



# Client Case Study

## Tex Plastics use reverse auction and risk services to avoid peak energy prices

### Our Client

Tex Plastics are part of Tex Holdings Plc. listed on the London Stock Exchange. They are a leading designer and manufacturer of injection moulds within the UK supplying the aerospace, automotive and healthcare industries. Today they operate out of two high energy consuming manufacturing sites in the UK in Derby and Barnstable.



### Our Challenge

Beond were recommended to TEX by another client in 2008. At the time they were looking to renew their energy supply contracts but energy prices were at all-time high levels. They believed that the price risks were on the downside but their incumbent energy suppliers would only provide with them with minimum 12 months fixed contract.

## Our Approach

Beond agreed with their views on price risks and also believed the market was possibly due for a correction, driven by the global economy cooling off.

Beond set out to explore the market for alternatives to the 12 month fixed priced offer available from the incumbent and we agreed to run a transparent tender to compare all fixed offers against the available flexible product that had been launched for the mid-user energy market.

## The Results

TEX used Beond's reverse auction process to assess all their available options. The auction drove the competition down to a **1.4%** discount against their incumbent fixed price contract using a flex contract (if it was fully locked away for 12 months on the day of the auction). However, Beond had calculated a potential **15%** saving could be achievable from risking spot prices over the following year.

Understanding the risks and rewards available allowed TEX to make an informed decision to access spot market prices whilst risk riding the prices down from their current high levels.

The net result after 6 months' usage was a cost avoidance saving of **£57,240** for using the reverse auction and risk management process.

*"I am very happy that we chose Beond to source our future power requirements as we believe that this has enabled us to keep rising costs down to a minimum. Beond's recommendation of a flexible purchasing contract option helped us avoid high prices and I am very happy going forward to extend this contract for a further two years.*

*The level of quality, the process and the expertise of advice given during all discussions has been first class and has made things very easy for us to understand."*

**Chris Varley, Managing Director – TEX Plastics**

**For further information about any of our services please call Beond on 0208 899 7385 or email [info@beondgroup.com](mailto:info@beondgroup.com)**

## About Beond

With over **500** major energy consumers under our management we have an excellent track record in delivering measurable success.

**25**

No. of suppliers actively participating in Beond tenders

**9**

No. of different suppliers currently used by our large flexible clients

**2128**

No. of live auctions completed in 2015

**27**

Highest number of bids in 2015 for a competitive auction client procurement tender

**25%**

Reduction in non-commodity infrastructure costs through demand management strategy

**15%**

Average potential energy savings identified from ESOS energy audits