



Seymour Hicks Example Report

Reference:

Date: 1st June 2015

Prepared by: Iain McAlister

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Seymour Hicks Limited, The Clockhouse, Dogflud Way, Farnham, Surrey, GU9 7UD

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Company No. 8136316 VAT No. 143 4018 46

1 Seymour Hicks Contact Details

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2 Company Overview

With over 40 years hands on experience in Cost Management, Seymour Hicks recognise that Companies understand their core business function, but are often unable to spend the time required to focus on their peripheral costs.

Fulfilling this need for clients led to Seymour Hicks being founded.

At Seymour Hicks our client's needs lie at the heart of everything we do. We do not propose changing our clients existing arrangements, we simply demonstrate to them, with evidence, where their existing contracts might be improved.

We have developed a clear and unobtrusive approach that enables us to work with your existing suppliers with the aim of sustaining and improving your current agreements and relationships.

We specialise in understanding our clients and delivering clear simple evidence to unlock hidden profits within their businesses.

Iain McAlister Director of Seymour Hicks

Iain has for a number of years built long lasting business relationships

Iain found that most businesses understand their main business function completely, but often were unable to spend the time to focus on the peripheral costs of business.

Fulfilling this need for his clients led to Iain founding Seymour Hicks and growing it to where it is today.



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3 The Brief

Following the meeting on 29th May 2015 the following topics were discussed:

Telecoms

- Client is mid way through a 2-year contract and is confident that they are receiving very competitive rates.
- The client has asked for and received three separate discounts over the last 12 months. Only last month the supplier informed the client no further discounts could be given.
- Seymour Hicks to validate the current contract costs (see pages 10 - 12)

Photocopying

- Client has used same supplier for many years, they are happy with the service but “feel” it is expensive.
- Seymour Hicks to audit current arrangements.

IT Service and Maintenance

- Existing contract due for renewal on 1st August 2015
- Seymour Hicks instructed to analyse renewal terms offered (see page 13).

Other projects

- An interest was expressed in further projects, but it was decided to use the above three as a trial for proof of concept.



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4 Services

4.1 Telecoms

Service	Landline rental and call charges
Contract Dates	1 st June 2014 – 31 st May 2016
Termination terms	90 days notice
Current rates	see appendix 1
Estimated annual spend	£17,000
Best rates available see appendix 1	

Recommendations

Further discussion required with client about more immediate options available.



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4.2 Photocopying

Service	3 cannon photocopiers
Contract Dates	1 st January 2014 – 31 st December 2017
Termination terms	3 months
Current rates	Lease £18,000 per annum mono 0.6p colour 5.5p
Estimated annual spend	£30,000

Conclusion

Machines held on 3 year lease at a cost of £18,000 per annum. Service contract has various areas that we would like to see improved in terms of copy charges, annual increase etc. current contract does not end for 18 months.

Recommendations

1. It is likely the supplier will try and offer a new lease before the existing one expires – this is to be resisted
2. At renewal given the same machines and software etc we would expect to reduce the lease costs from 18,000 to 10,800 per annum
3. We would also expect to reduce the cost and terms of the service contract



4.3 IT Support and maintenance

Service	100 Dell work stations, 3 HP servers, 1 Dell server and help desk support
Contract Dates	Annual Contract due for renewal 1 st August 2015
Termination terms	30 days
Current Cost	See appendix 2
Annual spend	£19,650
Estimated savings	£6,225

Conclusion

Client happy with current supplier. We have analysed line by line the current renewal proposals on offer. Savings are available on certain cost lines (see appendix 2).

Recommendation

Seymour Hicks to seek client's permission to discuss findings with their chosen supplier.



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5 Action Points

5.1 Telecoms

- Further discussion required with client about more immediate options available.

5.2 Photocopying

- It is likely the supplier will try and offer a new lease before the existing one expires – this is to be resisted
- At renewal given the same machines and software etc we would expect to reduce the lease costs from 18,000 to 10,800 per annum
- We would also expect to reduce the cost and terms of the service contract

5.3 IT Support and Maintenance


- Seymour Hicks to seek clients' permission to discuss findings with their chosen supplier.




Appendix 1 - Telephone call charge analysis
This is your current call charge expenditure
This is our proposed terms

Call Type	Cost	Total Minutes	p/min
Local	£31.46	3982.28	0.79
National	£70.47	8920.25	0.79
O2	£63.58	1025.48	6.20
Orange	£36.26	584.84	6.20
T-Mobile	£10.23	165.00	6.20
Vodafone	£75.71	1221.13	6.20
3G	£4.31		
Other Mobile	£0.01		
0845	£30.63		
0870	£1.14		
Australia	£1.29		
Canada	£4.27	213.50	2.00
France	£1.35	61.36	2.20
France Mobile	£0.07		
Germany	£0.51		
Ireland	£2.07		
Netherlands	£0.44		
New Zealand	£0.01		
Portugal	£2.28		
Switzerland	£0.46		
Tanzania Mobile	£23.11	40.44	57.1 5
USA	£0.57		
Zimbabwe Mobile	£35.08	67.05	52.3 2
Fixed Fee 31	£1.79		

p/min	Equivalent Cost	Saving	%
0.66	£26.28	£5.18	16.5%
0.66	£58.87	£11.60	16.5%
2.99	£30.66	£32.92	51.8%
2.99	£17.49	£18.77	51.8%
2.99	£4.93	£5.30	51.8%
2.99	£36.51	£39.20	51.8%
2.99	£4.31	£-	
2.99	£0.01	£-	
2.80	£30.63	£-	
1.80	£1.14	£-	
2.59	£1.29	£-	
1.34	£2.86	£1.41	33.0%
1.06	£0.65	£0.70	51.8%
3.54	£0.07	£-	
1.34	£0.51	£-	
1.30	£2.07	£-	
2.10	£0.44	£-	
1.90	£0.01	£-	
2.87	£2.28	£-	
2.27	£0.46	£-	
26.46	£10.70	£12.41	53.7%
1.20	£0.57	£-	
50.00	£33.52	£1.56	4.4%
14.18	£1.79	£-	

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Personal Number F	£3.23	13.06	24.7 3 226.	23.51	£3.07	£0.16	4.9%
Premium G6	£41.26	18.19	84 13.6	6.94	£1.26	£40.00	96.9%
Premium G7	£10.98	80.32	7	14.02	£11.26	-£0.28	-2.6%
Premium G8	£0.20			2.17	£0.20	£-	
Premium G9	£1.93			3.35	£1.93	£-	
Premium G10	£2.02			4.49	£2.02	£-	
Premium G11	£1.03			6.30	£1.03	£-	
Premium G13	£4.92	50.95	9.66	9.64	£4.91	£0.01	0.2%
Premium G14	£0.30			10.32	£0.30	£-	
Premium G15	£0.78			11.87	£0.78	£-	
Premium G20	£0.38			7.30	£0.38	£-	
Premium G21	£6.71			1.12	£6.71	£-	
Total	£470.84	16,443.85			£301.92	£168.92	35.9%

This represents a saving of over £2027.02 per annum



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Appendix 2 - Telephone Line charge analysis
This is your current line rental expenditure
This is our proposed terms


Line Type	Unit Cost	Quantity	Total
01235 543000			
ISDN30 Line Rental	£15.65	30	£469.50
DDI Rental	£0.37	300	£111.00
CLIP	£1.59	1	£1.59
Safetynet	£9.99	1	£9.99
01235 526765			
Analogue Line Rental	£12.30	1	£12.30
Call Minder (Custom)	£3.00	1	£3.00
Safetynet	£0.99	1	£0.99
01235 554630			
Analogue Line Rental	£12.30	1	£12.30
Safetynet	£0.99	1	£0.99
Total			£621.66

Equivalent Unit Cost	Total	Saving	%	
£12.50	£375.00	£94.50	20.1%	
£0.25	£75.00	£36.00	32.4%	
£1.20	£1.20	£0.39	24.5%	
£-	£-	£9.99	100.0%	
£10.00	£10.00	£2.30	18.7%	
£2.00	£2.00	£1.00	33.3%	
£-	£-	£0.99	100.0%	
£10.00	£10.00	£2.30	18.7%	
£-	£-	£0.99	100.0%	
Total		£473.20	£148.46	23.9%

This represents a saving of over £1781.52 per annum

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Appendix 3 – IT Analysis

Qty	Equipment on Cover	Support Level	Incumbent Providers Charges	Seymour Hicks Industry Line Cost Analysis
2	HP ProLiant ML350 Server	On Site Hardware/Software Support	Itemised charge not supplied	£2,200.00
1	HP ProLiant DL380 Server	On Site Hardware/Software Support	Itemised charge not supplied	£1,300.00
1	Dell PowerEdge Server	On Site Hardware/Software Support	Itemised charge not supplied	£995.00
100	Dell Workstations	On Site Hardware/Software Support	Itemised charge not supplied	£4,900.00
1	Cisco Firewall	On Site Hardware/Software Support	Itemised charge not supplied	£345.00
2	Netgear 24 Port Switch	On Site Hardware/Software Support	Itemised charge not supplied	£390.00
1	Cisco Router	On Site Hardware/Software Support	Itemised charge not supplied	£295.00
1	Remote Helpdesk Support	Monday - Friday 8am - 6pm	Itemised charge not supplied	£3,000.00
Total Annual IT Support Charges			£19,650.00	£13,425.00
Potential Cost Saving			£6,225.00	



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