

Saving money in your venue

Top tips to help theatres make effective
and informed procurement decisions

EXPERTISE WHEN YOU NEED IT

IN PARTNERSHIP
WITH:



Helping theatres reduce costs and boost profits

With Merchant Card Fees, Energy and Telecoms topping the list of challenges to the house Venue Network, the team at Farnham Maltings have made their Auditel resource available to the group.

Founded in 1994, Auditel was established to help organisations make effective and informed procurement decisions. Since then, we've built a strong network of over 100 procurement specialists and are continually innovating our service - becoming a leading procurement and supply chain management consultancy.

Auditel's procurement specialists work alongside your existing Finance and Operational teams, providing the external procurement help your theatre requires, delivering significant savings. This is due to our vast expertise and detailed knowledge of suppliers, and knowing which of them can deliver innovation and services at the most competitive prices.

In this first bulletin, house and John Merker of Auditel have provided some hints and tips on procurement that could help members to realise some of the savings enjoyed by the Farnham Maltings.

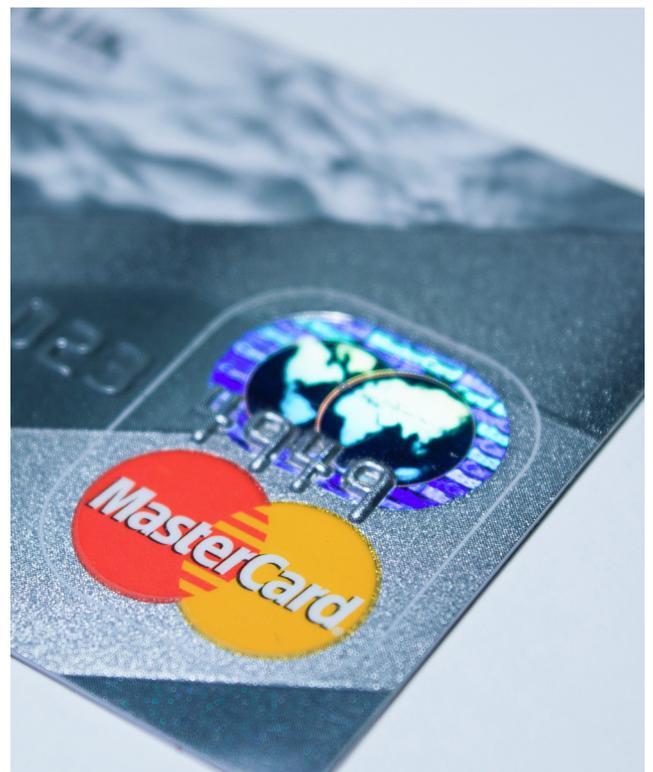
Top tips on reducing costs for theatres

MERCHANT CARD FEES

Merchant Card Fees for transactions can be a significant cost for theatres if not properly negotiated. It is important to know what you are currently paying for each transaction type as a percentage of the transaction amount or as a per transaction fee. Additional fees for Authorisation, Acceptance, Account Management, Minimum Charges, terminal rental and paper billing can all add up.

Credit and Debit card transaction costs are based on the "risk" associated with the organisations trading outlet. If you run a restaurant then charges are lower as people pay at the end of the meal after they have received the service. Ticket sales are classed as a higher risk as the event could be cancelled and ticket sales refunded. Look to separate your higher risk charges with those that are lower by creating separate merchant accounts for each outlet.

Keep on top of your PCI compliance obligations as non-compliance fees and penalties are increasing.





TELECOMS AND IT

Keeping a close eye on the ever-changing Telecoms and IT markets is a full-time job, as you need to keep abreast of the changes to ensure the right decisions are made. Telecoms and IT are being shaken up yet again by technology in the form of 5G. The projected speeds of data coming with 5G and the reduced need for costly broadband and fibre connections could result in the cost of data tumbling. Be careful when selecting the contract length on data packages.

5G could be some time away, especially in more rural areas of the country, so today's minds should be focusing on BT ceasing the sale of and subsequently turning off their ISDN infrastructure by 2025. If you haven't yet made the switch away from ISDN; then taking advantage of the low cost or even free calls when you move over to Voice over IP will provide an almost instant saving. It is also envisaged that connectivity within theatres will improve as the need for structured cabling to more awkward locations will possibly be negated by using 5G technology.

Cloud services are already a major part of our lives and more organisations are already seeing the benefits of moving everything skyward.

ENERGY

The cost of energy affects every theatre organisation. Management of this essential business cost can be a minefield for those without access to the right skills, knowledge and processes needed to avoid a potential host of sector related pitfalls.

Adopt a clear and simple 3-step process to your energy management:

1. Get Mean...

Step one is all about minimising your energy costs. Energy tariffs and procurement can be extremely complex but if you can examine and benchmark your energy spend you are part way to being able to compare rates and non-energy costs with suppliers as part of a full energy tender process. Buying renewable energy often comes at an increased cost, but if you shop around, some providers can offer it at the same price as traditional energy, but make sure the source is truly "green".

Depending on the supplier you are with and the type of supply you have, energy contracts can be agreed more than six months in advance of your contract end. The energy market can be a very volatile market and it has not been uncommon in the last five years to see prices rise or fall by over 20% in a short space of time. If energy prices are important to your company, then knowing when to go to market can be a real benefit.

2. Then Lean...

Step two is 'lean' because it's all about really getting to understand every aspect of your energy usage and then looking for smart and efficient solutions to meet your energy needs. Analyse your consumption and review your energy requirements before developing a strategy and implementation plan.

3. Before you go green...

Examining what green energy options are available to you is the final step. Renewable energy is not only environmentally-friendly, but it can also be a potential revenue source. However, this complex subject is fraught with technical and financial issues. Experts can advise on every aspect of this topic, from sourcing of equipment and services through to procurement, purchasing and funding options. They can also provide guidance on encouraging employee buy-in and selling excess energy back to the supply system.

Auditel delivers savings for Farnham Maltings

As a charity it is essential to ensure Farnham Maltings' costs are effectively managed. Auditel and Farnham Maltings have been working together since 2009, and continue this partnership to this day.



Farnham Maltings General Manager says, "We are a registered charity and in order to continue providing the wide range of arts and community services we're known for, we have to access funding from a number of government and lottery sources, so it's important we also make every effort to ensure our costs are effectively managed. For this reason, John's continued support in tendering our utility supplies and monitoring our usage has without doubt brought us savings to aid our ambitious remit."

Auditel's non-disruptive service

He adds, "Working with John has been a really good experience. He carried out a thorough investigation, delving into all sorts of detail and paperwork, with almost no input from us. We could just carry on with our day-to-day tasks with no impact on our workload."

Outstanding results

By moving to alternative suppliers year on year based on tender results, John realised savings of between 13% and 26% per annum. The Farnham Maltings General Manager says, "We now feel in a good position to make the switch to green renewable energy providers for all our supplies."

Further projects and savings

So impressed were Farnham Maltings with both the savings and John's efficiency that the project was rolled out to include other business cost areas such as merchant card fees (savings of 23%), franking machines (savings of 47%) and alarms (savings of 60%).

Telecoms and IT project management

John was also asked to review the centre's telephony and IT needs. Deputy Director, Sue Ellis adds, "We did some initial investigation ourselves only to be swamped with information that was very technical and confusing." So, John was asked to take over the project. Sue continues, "This turned out to be our best decision. Throughout the project John provided us with guidance and educated us on the different services and offerings and led us to make an informed decision which we would not have achieved without him."

SAVINGS BREAKDOWN

CATEGORY	SAVINGS
Electricity	13%
Telecoms	26%
Gas	13%
Merchant Card Fees	23%
Franking Machines	47%
Alarms	60%

"I see Auditel as another member of my management team. Auditel offers us lots of guidance and experience and altogether I see the experience as being 100% positive."

**General Manager,
Farnham Maltings**

To find out how Auditel could realise hidden profits for your theatre please contact:

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