

CASE STUDY

Vendor Management Results in Better Terms

Scenario

In an effort to leverage their spend, a large Northeastern Health System's Procurement Department negotiated extended payment terms with their entire vendor base. The goal was to maximize days in holding cash without impacting service levels.

Findings

As a part of the SpendMend data mining ritual and vendor outreach, we were able to identify transactions where the vendor had applied aged credits due our client to invoices outstanding without our clients' knowledge or consent. The issue was systemic and resulted in extended payment terms not being honored by the various vendor credit departments. SpendMend was able to illustrate the issue and eclipsed \$2,000,000 in unauthorized applications.

Result

SpendMend supported a campaign to further educate the vendor based on the client's internal application process and also the extended term negotiation. In addition, SpendMend suggested a mending services approach to stay 90 days behind current and monitor the process long term.



Analytics



Spend Optimization



Accounts Payable Audit



Contract Compliance



Sales & Use Tax



Wireless Account Management & Spend Optimization