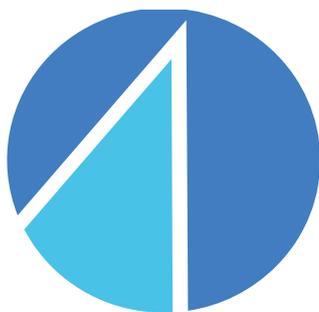
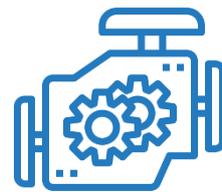
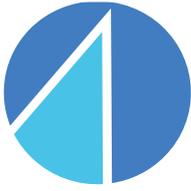




Reducing Costs in Road Transport



CALIBA[®]



CALIBA[®]

Reducing Costs in Road Transport

The road transport sector is a very competitive, capital intensive business, with companies 'sweating their assets' to increase profits. The profit margins experienced in this sector are low, with companies having to keep operating costs low and grow their volumes to remain viable.

Companies that have low operating costs have a significant advantage over their competitors. Lower costs enables companies to set lower freight rates, resulting in the winning of more transport contracts, which improves their economies of scale – a positive cycle develops of increased volume, lower costs, and increasing profits.

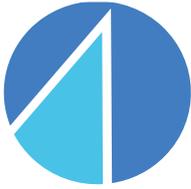
The first step in achieving this position for your transport business is to better understand your operating costs and where you sit on the cost curve compared with your competitors.

We have assisted many road transport companies to identify large cost reductions within their business, and then helped them realise these cost reductions.

We have achieved up to 20% cost reductions for road transport companies in selected goods and services categories.



“We have achieved up to 20% cost reductions for road transport companies”



CALIBA[®]



20%

Spare Parts



12%

Component Rebuilds



14%

Maintenance Services



12%

Freight



8%

Labour Hire



22%

Tyres



3%

Fuel



28%

Lubricants



16%

Corporate Services

Cost Reduction Potential

We consistently deliver similar cost reductions for our clients across road transport categories. These savings are realised by our clients each year during the contract term.

“ We reduced costs by \$3.72m per annum, providing the company with a return on investment of 22:1. ”



Case Study

A national refrigeration transport company had a lack of formal goods and services contracts in place, and had not tendered their maintenance and operating consumable requirements in many years.

The CEO and Operations Manager were confident they had competitive pricing with their long-term suppliers, however the CFO wanted to be sure this was the case.

The CFO asked us to complete an opportunity assessment to benchmark their operating costs with the industry. This process identified cost reduction opportunities in fuel, lubricants, tyres, parts and components.

We worked with the Operations Manager and other stakeholders to deliver 3 projects, which reduced operating costs by \$3.72m per annum, providing the company with a return on investment of 22:1.

\$3.72m

*Cost Reduction
per Annum*

3

*Cost Reduction
Projects*

22:1

ROI



Contact us

Please contact our team today to organise a consultation with one of our cost reduction experts. Our experienced team will work with you to quickly identify practical cost reduction opportunities.



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