

STRAIGHT FROM THE SOURCE

It's more than just price for Kruger Products

Cadillac Fairview is undoubtedly one of Canada's most well-known property owners and, in fact, is one of North America's largest investors, owners and managers of commercial real estate. Adam Tan, Manager of Facility Operations with Cadillac Fairview with the Toronto-Dominion Centre is responsible for procurement of consumable products used in the building services. He is also involved in regional procurement of products leveraging Cadillac Fairview's purchasing power.

Kruger Products is Canada's leading manufacturer of premium quality tissue and paper products for most major sectors, including manufacturing, healthcare and property management. Eric Bisson is the Corporate Vice President of the Away From Home Division. He credits the success of this business to selling premium system solutions through the use of the cost-in-use business model and Kruger Products' proprietary cost-in-use tool that helps end users, like Adam Tan, understand savings across multiple areas of their business.

Cadillac Fairview and Kruger Products have enjoyed a positive working relationship for more than six years and have come together exclusively in Canadian Property Management to talk about how cost-in-use has played a major role in this successful relationship.

Briefly explain cost-in-use.

Eric Bisson: We break down the savings a product or system solution in a number of different ways to show our customers how tissue and paper products can actually impact their bottom lines – in ways they wouldn't otherwise have considered. We talk about cost-in-use savings in five key areas: reduced consumption, labour cost savings, enhanced brand image, controlled dispensing and precise product comparison. Cost-in-use is a key part of our business – part of our value proposition is to reduce our customers' overall cost of using tissue.

Adam Tan: In making procurement decisions, the value proposition of a product or service is a main consideration. We understand that by looking at the various products we're purchasing through the cost-in-use model, we can actually see how various products stack up against each other in different ways and can identify opportunities that will result in different kinds of savings and efficiencies for us to ensure we deliver the best for our tenants.

How can this business model make a difference to a property manager?

EB: It allows property owners to clearly see how a specific product can result in so many different kinds of savings, from the actual cost of the product to labour

savings and even complementing a facility's image and aesthetics.

AT: We see the results everyday. Right now we have Kruger Products' dispenser systems in our high-traffic retail public areas in the Centre. Since we switched to these products, the benefits of cost-in-use have been hard to ignore. The users have an increased satisfaction in our facilities with paper quality and the fact that supply never runs out. Case consumption has decreased and the cleaning staff report greater efficiencies because they don't have to spend time replenishing as often. They are able to use their time more effectively to address the overall environment of the washroom.

What are the most applicable parts of cost-in-use to property managers?

EB: All five elements of cost-in-use are relevant to property managers, but some more so than others depending on the type of property. In A-type facilities, enhancing the establishment's image is important so providing premium and trusted tissue brands and a sleek, premium dispensing system that fits with the rest of the décor and performs well is always top of mind. In high traffic public areas, implementing controlled dispensing options is key because it helps manage consumption of the product. Using better quality products also contributes to labour cost savings because less product is used by the patron to achieve the same results, so

labour time spent on refilling dispensers can be reallocated to other tasks.

AT: From what we've experienced in our retail high-traffic public areas, the ability of these systems to control dispensing is definitely helping us with the amount of product we're going through and creating efficiencies for us in that way. The cleaning staff have also noticed the difference. They aren't spending their days going in and out of the bathrooms to refill dispensers so they can focus their time on other tasks around the facilities. They feel more productive and that they're doing a better job.

What does the future look like for Kruger Products and Cadillac Fairview?

EB: We value Cadillac Fairview and consider them an integral customer. We're always looking for ways to provide added-value through superior customer service, premium system solutions and our large team of market experts across Canada. Our goal is to support their business and grow with them.

AT: So far we've been very pleased with the results of installing Kruger Products systems in our public areas. We value their insight in this category and are considering moving to systems use in some of our office buildings in the near future.

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