

'Procurecard can be marketed through practices offering practitioners a significant new revenue stream by providing an outsourced spend management service that is packaged and ready to brand and launch to clients.'

unlocking new revenue streams

■ **On the first anniversary of ACCA's endorsement of the Procurecard spend management service, Helen Ritchie explains how both practices and their clients can benefit from unlocking new revenue streams.**

"Procurecard unlocks a valuable new revenue stream from our non-core procurement activities. Monthly cash rebates mean that we can generate revenue from cost centres and increase bottom line profit". Scott McCroskie, Finance Director – Whyte and Mackay Ltd.

overview

Headquartered in Scotland, Whyte and Mackay is a global spirits company with an 8% share of the worldwide Scotch whisky market and significant brands such as Whyte and Mackay Scotch Whisky, The Dalmore Single Highland Malt, Isle of Jura Malt Whisky, Glayva Liqueur and Vladivar Vodka. The company is also the world's leading supplier of own label Scotch whisky.

With four malt distilleries and the only grain distillery in the Highlands of Scotland, Whyte and Mackay distils, blends and bottles Scotch whisky and other spirits for customers around the world. Whyte and Mackay employs around 700 people, and in the year ending September 2002, generated an operating profit of £20.6m on sales of £157.2m, representing 9.3m cases of spirits.

Continually looking for ways to enhance business performance, Whyte and Mackay discovered that Procurecard's unique spend management service would create a new

income stream. By joining the Procurecard programme, Whyte and Mackay would benefit from the combined buying power of all the participating members. In addition, Whyte and Mackay would be able to supplement its in-house procurement expertise through access to Procurecard's team of over 80 procurement specialists, allowing its purchasing team to focus on core business and strategic procurement activities.

procurecard benefits

Procurecard completed the spend management analysis and calculated the rebate that could be generated in nine of the non-core spend categories –telephone, stationery, printing, IT consumables, hotels, courier services, IT hardware, work wear and cleaning.

On a total managed spend in excess of £850,000, Procurecard identified a potential annual rebate of 7.5% across the nine categories, which would generate an annual cash rebate of £65,000. This rebate is expected to increase over time as Whyte and Mackay adds new spend categories and as the overall amount of spend managed by Procurecard grows.

Subsequently, Whyte and Mackay has asked Procurecard to look at a further £10m spend across a range of categories, which has the potential to yield an additional annual rebate of up to £750,000, equivalent to a bottom line profit increase of 4%.

Procurecard has identified and provided for Whyte and Mackay a new revenue stream with significant potential, which will directly increase bottom line profit for the business.

about procurecard

Procurecard is a unique new service that unlocks the hidden value within a company's non-core procurement spend, to directly increase profit through the introduction of a new revenue stream. Procurecard works by combining the buying power of a large number of companies to negotiate rebates with preferred suppliers on a wide range of goods and services.

Procurecard can be marketed through practices offering practitioners a significant new revenue stream by providing an outsourced spend management service that is packaged and ready to brand and launch to clients. When a practice introduces a client to Procurecard, savings made are returned to practitioners as monthly rebates for distribution to clients either as cash payments or reduced cost services.

Helen Ritchie – Marketing Director, Procurecard

To find out how Procurecard can make a difference to your practice, visit: www.procurecard.com/acca
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