze and negotiate our clients current and alternative vendors to realize savings greater than can be done internally. Since 1998, CCS has helped over 1,500 businesses and organizations find undiscovered cost savings. Our fees are success based, so you do not pay us until we produce savings.

For more information on how Cost Containment Specialists will reduce your operating expenses, contact:

Gary Friedman, President  
Cost Containment Specialists  
937-660-5358, Ext. 10

[gfriedman@cost-containment.com](mailto:gfriedman@cost-containment.com)  
[www.cost-containment.com](http://www.cost-containment.com)



Cost Containment Specialists | 750 Laurelwood Road | Dayton | OH | 45419