



See how a Stuart Maue Vendor Management program can start adding savings to the bottom line.



STUART MAUE
PREMIER COST MANAGEMENT

Vendor Management Case Study

Overview

Procurement is often the largest or the second largest category of expenditure for an organization. If overpayments and missed deductions occur, they can become significant and have an impact on the bottom line. Stuart Maue provides a team approach to vendor management, using skilled attorneys, accountants, and claims personnel in our audits. Combining these skills gives you a comprehensive review program. Additionally, we understand that you value your relationship with your vendors. We strive to provide you with a clear, fair, and objective analysis of your vendor invoices and related contracts.

Types of Audits

Stuart Maue has the ability to audit contracts for both intangible and

tangible purchases. Intangible items are generally services such as consulting or engineering services. Tangible purchases can be as complex as major components for automobiles or construction equipment or as common as pens and paper.

Case Studies

Intangible Purchases: Stuart Maue audited engineering services billed at an agreed hourly rate. The engineering services were provided over a three-year billing period, each with its own unique billing rates. The vendor billed for all services in the third billing period, using the authorized rate for the third period. The result was an overcharge of 11% of the total billed for engineering services.

Tangible Purchases: Stuart Maue conducted an audit for purchases involving photocopy services billed at an agreed per-copy rate. The reviewed photocopy services were provided over a three-year period from several service locations. The vendor billed for the services from each location providing the services. The services were not always billed at the authorized rate of eight cents per copy. Stuart Maue found the overbilling to be 22% of the total copy fees.

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Benefits of a Vendor Management Audit

- Results in cost savings (procurement is often the largest or second largest category of expenditure for a corporation).
- Identifies and manages the risk associated with the procurement process.
- Reduces inadvertent overcharges (awareness by vendors that contracts are reviewed).