



**Expense Reduction  
Analysts**

# **10 Misconceptions and Best Practices to Consider when Dealing with your Suppliers**



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# Expense Reduction Analysts

A Global Expense Management Firm

Finding extra cash flow within your supplier base and putting it back to work in your institution

# Expense Categories



## Services

- Printing and Imaging
- Food Services
- Payroll Processing
- Janitorial Services
- Copiers
- Uniforms and Linens
- Waste Management
- Utilities and Energy
- Records Management
- Equipment Leasing

## Insurance

- General Business
- Worker's Comp
- Health
- Claims Services

## IT/Telecom/Data

- Telecommunications
- Software
- Hardware
- Data

## Supplies

- Facility Consumables
- Office/Janitorial
- Chemicals and Lab
- Medical

## Recruiting & Contract Employees

## Banking Services

## Merchant Card Processing

## Logistics

- Small Package Freight
- Freight and LTL
- International Freight

# Partial Client List



- Hillsdale College
- Wartburg College
- St. John's University
- Southern New Hampshire University
- Hawkeye Community College
- Coe College
- Bard College
- California Baptist University
- Charleston Southern University
- Clarke University
- Des Moines University
- Hawkeye Community College
- Mount Saint Mary College
- Susquehanna University
- University of San Diego
- Wake Forest University



**What's the Realistic Opportunity for You?**



**What Obstacles are keeping you from getting it?**



**How can you Overcome those Obstacles?**



**Q & A**

# Is this Relevant to You?



**You're probably doing a good job of managing expenses**



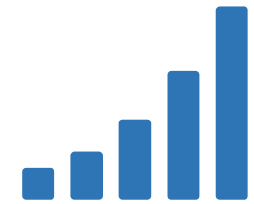
**Thinking it's still possible that you're leaving significant money on the table?**



**Curious if you are, how much it might be, where it is, and how to get it?**



**Some important initiatives may be under-funded?**



**You could put Additional Cash Flow to good use**

# The Opportunity for Savings



ERA's Experience with over 25,000 client projects tells us:

**Our studies show that, on average, most mid-sized organizations are overpaying G&A expenses by 20%**



***What could your College or University do with an additional 20% added back into your budgets?***

# How is this Possible?



1

The Goal of any Supplier's Salesforce is to Win as much business as they can, at the Highest Margin they can.

2

The Greatest Leverage comes from understanding your Suppliers' Industries enough to know where their costs & margins live.

3

Suppliers know it's Impractical to dedicate equal resources to less strategic, lower volume cost categories.

4

Most colleges and universities lack the comparative market data to know what pricing & terms are possible.

5

There are many Misconceptions about Procurement Best Practices.



# Top 10 Common Misconceptions



**01 ONE**  
Suppliers give similar pricing to similar clients and customers

**02 TWO**  
Your strategy and expertise in purchasing in one cost category will produce similar results in another

**03 THREE**  
National pricing agreements are always better than local or regional agreements with the same Supplier

**04 FOUR**  
Supplier loyalty translates to best pricing and service

# Top 10 Common Misconceptions



**05 FIVE**  
More volume always gets you a better deal

**06 SIX**  
Getting three bids will get you to the best price

**07 SEVEN**  
You're asking the right questions in your RFPs

**08 EIGHT**  
Group purchasing will always get you the lowest costs

# Top 10 Common Misconceptions



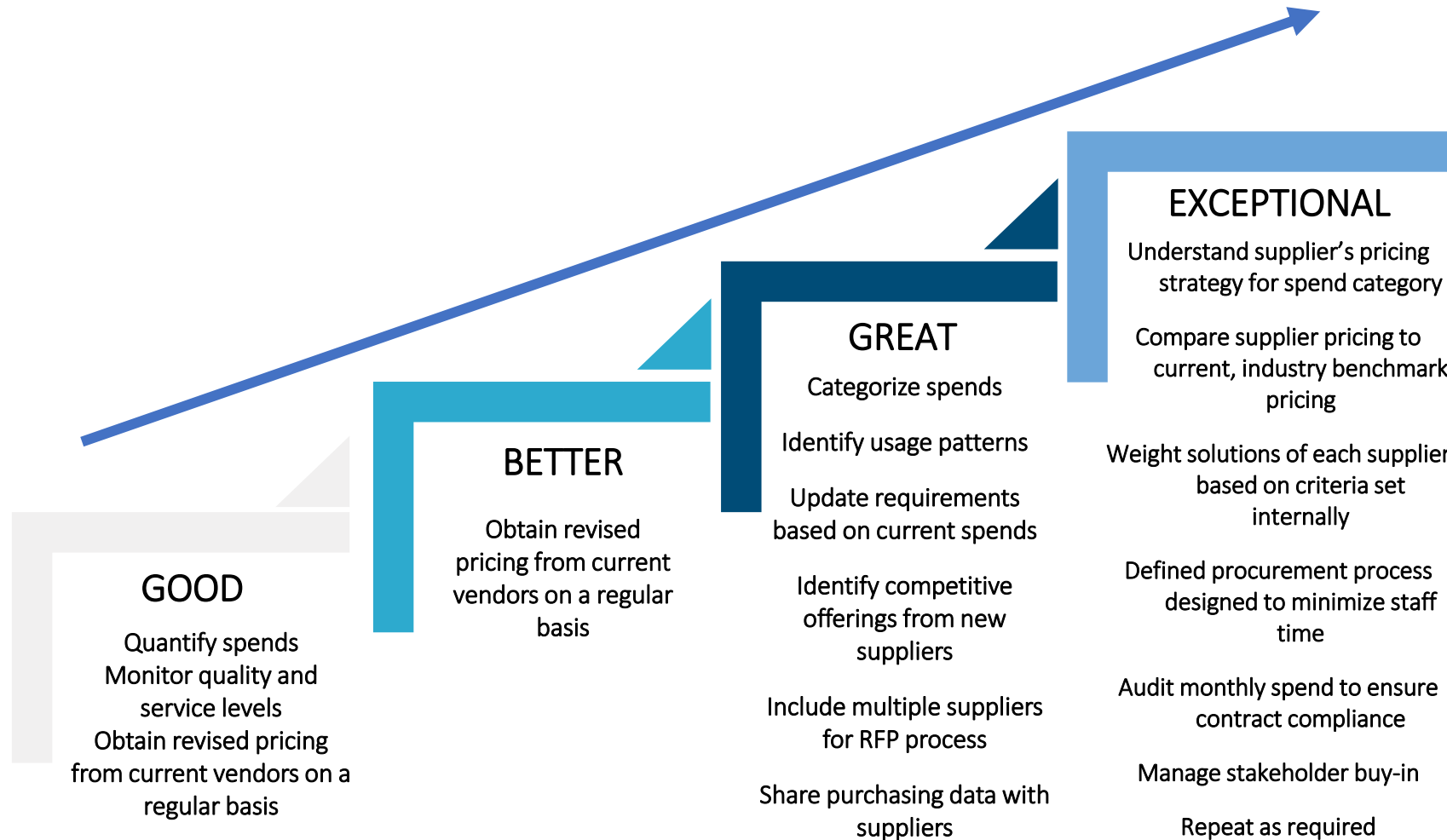
**09 NINE**  
Lower price means lower quality  
and service

**10 TEN**  
Lowest price is the same as lowest  
cost

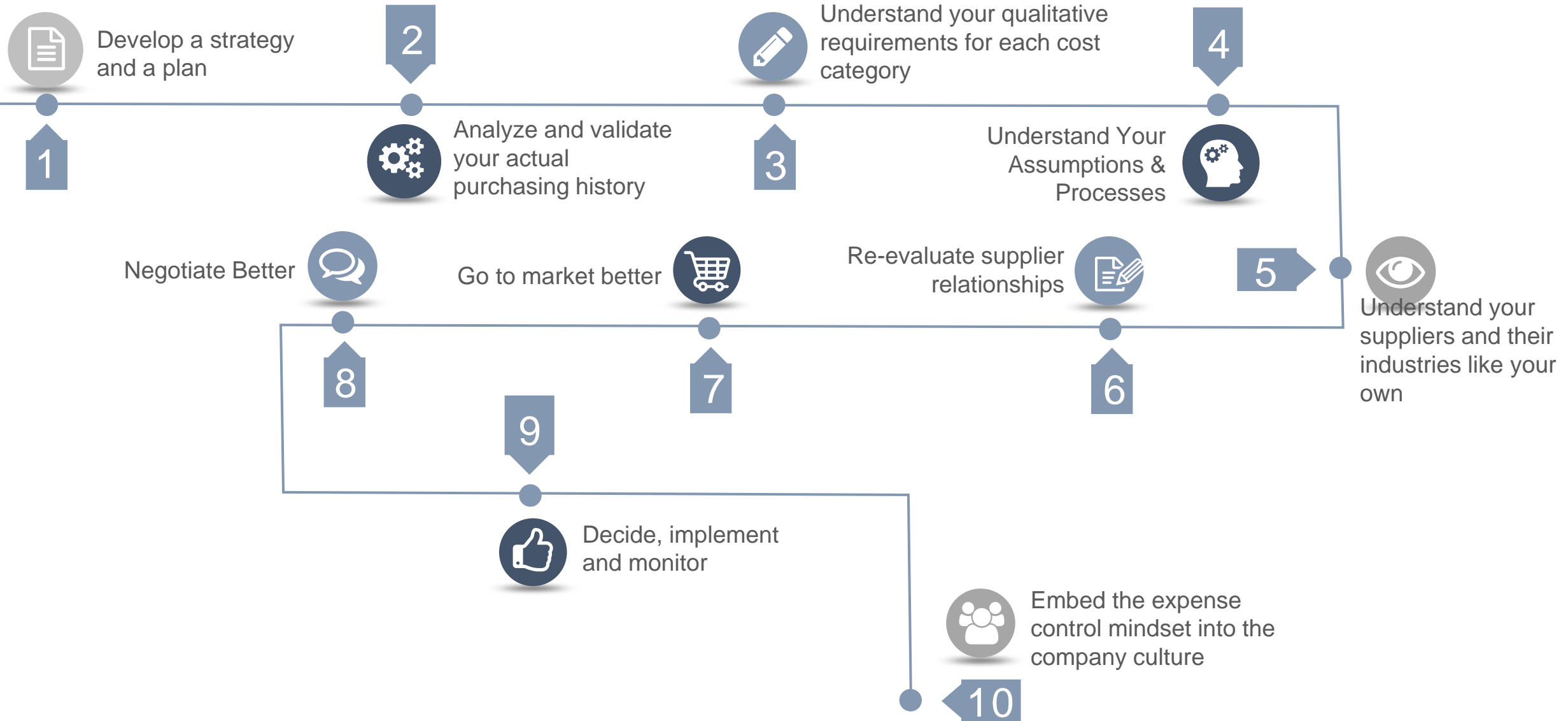
IS YOUR  
ORGANIZATION  
LIMITED  
BY SOME OF  
THESE  
BELIEFS?

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# ERA Helps Organizations Move From....



# How You Can Recover More Cash Flow





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Question &  
Answers