

# Mears Group

Mears Group achieved an immediate return on investment with KnowledgeBus

## Customer

**Mears Group** is best known for its social housing repairs and maintenance work. The company's operations, however, extend to new builds, contact centres and domiciliary care. With more than 300 branches and approaching 20,000 staff in the UK, the business turns over between £880m and £900m per year. The IT team, based in Exeter and Bournemouth, has a budget of between £6m and £7m and employs 122 people.

## Challenge

As an organisation, Mears Group has grown rapidly through acquisitions – and every time a new company is brought into the group, the IT team is required to react quickly to bring the business on board.

To meet this requirement, Group IT Director John Brett wanted the ability to purchase IT equipment at a moment's notice – but at the same time ensure the group was getting the best price.

"We can often have business challenges where we can have numerous contract mobilisations starting within the same week. In April 2016 we had 18. We can't just sit back and wait for quotes to come in. But then we also need to be confident that we are getting value," said John.

"As we get bigger, the scrutiny from shareholders is growing and I don't want to be asked why I bought at X when I could have bought at Y. When external auditors carry out their reviews of our department, I can't turn around and say 'well, we have a really good relationship with a local supplier'. We need a better response."

John also had a further challenge in that, when the IT team sourced a good price on the internet, suppliers would often not have enough stock to fulfil the requirements.

"If we need 1,000 Android phones, we don't want to be sourcing them from different channels, at different prices and with different return policies. That's what we call 'dirty procurement'," he said.

"We just want to know the product is available and that we are not compromising on cost."

## Solution

Mears Group decided to deploy KnowledgeBus, from Mercato Solutions, a benchmarking application for IT procurers that automates comparison of purchases against daily trade guide price and stock levels on over 150,000 'live' products from more than 2,500 manufacturers. It maintains CIPS Corporate Certification.

Users simply input supplier product lists or conduct spot checks to see what margin their supplier is proposing. A range of spend analysis tools also help users identify, track and forecast market developments for more strategic procurement.

KnowledgeBus empowers IT buyers with market knowledge, so they can rapidly negotiate better deals with preferred suppliers to unlock more from budgets. It saves users time consistently achieving best value.

As a value added service, Mears uses Mercato's optional Procurement Hub, which provides total purchasing reassurance by enabling customers to buy products at a guaranteed cost + 3%. If for any reason existing suppliers don't align on expectations, the Procurement Hub provides a fail-safe.

## Results

Within the first month of using KnowledgeBus, Mears Group's IT team saved £40,000 on just one purchase of 2,000 smartphones.

"We got our ROI immediately. I admit, there was scepticism within the team at first, but after just one purchase everyone was a convert," said John.

"We quickly saw that we could buy 90% of products cheaper using KnowledgeBus. When we reviewed past purchases we also saw one supplier had charged us a 45% margin on an order of BlackBerrys. We took this up with them and received a retrospective credit note."

## Transformed procurement

Mears Group's IT team has now made KnowledgeBus a fundamental part of its procurement process.

"We now don't buy anything unless it has gone through the portal," said John. "The admin team were concerned this would add an extra step in the process but the reality is it saves them time as they can request suppliers quotes through the portal, which reduces the phone calls they need to make. This has made them very happy."

## Guaranteed price and stock

Using KnowledgeBus in conjunction with Mercato's Procurement Hub price guarantee has given Mears Group the confidence to acquire all products at best value, either from existing suppliers or via the Procurement Hub.

"Realising that the price listed was actually the worst case scenario was huge for us," said John. "It's not like Google shopping, you know the prices you are seeing are valid. We initially thought we would have to negotiate hard to get the prices displayed but the fact that the price is actually guaranteed has made a big difference. It means we no longer have to deal with rogue suppliers charging huge margins."

## Spotting trends

Mears Group is now taking advantage of KnowledgeBus' ability to identify price trends to determine when, and when not, to buy.

"Product prices change all the time. We now know, for instance, the price of an Android phone is likely to go up and down about 3% in a fortnight – and, furthermore, that the cost of a new mobile will plummet after six months," said John.

"If we need something we won't hang around forever, but KnowledgeBus is allowing us to ride out interim price increases. And for the day to day stuff that's great."