

Case Study – Big Box Retailer

“We were very impressed that CCA’s Energy Cost Recovery and Reduction™ Program provided substantial energy cost savings in our stores, particularly in light of the fact that our current energy bill payer had assured us that they were providing a constant close review of our rates and overall costs.”



CCA goes right behind the competition.

Background

The Retailer is a US-based chain of retail home improvement stores. The chain now serves over 13 million customers a week in over 1,400 stores located in 49 states and Canada.

Challenges

While management was interested in finding new ways to reduce costs, there was some skepticism that an Energy Cost Recovery and Reduction™ review by Cost Control Associates

(CCA) would produce anything more than token savings.

One reason for the reluctance was that **The Retailer** had been using a bill paying service for several years. The service claimed to provide a complete solution for their clients that included bill auditing and development of cost management strategies.

The Retailer assumed that in addition to paying the bills, the service provided a vigilant and constant review of the current rates, tariffs and taxes on the bills. That is a common misconception.

However, the fact is that most bill paying services are bid on a per-unit cost basis (with the contract usually going to the low bidder). So when faced with very thin margins, the bill payer has little room left to invest in a thorough review of bills for errors or perform detailed rate analysis and review.

This is exactly why CCA has produced some of their best results providing Energy Cost Recovery and Reduction™ services to companies that use bill paying services. And because the bills and other data are generally well organized and readily accessible, a client’s time investment to provide information is very low.

Although **The Retailer** assumed that there was very little to be gained by having a second company review the billing, the fact that CCA had previous experience (and a very high success rate) reviewing energy costs for other retail

companies was quite alluring. Also, because all of the analysis work would be performed on a strictly contingency basis (with the client incurring no costs whatsoever if there were no refunds or savings produced), **The Retailer** found the program particularly attractive. To test results, **The Retailer** decided to begin by using a pilot program consisting of 122 of the Company’s stores.

Solutions

Using its **Cost Recovery and Reduction™** program, along with its proprietary software and its unique “team analysis” concept, Cost Control Associates performed a complete analysis on the energy bills of the 122 stores selected for the pilot program.

Results

The results of this pilot program were both significant and promising. The refunds and savings produced by CCA’s efforts produced six figures in total annual energy cost savings and refunds for these 122 stores. And because two-thirds of the energy cost savings was in the form of cost reductions, these savings will reoccur annually. If the results of this test audit could be duplicated and maintained throughout the remainder of **The Retailer’s** stores, the results would be over \$1.5 million dollars saved annually.