

# LOUISVILLE BUSINESS FIRST

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**SNAPSHOT:** Alliance Cost Containment makes money by saving other companies money | P17

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## STRATEGIES

**INFORMATION AND TIPS FOR DOING BUSINESS BETTER**

**ALWAYS BE PREPARED:** CPAs can help business owners be prepared in case of an IRS audit | P18

Contact: Carolyn Greer  
Phone: 498-1961  
E-mail: cgreer@bizjournals.com

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BusinessFirstofLouisville.com

17



Miles Lee, president of Alliance Cost Containment, is shown in the company's office.

### ALLIANCE COST CONTAINMENT LLC

**Business:** Helping businesses and nonprofits reduce operating expenses through cost reduction

**Address:** 222 S. First St.

**Chief local officer:** Miles Lee, president

**Owners:** Lee is the majority owner, but he would not say what his percentage of ownership is. Other owners include the Yearling Fund LP and Louisville venture capitalist Kent Oyler, Lee said.

**Employees:** Nine

**2011 revenue:** Would not disclose

**Phone:** 635-3208

**Web site:** www.alliancecost.com |

### CLIENTS INCLUDE NFL TEAM

One of Alliance Cost Containment LLC's clients is a NFL team that Alliance majority owner Miles Lee declined to name.

One of the ways Alliance saves the team money is by reducing its costs of delivering season tickets to about 50,000 fans every year, Lee said.

The company also helps the team by lowering its costs for the wine, food and drinks served in the stadium's luxury boxes, he said.

It achieves savings on the season tickets and on the stadium concessions by engineering a highly competitive bidding process and awarding a contract to the bidder that offers the best value, Lee said. |

# Buying POWER

Alliance Cost Containment makes money by saving money for clients

BY KEVIN EIGELBACH | STAFF WRITER  
keigelbach@bizjournals.com

Louisville-based Alliance Cost Containment LLC makes money by saving money for other companies and nonprofit organizations.

The company does this chiefly by focusing on 35 different kinds of indirect expenses such as office supplies, energy, waste disposal and insurance, said president and principal owner Miles Lee.

Alliance aggregates the buying power of its clients to create discount pricing and "bring Fortune 500 buying power to middle market companies of \$1 billion or less in revenue," Lee said.

It's a no-lose, or at least inexpensive, proposition for the client. Unlike other cost-savings companies, Alliance does not charge by the hour.

Instead, it takes 50 percent of the cost savings it creates for 18 to 24 months, Lee said.

The company also audits the savings

monthly, downloading clients' purchase records to make sure those savings hit the bottom line, Lee said.

### A recession-proof business

Business is going well, Lee said, but he would not disclose revenue figures. "This is a recession-proof business, no question."

The company has found that having offices near its clients is helpful so that close reviews of invoices can occur on a regular basis, said Jason Smith, vice president of marketing.

The company plans to open a Los Angeles office by the end of this month and three more this year in cities yet to be determined.

It already has offices in Louisville and Nashville.

"We can work remotely, but it's much more efficient to visit (the client) on multiple occasions," he said.

Lee said Alliance Cost Containment expects to add to its corporate staff of

nine this year, bringing the total number of employees to between 16 and 17, with 14 to 15 of them in Louisville.

The company also has 27 franchise offices across the country, which are operated independently. Those franchisees pay a franchise fee and a percentage of their revenue to the parent company, Lee said.

### Awareness is the big hurdle

The most difficult part of the company's business is explaining to clients exactly what Alliance does, Lee said.

He said it is one of only two national companies that do cost containment over a broad range of inputs, the other being Carlsbad, Calif.-based Expense Reduction Analysts.

Alliance wants to make "chief cost containment officer" as ubiquitous in business as CFO or CEO, Lee said. "Once we get around the awareness hurdle, there's no telling how big this can be," Lee said of his business. |

### SMALL BUSINESS SNAPSHOT