Fine Tune Delivers Ongoing Cost Savings & Cost Avoidance Programs to Houchens Industries

$3B grocer hasn’t had to deal with the complexities of uniform rental and waste disposal expense management for nearly a decade

CHICAGO, Ill. – May 5, 2022 – Fine Tune, a provider of indirect expense management services, and Houchens Industries, one of the largest, most successful, and most diversified 100% ESOP-owned companies in the country, revealed impressive results of their long-standing cost savings and cost management program.

Waste Disposal
Early in the partnership, in collaboration with Houchens Industries’ sourcing leadership, Fine Tune identified opportunities to immediately improve the company’s national waste disposal agreements.

Resulting in the largest immediate cost savings for Houchens Industries was a transition from a simple consolidated broad-based and broker-modeled program to a more focused approach, utilizing four strategically-selected vendors that own the hauling assets and landfills near each Houchens grocery store. With Fine Tune acting as the single point of contact for negotiation and transition, this approach eliminated many of the pricing pitfalls and subcontracting “upcharges.”

In addition to such optimization benefits and contract negotiations, Fine Tune handles the myriad waste disposal issues that inevitably and consistently spring up with haulers.

When the need for event-driven, non-contract services arises—such as location remodels that require temporary services like extra roll-off dumpsters and pick-ups—Fine Tune ensures Houchens Industries receives the most competitive pricing.

Over ten years after their partnership with Fine Tune began in 2011, Houchens Industries is spending approximately 22 percent less on waste disposal than prior to the partnership.

Uniform Rental
Similar to that of waste disposal, Houchens Industries’ uniform rental agreement was in a supplier-friendly state when Fine Tune was brought in.
In addition to negotiating a more competitive rate structure, an upfront and considerable improvement was made when Fine Tune addressed the archaic and muddled billing practices of Houchens Industries’ uniform supplier; moving them to a more current and transparent billing methodology made way for true apples-to-apples rate negotiations and easy-to-follow tracking by non-experts.

Post-implementation of the Fine Tune-negotiated uniform rental agreement, Fine Tune worked diligently for months to get pricing on invoices corrected to the new rates and collect credits for overcharges.

Furthermore, Fine Tune implemented a review process for new stores appearing in the invoicing to avoid Houchens Industries paying for non-Houchens Industries-owned stores. Also put in place were a series of protocols to ensure new, unnegotiated products are not added to the invoicing.

Fine Tune’s efforts in these areas effectively changed the uniform supplier’s behavior, resulting in fewer and fewer instances of erroneous billing, and in turn ensuring Houchens Industries obtains their forecasted savings.

The Bottom Line
Being in the grocery business while also buying and selling assets has made it invaluable to have an outsourced partner handling Houchens Industries’ uniform rental and waste disposal expenses.

“Given the fluidity of our business, remaining agile is of utmost importance. Fine Tune being in the background to take care of Houchens Industries’ uniform rental and waste disposal expenses—taking care of the simplest to the most complicated of issues—has proven indispensable so that we can focus on the everyday complexities involved in our business, which endlessly demand our attention,” said Tim Rich, Director of Property and Store Development, Houchens Industries.

“Working with the team at Houchens Industries has been a great experience. It’s the classic ‘get them to rock bottom and keep it there’ scenario we see with many long-standing clients,” said Rich Ham, CEO, Fine Tune. “Not only did Fine Tune get the supplier agreements compliant, pricing hasn’t gone astray since day one which we are extremely happy about. The suppliers lost the ‘price joust’ while continuing to deliver top-notch service to the family of Houchens Industries brands.”

###

About Fine Tune
Headquartered in Chicago, Illinois, Fine Tune partners with companies to source, negotiate, manage and audit certain ‘nuisance expense’ programs. Led by executive-level industry insiders, Fine Tune has also developed proprietary auditing software which monitors client invoices to ensure adherence with the implemented agreements. Several of the world’s most recognizable brands have chosen Fine Tune,
including Cargill, Pep Boys, Siemens, Advance Auto Parts, Caterpillar, and MilliporeSigma. For more information, visit www.FineTuneUS.com.

About Houchens Industries
Houchens Industries is recognized as one of the largest, most successful, and most diversified 100% ESOP owned companies in the country. Houchens Industries currently owns over 25 operating companies in various industries, including retail, manufacturing, construction, and insurance. Houchens Industries and its affiliates generate annual revenue of more than $3B. Houchens Industries has been 100% ESOP owned for over 30 years and currently has over 19,000 ESOP participants.