

### BACKGROUND

Fat Face is the leading designer of active lifestyle clothing and accessories for women, men and children. It is a multi-channel brand with a network of over 200 wholly-owned stores, an ecommerce channel and a wholesale operation. In May 2007 Fat Face was acquired by private equity specialists Bridgepoint.

### OPERATING EFFICIENTLY

Fat Face included indirect goods and services as part of a general business efficiency review. Retail buyers can focus on goods for resale whilst back office goods and services may not always be seen as such a high priority opportunity. Fat Face decided to look more closely at expenditure of one of its largest indirect costs i.e. printing. Procurement specialist Neil Birkbeck was appointed to review Fat Face's print management costs for its catalogue printing business.

Fat Face had a substantial annual spend with its incumbent print supplier who produced most of the company's brochures, catalogues, in-store leaflets and promotions which were changed every season throughout the year. Fat Face was not able to quantify exactly how competitive the service was but intuitively felt that it was happy with the supplier.

Emily Tate, Chief Financial Officer, Fat Face comments: "I think initially Neil met with a bit of resistance because internally the team was happy with our print supplier. I stressed to them that it was important that we had some kind of benchmark to validate our gut feeling and also to ensure that we were getting a competitive price and service. Changing suppliers can be a headache and there are also costs associated with this which you need to factor in. However, I wanted to ensure that we were operating at maximum efficiency and that we truly understood the costs to our business of various different contractual relationships."

### PART OF THE TEAM

Neil worked with the internal team to understand anticipated volumes for print requirements and together they built a simple excel spreadsheet that provided the background specification for the tender. With this information, he was able to generate an online questionnaire and a pricing matrix. At the same time, the procurement specialist introduced a number of additional suppliers to the mix. These suppliers were evaluated on set criteria such as their financial performance, size of business, price, cost, quality and whether they could provide details of satisfied clients via references. Following this Neil ran an on-line tender and e-auction.



### A FAVOURABLE OUTCOME

During the process the incumbent supplier reduced its price substantially but there were other suppliers that had been qualified as satisfying all the tender requirements, who provided even lower prices. Neil Birkbeck presented the results of the e-auction back to the internal team and then facilitated a brainstorming session to determine next steps.

Although the incumbent was more expensive than the other suppliers, Fat Face decided that it wanted to remain with them. However, by going through this process Fat Face was able to negotiate more favourable terms and was secure in the knowledge that it was receiving good value for money.

Emily Tate concludes: "Neil managed the project within the tight timescales we had agreed and worked extremely well with our internal team to deliver a good result. We ended up staying with the same supplier who had historically provided us with a good service, but we negotiated a reduced price. I wouldn't hesitate to recommend Neil Birkbeck for other similar projects."

