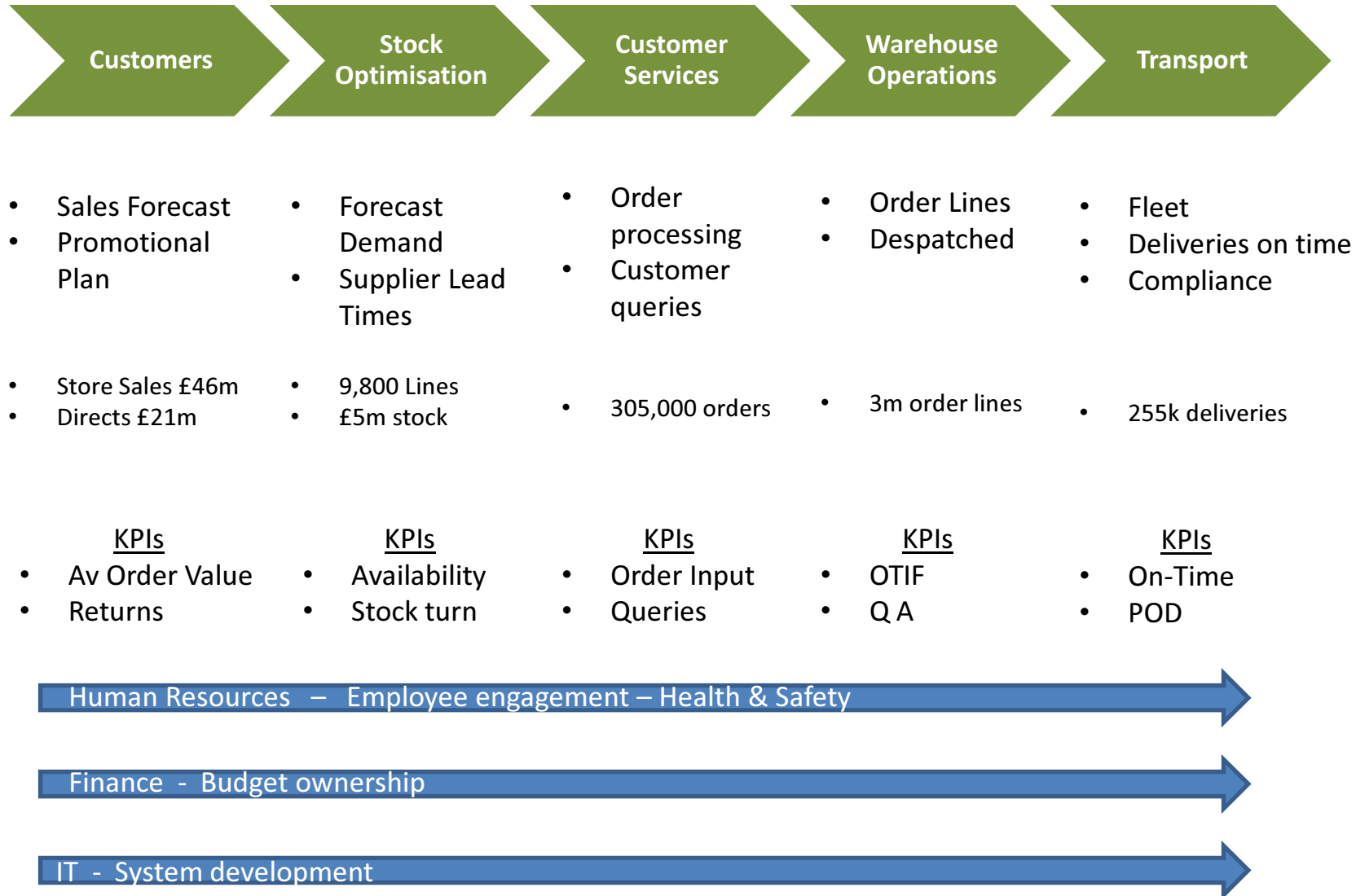


Peak Trading Review 2015



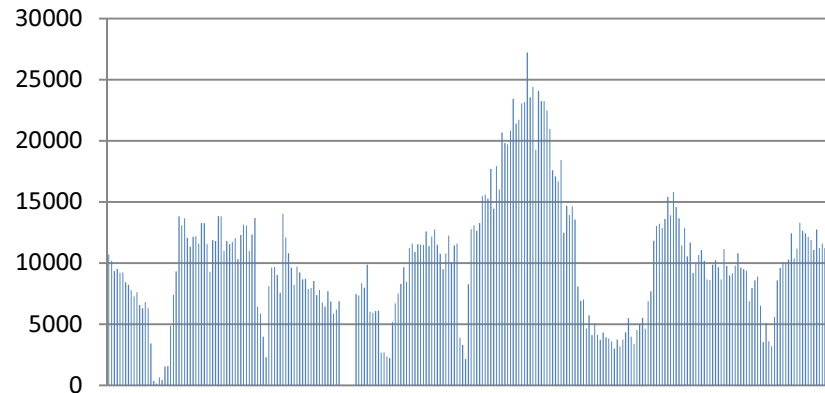
David Godsell

ESPO Supply Chain Map



Peak Profile

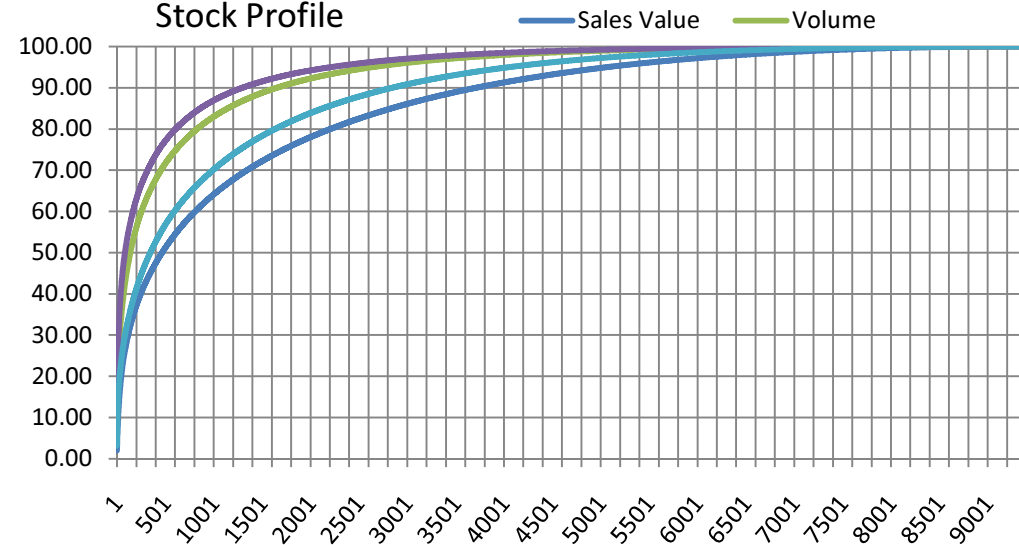
Lines Keyed



- 100% increase in order lines during June/July
- Represents 30% of annual sales
- Historically unable to meet demand

- Top 200 lines = 35% demand
- 3-4000 lines accessed daily
- Weight & cube profile
- Permits stand-alone operation

Stock Profile



Seasonal Relief Warehouse

- ITT process for out-based peak warehouse operation
- CEVA Logistics selected operating from a facility in Daventry
- Based around super-fast products
- TQM environment
- Operation capable of 6,000 lines per day
- Delivery through existing ESPO carrier channels
- IT interfaces installed to ensure seamless process
- Managed risks around supplier delivery and quality

ESPO Lean Logistics



- New lean processes and revised layouts
- Aligned to software modifications
- Delivered 15% warehouse productivity improvements
- Dedicated trainers to mentor new agency starters
- Staff performance tables help to spur on greater staff contribution
- Supplier availability averaged 98.4%
- Order acknowledgement & delivery confirmation system

Category	Value
Category 1	100%
Category 2	100%
Category 3	100%
Category 4	100%
Category 5	100%
Category 6	100%
Category 7	100%
Category 8	100%
Category 9	100%
Category 10	100%
Category 11	100%
Category 12	100%
Category 13	100%
Category 14	100%
Category 15	100%
Category 16	100%
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Category 95	100%
Category 96	100%
Category 97	100%
Category 98	100%
Category 99	100%
Category 100	100%

Customer marketing and communications

Get ahead with 7.5% discount

ESPO

ESPO Customer Services
Barnsdale Way, Grove Park,
Enderby, Leicestershire LE19 1ES
t: 0116 265 7901
f: 0116 294 4300
e: c.services@espo.org

Dear ESPO customer,
Stock up for the new school year and take advantage of this fantastic discount offer. This offer replaces our previous summer holiday discount you may have enjoyed. Place your summer orders now.

Choose from literally thousands of products including:

- Stationery
- Office equipment
- Curriculum products
- Art and craft
- Cleaning and catering

You can use your 7.5% discount* on all stock items (numerical codes only) from our new 2015/16 catalogue with a minimum order value of £300.

Offer available between 13 April - 22 May 2015

Offer ends 4pm on Friday 22 May 2015

Deliveries will be made by 5 June, not necessarily with your usual orders.

SPD15
Online promotional code with your ESPO account number when ordering

Exclusive 7.5% discount

How to redeem this offer:

1. Order in your usual way
2. Check your order and ensure the promotional code SPD15 is entered in the special instructions. This promotional code must be in capital letters and not be followed by any spaces.
3. All orders must be placed SPD15 to receive the discount with orders placed by 4pm on Friday 22 May 2015.
4. An order must be placed from the ESPO 2015/16 catalogue including merchandise and items codes will qualify. It is a. Please do not include it in a order placed on these orders. © ESPO 2015

*This promotion applies to stock items only from ESPO 2015/16 catalogue with a minimum order value of £300. Excludes limited and direct contracts (e.g. A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, AB, AC, AD, AE, AF, AG, AH, AI, AJ, AK, AL, AM, AN, AO, AP, AQ, AR, AS, AT, AU, AV, AW, AX, AY, AZ, BA, BB, BC, BD, BE, BF, BG, BH, BI, BJ, BK, BL, BM, BN, BO, BP, BQ, BR, BS, BT, BU, BV, BW, BX, BY, BZ, CA, CB, CC, CD, CE, CF, CG, CH, CI, CJ, CK, CL, CM, CN, CO, CP, CQ, CR, CS, CT, CU, CV, CW, CX, CY, CZ, DA, DB, DC, DD, DE, DF, DG, DH, DI, DJ, DK, DL, DM, DN, DO, DP, DQ, DR, DS, DT, DU, DV, DW, DX, DY, DZ, EA, EB, EC, ED, EE, EF, EG, EH, EI, EJ, EK, EL, EM, EN, EO, EP, EQ, ER, ES, ET, EU, EV, EW, EX, EY, EZ, FA, FB, FC, FD, FE, FF, FG, FH, FI, FJ, FK, FL, FM, FN, FO, FP, FQ, FR, FS, FT, FU, FV, FW, FX, FY, FZ, GA, GB, GC, GD, GE, GF, GG, GH, GI, GJ, GK, GL, GM, GN, GO, GP, GQ, GR, GS, GT, GU, GV, GW, GX, GY, GZ, HA, HB, HC, HD, HE, HF, HG, HH, HI, HJ, HK, HL, HM, HN, HO, HP, HQ, HR, HS, HT, HU, HV, HW, HX, HY, HZ, IA, IB, IC, ID, IE, IF, IG, IH, II, IJ, IK, IL, IM, IN, IO, IP, IQ, IR, IS, IT, IU, IV, IW, IX, IY, IZ, JA, JB, JC, JD, JE, JF, JG, JH, JI, JJ, JK, JL, JM, JN, JO, JP, JQ, JR, JS, JT, JU, JV, JW, JX, JY, JZ, KA, KB, KC, KD, KE, KF, KG, KH, KI, KJ, KK, KL, KM, KN, KO, KP, KQ, KR, KS, KT, KU, KV, KW, KX, KY, KZ, LA, LB, LC, LD, LE, LF, LG, LH, LI, LJ, LK, LL, LM, LN, LO, LP, LQ, LR, LS, LT, LU, LV, LW, LX, LY, LZ, MA, MB, MC, MD, ME, MF, MG, MH, MI, MJ, MK, ML, MM, MN, MO, MP, MQ, MR, MS, MT, MU, MV, MW, MX, MY, MZ, NA, NB, NC, ND, NE, NF, NG, NH, NI, NJ, NK, NL, NM, NN, NO, NP, NQ, NR, NS, NT, NU, NV, NW, NX, NY, NZ, OA, OB, OC, OD, OE, OF, OG, OH, OI, OJ, OK, OL, OM, ON, OO, OP, OQ, OR, OS, OT, OU, OV, OW, OX, OY, OZ, PA, PB, PC, PD, PE, PF, PG, PH, PI, PJ, PK, PL, PM, PN, PO, PP, PQ, PR, PS, PT, PU, PV, PW, PX, PY, PZ, QA, QB, QC, QD, QE, QF, QG, QH, QI, QJ, QK, QL, QM, QN, QO, QP, QQ, QR, QS, QT, QU, QV, QW, QX, QY, QZ, RA, RB, RC, RD, RE, RF, RG, RH, RI, RJ, RK, RL, RM, RN, RO, RP, RQ, RR, RS, RT, RU, RV, RW, RX, RY, RZ, SA, SB, SC, SD, SE, SF, SG, SH, SI, SJ, SK, SL, SM, SN, SO, SP, SQ, SR, SS, ST, SU, SV, SW, SX, SY, SZ, TA, TB, TC, TD, TE, TF, TG, TH, TI, TJ, TK, TL, TM, TN, TO, TP, TQ, TR, TS, TT, TU, TV, TW, TX, TY, TZ, UA, UB, UC, UD, UE, UF, UG, UH, UI, UJ, UK, UL, UM, UN, UO, UP, UQ, UR, US, UT, UY, UZ, VA, VB, VC, VD, VE, VF, VG, VH, VI, VJ, VK, VL, VM, VN, VO, VP, VQ, VR, VS, VT, VU, VW, VX, VY, VZ, WA, WB, WC, WD, WE, WF, WG, WH, WI, WJ, WK, WL, WM, WN, WO, WP, WQ, WR, WS, WT, WU, WV, WW, WX, WY, WZ, XA, XB, XC, XD, XE, XF, XG, XH, XI, XJ, XK, XL, XM, XN, XO, XP, XQ, XR, XS, XT, XU, XV, XW, XX, XY, XZ, YA, YB, YC, YD, YE, YF, YG, YH, YI, YJ, YK, YL, YM, YN, YO, YP, YQ, YR, YS, YT, YU, YV, YW, YX, YZ, ZA, ZB, ZC, ZD, ZE, ZF, ZG, ZH, ZI, ZJ, ZK, ZL, ZM, ZN, ZO, ZP, ZQ, ZR, ZS, ZT, ZU, ZV, ZW, ZX, ZY, ZZ.

Celebrate summer with 7.5% discount

ESPO

ESPO Customer Services
Barnsdale Way, Grove Park,
Enderby, Leicestershire LE19 1ES
t: 0116 265 7901
f: 0116 294 4300
e: c.services@espo.org

Dear ESPO customer,
To help you get ready for the new school year we're offering you a tempting 7.5% discount* if you can receive a summer holiday delivery.

Choose from literally thousands of products including:

- Stationery
- Office equipment
- Curriculum products
- Art and craft
- Cleaning and catering

You can use your 7.5% discount* on all stock items (numerical codes only) from our new 2015/16 catalogue with a minimum order value of £300.

Offer available between 1 June - 17 July 2015

Offer ends 4pm on Friday 17 July 2015

Deliveries will be made by 5 June, not necessarily with your usual orders.

SHD15
Online promotional code with your ESPO account number when ordering

7.5% Summer Discount

How to redeem this offer:

1. Order in your usual way
2. Check your order and ensure the promotional code SHD15 is entered in the special instructions. This promotional code must be in capital letters and not be followed by any spaces.
3. All orders must be placed SHD15 to receive the discount with orders placed by 4pm on Friday 17 July 2015.
4. An order must be placed from the ESPO 2015/16 catalogue including merchandise and items codes will qualify. It is a. Please do not include it in a order placed on these orders. © ESPO 2015

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Best practice checklist

ESPO

Help us to make significant savings to the public sector by following these simple steps next time you order from ESPO:

- **Ask your colleagues** to consolidate your orders into one large order.
- **Order regular items in bulk** – Maximising your order value can realise economies of scale as many of our regularly used items come in different pack sizes, benefitting from cheaper prices for larger orders.
- **Plan ahead** to avoid placing low value orders for forgotten items.
- **Avoid ordering by phone or fax** – These methods significantly increase order processing times. Online ordering is the most efficient method letting you check stock on your items and send it straight through to our system.
- **Register for online ordering at espo catalogue.org** Here you can create an online 'order pad' for regularly sourced items and send it once a fortnight or so to minimise multiple orders per week.
- **Sign up to receive PDF Invoicing** – This is a simple change that can provide multiple benefits, reducing paper, printing and postage costs. You'll also receive them much quicker than by post.
- **We have bespoke ordering packages** available to education establishments allowing you to place orders through your own finance systems. Check online at espo.org/downloadlibrary for more information.

Register for your online ordering account at espo catalogue.org before 10 July 2015, to be entered into a draw to win £50 worth of ESPO vouchers.

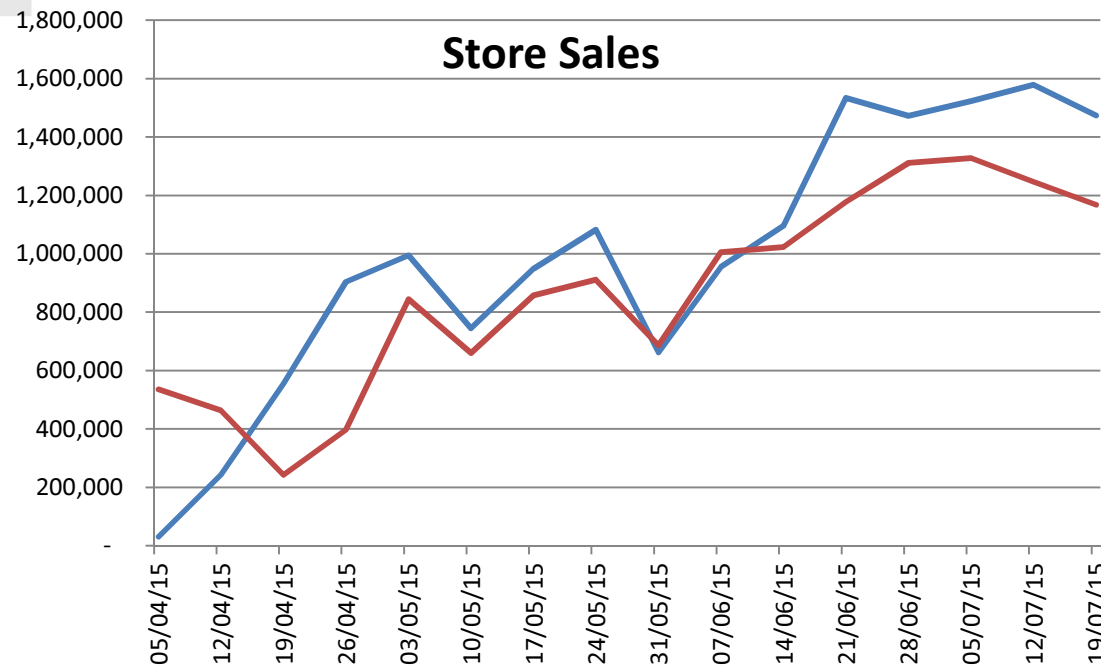
- Discount offer introduced to academies bought £0.8m demand forward
- School holiday discount offer pushed £1.77m demand after peak
- Order acknowledgement emails introduced to all schools resulted in 9% fewer calls received during peak
- Communications sent to customers to encourage better buying behaviour
- Customer satisfaction measured through Feefo averaged 98% throughout peak

Outcome

Month	Lines Picked	
	2014	2015
April	131,015	148,259
May	204,726	207,344
June	267,762	306,420
July 3 wks	176,636	223,185
Total	780,139	885,208

- Operations team maintained on-time delivery throughout peak
- Stock availability was at an all-time high
- £2.6m of additional cash generated
- School holiday offer used to shift demand

- CEVA processed 17% of order lines
- Customer Services focussed on order input rather than fielding order queries
- ESPO's feefo rating was at 98% - good to excellent



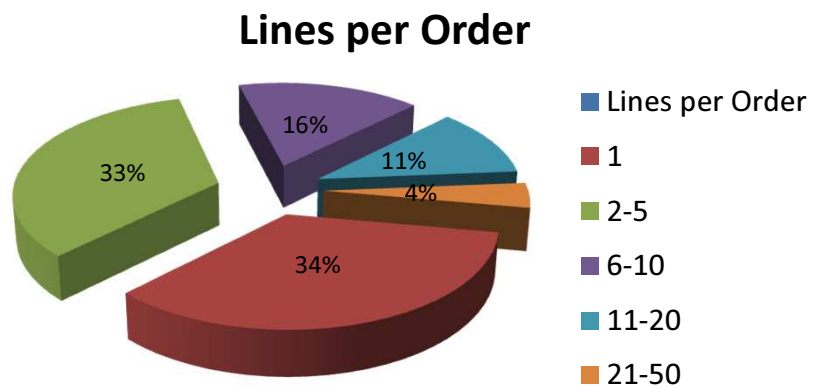
Lessons & Future Plans

Results:

- Ran on time through peak – first time in ESPO history
- 98% + customer service rating
- Substantial reduction in customer chasing orders
- Staff morale high
- Proven capability of large change programme

Learnings for 2016:

- Visibility of demand
- Pick ahead



Small orders

- Customer Incentives
- Cost saving opportunity
- Mitigate impact of living wage

Any questions?

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