

TAKING STOCK



When it comes to reducing the costs of your consumables, it's the little things that count, says **Stephen Gaubert...**

Every nursery needs to buy consumable supplies - from stationery and cleaning materials to play furniture and food. The spend on each of these items can be small, but overall the costs will mount up. So, to keep expenditure to a minimum, here are a few general guidelines to follow:

- Decide what you want, why you want it and what price/quality band you're looking for. The choice of products rests with you; it should not be a case of the suppliers offering you products they want to sell. Your choice of supplier is critical, as a good supplier who understands the sector and the products it is selling should also have systems to manage ordering, invoicing and regular service management.
- Check products are fit for purpose. For example, restrict the use of high-quality paper to letters and leaflets and use a more basic product for internal use. For items used for play, make sure of their safety and correct accreditation. They should be robust and durable, easy to clean and have no sharp edges.
- Maintain an inventory so that you know what you're using, and how frequently you use it. This enables wasteful usage to be identified.
- Understand the Terms and Conditions - minimum order values, delivery times, how back orders are handled, contractual

commitments/periods, etc. Remember that VAT is often omitted from the unit pricing and is added on at the end of the invoice.

There are some specific tips for different categories, too:

Stationery - select the core products required (e.g. paper, filing, pens, etc.). Identify the anticipated volumes and negotiate with suppliers to get best value. Beware free gifts used to disguise price increases..

Printers/copiers - these hold a number of risks, so ensure you know what you're paying for. Are cartridges and maintenance included? How many copies will a cartridge provide? Avoid long leases/contracts, and make sure there is a clear breakpoint in any agreement signed.

Cleaning products - as with stationery, identify a list of core products; make sure you're comparing like with like (what are the dilution ratios, how many sheets on a roll of paper towel?) and check quality. Avoid well-known brands unless they provide competitive value.

Food - the key issues are to ensure that the nutritional value of the products meets the requirements of the menus, and that there is full traceability of the food, in case of problems.

Resources - such as toys, art materials and play furniture. Look for those that bring good play and educational value, and that can be used in a coordinated way.

When selecting products it is critical to look at the quality, amount of usage and price. These initiatives will reduce costs and return better value.

Stephen Gaubert helps organisations manage their overhead costs. For more information, call 020 8482 1370 or 07785 340 280, email stephen.gaubert@auditel.co.uk or visit auditel.co.uk/stephengaubert



WAGE INCREASES ON THE HORIZON?



JOHN ALLAN, NATIONAL CHAIRMAN, FEDERATION OF SMALL BUSINESSES, INTRODUCES THE GOVERNMENT'S NEW EMPLOYMENT ALLOWANCE...

Small and micro firms want to offer competitive prices and pay employees a fair wage; however it can be a difficult balance to strike, particularly against a backdrop of rising costs. For many of you, keeping nursery fees affordable for parents is going to be important.

Through speaking to FSB members, we have found that small firms recognise the benefits of paying employees more. Indeed, more than two-thirds pay their staff at or above the Living Wage of £7.45. Unfortunately, in challenging economic times increasing employees' wages can be difficult. As such, the FSB has worked with

the government to identify policy changes that would enable small firms to raise employee pay and invest in their staff and businesses. For example, we campaigned to get a reduction in National Insurance contributions (NICs), which had the potential to act as a wage subsidy. In this year's budget the government went above and beyond reducing NICs, introducing an Employment Allowance worth £2,000.

From next April, all businesses and charities will be eligible for this allowance, which acts as a discount on their National Insurance (NICs) bill each year. For the majority of small firms this means help is finally at hand to increase the funds available to them to support employees.

Do you know about the new Employment Allowance? We're keen to hear your thoughts about whether you will use it to increase wages, or any issues you may, or may not, have with the changes. Email us at press@fsb.org.uk

EFFECTIVE COST MANAGEMENT IS NOT A ONE-HIT WONDER; IT NEEDS TO BE AN ONGOING ACTIVITY