

## NCP – Case Study & Reference



### Customer Details

NCP operates car parks across the UK and its name has become synonymous with car parking in Britain. The company was bought by a private equity firm and a thorough review of the business was undertaken. One of the areas that the company's finance director, Paul Gilbert (now CEO Matalan), decided to focus on was procurement. "We were not maximising our potential in this area," says Gilbert "we decided to bring in JMCL with whom I'd worked previously at GUS."

### Work Done

"We spent two or three weeks interviewing managers throughout the business and conducting a diagnostic analysis of NCP's spend and procurement processes. We presented our findings and recommendations to Paul Gilbert and began a formal Procurement Improvement Programme (PIP)" says Patrick Cahill of JMCL.

The key objectives of PIP were to achieve reductions in cost, improve service and quality from suppliers and strengthen procurement process and controls. At the time, NCP had over 2,000 suppliers and its procurement processes were fragmented and inefficient.

"Their leverage was reduced as was their ability to get good service. Managers' productivity was also undermined by the cumbersome processes," says Cahill.

Although the company was keen to cut expenditure and do so relatively quickly, Gilbert wanted to ensure that JMCL transferred its knowledge to NCP managers and gave them ownership of the process.

"We helped the company to consolidate its supply base and improve its processes. Our approach is to work hard alongside managers and help them develop the necessary skills themselves," says Jonathan Michael, CEO of JMCL.

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Accordingly, the project was split into three core work streams, each of which was led by an NCP senior manager and facilitated by a JMCL consultant.

- The “Direct” team tackled supplies and services relating directly to NCP’s service delivery, such as ticketing or uniforms. It was led by NCP’s Technical Services Director.
- The “Indirect” team looked at spend on support activities, such as the car fleet and IT. It was led by Robert Harris, Group Financial Controller.
- The “Process” team looked at the processes and controls involved in procurement and was led by Charlotte Walker, NCP’s Chief Accountant.

Each of the category teams also involved NCP staff and managers from all functions and areas of the business, a deliberate policy designed to involve key stakeholders and enthuse employees about the procurement programme.

### **Results Achieved**

In the Direct team, the partnerships were forged with a small number of suppliers in areas such as parking equipment. Suppliers were then prepared to invest in the relationship. In other categories, such as uniforms, signs and maintenance, costs were substantially reduced too.

The Indirect team’s first target was the company’s car fleet. The supplier was changed, costs fell by 10 per cent annually and through active management of the supplier on NCP’s part, the service significantly improved.

“JMCL tailored their support to match our requirements, including hands-on coaching, where necessary,” says Harris.

The Process team introduced measures to improve efficiency and control. This included specific processes for low value ad hoc transactions, as well as more systematic use of the company’s Oracle purchase ordering system.

“JMCL’s expertise and support was exceptional, we achieved an enormous amount.” says Walker.

JMCL exited NCP, having recruited an experienced, dedicated procurement manager for the company.

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### **Customer Testimonials & Quotes**

“JMCL facilitated each of the category teams, identified opportunities and helped us develop and implement action plans. They are very, very good motivators” says Gilbert. “There were many, great success stories. In a number of key areas aligned with service delivery, we achieved significant savings, often in excess of 20 per cent. Many of these were achieved within six months. This really helped convince any of our sceptical employees,” he adds.

“The whole experience was inspirational because it encapsulated all of our core values. We saved over £2 million out of a budget of about £26 million. Initially, I was a sceptic but JMCL made us do a lot of the work ourselves and they were very useful,” says Tim Duke, leader of the Direct team.

“I have used the company before and since. We saved more than £2 million in our first year and will save the same again next year. JMCL’s results speak for themselves.” says Gilbert.