



Utility Bill Management

How Jaycar Delivered Unprecedented Growth In A Pandemic

When COVID-19 reached Australia's shores in early 2020, it sparked a wave of working from home. Suddenly, there was considerable demand for home-office equipment. For Jaycar, a private family-owned business supplying consumer electronics to customers in Australia and New Zealand for more than 40 years, it represented something of a boom. In just a couple of months, sales increased by 30 percent.

Jaycar's success began to permeate throughout the company. When various parts of the two countries emerged from lockdown and people rediscovered their freedom, many hit the road and went camping. As a result, Jaycar's sister company, Roadtech Marine—which targets the recreation, road travel, camping, and accessories market—experienced even more growth.

Problem

The company conducts most of its business through physical—rather than online—stores. Its customers prefer a more tangible type of sale. As a result, the number of stores is growing. There are now 150 stores and more in development, as well as an extensive reseller network.

The finance team was given the remit to target savings across the company's top 10 controllable expenses, and electricity was right up there. With so many retail sites, the company spent around \$2.5 million per annum on electricity alone.

At that time, Jaycar had a procurement provider. Their previous platform was difficult to use and lacked an account manager. Jaycar felt the scale of the company's electricity usage gave them real buying power in the market, and they developed a strategy to consolidate suppliers. The existing procurement partner suggested entering into agreements with a single national provider, but the move failed to deliver the expected reductions.

Electricity costs were still high, and the business had little insight into the reasons why. There was no way of knowing whether high usage in certain stores was driven by necessity or culture. For example, there might be an argument for air-conditioning to always be on in tropical North Queensland. Equally, there was a chance it was just not being turned off by the last employee to leave the building.



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Often, the corporate head office would be contacted by a store or area manager, asking for more detail on why electricity usage was high. Knowing it was possible to gain some insight by eyeballing the actual bills, the Financial Controller would pull them out for analysis. But it wasn't a quick process. Each hard-copy statement took time to locate, and it took longer to form theories based on the information presented. On average, looking into the usage of just five retail premises would take more than a day. As an approach, it was simply unsustainable.

Jaycar remained certain that significant reductions in electricity usage could be made. They just needed the right solution to do it. Fortunately, it was around that time one of the company's property managers first received a call from the team at Bid.

Solution

After seeing a few case studies, Adrian, his CFO, and CEO sat down and reviewed Bid's proposal. All three felt it was a no-brainer. Having spent time analyzing bills himself, Adrian knew there were plenty of additional charges—over and above the contract rate—that he couldn't necessarily explain.

Bid specialized in procuring electricity and reviewing and interrogating electricity bills, which gave the team confidence that they would get it right.

"Initially, we thought here we go, someone else trying to sell us something," says Adrian Zamattia, Group Financial Controller. "But when we looked at it, we thought this might work. And it has! It's been a big game-changer for us."

Specifically, the Bid helped with:

- Data validation
- Opportunities for energy savings
- Access to historical data
- A bill repository
- Site-level visibility

These features were delivered through Bid's Utility Bill Management solution and used by the property, accounts payable, and finance teams. In addition, the retail automation team—who supported the individual stores—were given access.



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Outcome

Very quickly, Bid delivered a \$9000 bill validation saving. And that was just one site, others have followed. A few hundred dollars here, a thousand there; it all added up.

It reinforced Adrian's belief in the importance of bill interrogation. "Some of those billings are a bit of a lottery," he says. "You never know what you're going to get. In the past, we've been getting them and thinking, how can that be? How can a store during spring have usage equivalent to the summer?"

Then there were small wins on the metering arrangements; a 23 percent savings over the 3-year term—around \$3500.

Over the next two years, the company will save \$405,000 in electricity and metering costs through its procurement auction. This equates to a 23 percent reduction in what they were paying previously in Australia.

"It's a very good story to tell within our business," says Adrian. "I've got a responsibility to have a look at the controllable spend. Electricity is one of them. We've ticked—smashed—that box."

Coupled with the savings, the data held in the system is facilitating conversations and helping the business understand consumption. "It makes it easier to understand what's happening in each location," Adrian says.

"Most of our people are based in our Sydney head office—they wouldn't know what's happening in North Queensland or Western Australia, as they're not there. Through running reports and viewing the data on the platform, they can see what's happening and do a targeted campaign to understand what is happening at store level."

Adrian's next step will be to develop Bid champions. Rather than everyone going into the system without really knowing enough about it, he wants two people within the business to become platform gurus.

"[With Bid] we've gone from a bicycle to a four-wheel drive. We can do a lot of things now. I wish I was introduced to you guys a lot earlier. It's been a massive win for the business, and everyone is happy."

Adrian Zamattia, Group Financial Controller, Jaycar.



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Before

- Before working with Bid, Jaycar knew it was paying too much for its electricity but didn't have the tools to identify cost-reduction opportunities.
- Analysis of spending was being done manually. It was slow, resource-intensive, and based on hard copy bills.
- The contract rates on each bill were scrutinized, but there were additional charges that were difficult to understand and validate.
- Staff in the head office had little insight into how electricity was being used in distant locations.
- Around 1800 bills were processed manually each year.

After

- **Over a two year period, Jaycar will save \$405,000 AUD (\$295,000 USD or £215,000 British Pounds) in electricity costs.**
- In the first three months, Jaycar saved \$3,675 over a three-year direct metering agreement and avoided approximately \$9,000 in costs and counting.
- Over 1800 electricity bills are now processed automatically. The data is extracted and loaded into the company's ERP system.
- Area managers can use the self-service platform to pull electricity usage information whenever they want it.

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