



SCHOOLEY

MITCHELL

Strategies for Reducing Common Business Expenses

Jim Kiernan

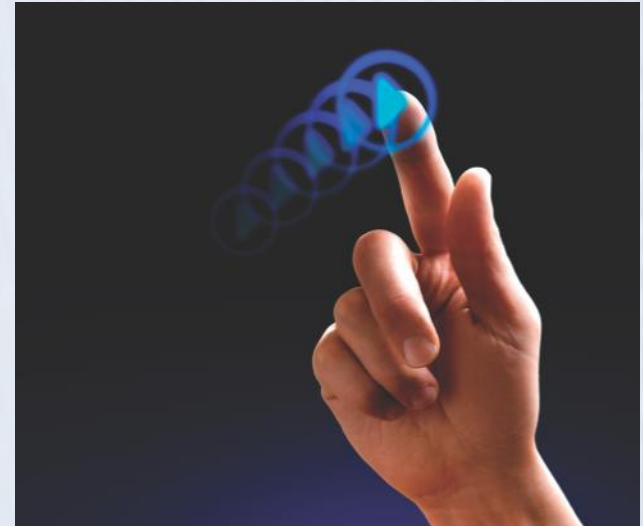
jim.kiernan@schooleymitchell.com

Agenda

- ◆ Introduction to Schooley Mitchell
- ◆ Invoice Analysis – the best place to start
- ◆ Service and Features Optimization
- ◆ Service Contracts
- ◆ Ideas for Negotiating New Rates
- ◆ The Good and Bad of Integration
- ◆ Time, Expertise, and Return on Investment

WHO IS SCHOOLEY MITCHELL?

- ◆ Largest independent cost reduction consulting firm in North America
- ◆ 290+ professional consultants across North America
- ◆ Over 25,000 clients
- ◆ \$360 million in documented savings delivered to clients
- ◆ Average savings of 27-28%
- ◆ Specialized software, benchmarking tools, best-in-class pricing databases
- ◆ Independent and objective



Invoice Analysis

The Best Place to Start

Establish a Cost Benchmark

- ◆ Fixed Fees – actual cost
- ◆ Variable Fees – rate based
- ◆ Taxes, Surcharges, One Time Charges, Annual Fees

Compare Invoices to Services Received

- ◆ Are you getting what your paying for??

Billing Errors

- ◆ Most Billing Errors go Undetected
- ◆ How/Why have Rates and Fees Changed
- ◆ Were Services Added without being Ordered?

In order to reduce future expenses you must understand what your spending today



Service and Feature Optimization

Strategies for Optimizing Services and Features

1. Volume – How much do you use?

Example: Internet Access. Are you paying for the same internet capacity now that 50% of employees work remotely?

Example: Waste. Is your dumpster picked up 4x/week but is half full?

2. Service Level – Are you getting “Platinum” service but use “Basic”?

Example: Shipping. Do you pay for Overnight, 10am delivery, with insurance & signature tracking, when you only need 2 Day standard delivery?

Example: Merchant Services. Are your credit card processing fees packaged together with other software and point of sale features you don't use?

Service Contracts

Reasons Every Service/Product You Buy Should Have a Contract

1. Establishes Rates and Fees
2. Determines Service Levels
3. Details Service Terms and Conditions
4. Controls Cost Increases
5. Provides a Reference When Errors Occur

Ideas for Negotiating New Rates

- I. Use Your Cost Benchmarks or Contract as Your Starting Point
- II. Ask for New Quotes from Other Vendors First
- III. Approach the Incumbent Vendor(s) with New Quotes
- IV. Focus on Rates & Fees, not Total Costs
- V. Be Willing to Sign Multi-Year Contracts

The Good and Bad of Integration

What is Integration?

A service that combines multiple features and functions into a single solution platform.

Example: Vagaro. A software platform for the wellness industry which combines 100+ features including appointment booking, client management, reporting, payroll, inventory management, point of sale and payment processing into a single solution.

The Good

- ✓ Ease of use
- ✓ Simplicity – “One Stop Shopping”
- ✓ Designed for small - medium size businesses

The Bad

- Expensive
- Includes unneeded capabilities
- Hard to combine with other existing platforms
- Very difficult to leave



Time/Expertise/ROI

Now What??

Most business owners and leaders can implement these and other cost reductions strategies.

Answer these questions:

- Do you or your staff have the time?
- Do you have experience and success negotiating contracts and pricing?
- Is it worth investing the time and effort?

If the answer is No, you have some options.

- 1) Hire an expert on your staff to handle it.
- 2) Partner with a firm like Schooley Mitchell.



SCHOOLEY

MITCHELL

Jim Kiernan

jim.kiernan@schooleymitchell.com