

CASE STUDY: Continuous Benchmarking Success over Contract Duration

Dryden's Impact: Benefits of audit and benchmarks after RFP implementation.

SITUATION

The client initially requested Dryden to support a comprehensive analysis of a bid event for an indirect commodity category. After successfully implementing and transitioning to a new program, due to reorganization, there was a lapse in the ongoing audit process. After one year, Dryden conducted an audit of the agreement and program on 12 months of spend data.

SOLUTION

1. In depth knowledge of the Client program and agreement from support to the RFP
2. Ability to quickly and thoroughly perform a comprehensive audit of the entire program
3. Audit 100% of the spend data.
4. Identify compliance root causes
5. Identify vendor tactics that led to price unauthorized price increases

Audit

Benchmark

Optimize

SCOPE OF SERVICES

1. 12 month arrears audit to determine compliance and collect overcharges
2. Benchmark program to for unauthorized price increases or manipulation.
3. Identify and correct root causes for audit finding and pricing issues
4. Improve pricing metrics and tracking
5. Improve program architecture

SUCCESS

- ✓ \$200,000 recovered from overcharged items
- ✓ \$400,000 in benchmark savings over the remainder of the contract
- ✓ Continuous Core/Non-Core ratio optimization
- ✓ Demand management of SKUs resulting in reduced potential for maverick spend

\$200,000
Overcharge
Recovery

\$400,000
Benchmark
Savings

Improved ratio of
contract/non-
contract spend to
Best in Market
levels