

# The safe journey home

AllGlass cuts energy costs by £250K, with 'one stop shop' for energy supply, price and risk management

When you arrive home safe and sound after a long dark drive, the chances are that you have AllGlass to thank. The company manufacture the tough, reflective glass that's essential for the safety of highway markings. Their state of the art plant in Scotland turns out 15,000 tonnes of glass beads each year, which are distributed throughout the UK and Europe.

## **The challenge**

As a busy Managing Director, Agnes Colhoun purchases and manages energy in tandem with her other responsibilities. "Energy is our largest spend" she comments, "So this really needs to be controlled. If the price were to go through the roof, it would be a real challenge". Careful energy purchasing and choice of energy supplier are therefore crucial to profitability.

Having previously used a broker to handle energy, Agnes was looking for a 'one stop shop' with an energy supplier she could trust.

## **The solution – Portfolio Management**

Ørsted offered Portfolio Management, which comprises two elements. 'Risk Management' gives full access to the expertise of Ørsted's team of traders, who manage the customer's exposure to risk through a mutually agreed strategy. The second element is 'Price Management', where traders work to achieve a lower energy price for the customer, by being active in the forward market.

Businesses can opt for either or both elements, also choosing what percentage of their contracted volume is managed by Ørsted. Each strategy is carefully customised, in line with the customer's risk policy and need for involvement.

AllGlass opted for both elements, providing assurance that energy costs are controlled in line with their business goals. "Budget certainty is our main concern," says Agnes. "I am fully accountable to the group to justify spend and provide accurate forecasts. The risk management service predicts the peaks and troughs of how we use our energy, so I can report back with accurate information and stay within the budget line. And if I come in under budget, even better".

Budget goals were also achieved in 2014, with AllGlass saving £250K on their energy spend. "A fantastic result", observes Agnes, "And great justification for implementing the change". Meanwhile, forecasts and performance to date for 2015 show that they are on track to make even more savings.

If integrity is the foundation of the energy supplier-manufacturer relationship, Agnes has found this in the Ørsted team. "I look for trust, transparency and of course, quality", she says.

"The 'warts and all' story of what is going to happen. I am not an energy expert and am the first to put my hand up and admit if I am not fully informed about an issue."

"The Ørsted team of traders instil me with confidence; they are experts, open and helpful. We have regular tele-conferences and they share information that I view on screen, so that we can discuss results and plan how we should move forward."

In short, Ørsted Portfolio Management offers support in three key areas. These are the provision of an expert 'one stop shop' for energy management, increased budget certainty and finally, increased time to focus on other core responsibilities. As Agnes concludes, "Knowing that this is well handled makes life so much easier. It takes the stress out of things, giving me peace of mind".

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Agnes Colhoun, Managing Director, AllGlass