



## Case Study: Vendor Invoice Review

### Summary

This case study describes how a large U.S. company used Stuart Maue's **Vendor Invoice Review** services to analyze the invoices related to a long-term contract with a Document Management Company.

### Customer Profile

Large Fortune 500 Company

### Business Situation

A large U.S. corporation hired a Document Management Company to perform multiple service projects. The projects were performed over the course of five years and totaled approximately \$2.5 million in fees and expenses. All services such as photocopying, binding, scanning, and media duplication were completed in accordance with the Vendor Services Agreement which contained a price schedule for each service item.

The company hired Stuart Maue to review the vendor invoices that were incurred over the five year period of the contract. During the invoice review process, the Stuart Maue audit team also met with the vendor to discuss questions and issues in the invoices. After the audit was complete, Stuart Maue provided the corporation with an in-depth report outlining questioned fees and expenses that totaled approximately **26%** of the billed amount.

A few of the items that Stuart Maue identified as not in accordance with the Vendor Services Agreement are listed below:

#### **Labor-Hourly Rates**

The Document Management Company agreed to make copies for a certain amount per copy as per the Vendor Services Agreement. This per copy amount included any necessary hand labor (stapling, collating, etc.). Stuart Maue documented several additional hourly charges for labor associated with the copies.

### Benefits

- **Money Savings-** Stuart Maue's audit revealed that approximately **26%** of the fees and expenses billed by the vendor over the course of 5 years were not in accordance with the Vendor Services Agreement.
- **Time Savings-** The procurement staff of the Company could focus on their core responsibilities instead of spending time auditing the invoices.
- **Review by a Neutral 3<sup>rd</sup> Party Vendor-** Review by a third party assisted in maintaining the relationship between The Company and The Document Management Company.

#### **Non-Color and Color Copying Fees**

Stuart Maue identified several miscalculations based on the authorized rate for the category of copies multiplied by the units copied.

#### **Binding, Scanning, and Creation of Exhibit Boards**

Stuart Maue documented miscalculations based on the authorized rate for the category of services multiplied by the number of units completed.

#### **Document Destruction Service**

The vendor charged \$75 per box to destroy documents. Document destruction was not authorized under the Vendor Services Agreement.



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### ***Pick-Up and Delivery Charges***

Stuart Maue identified pick-up and delivery charges for documentation. Under the terms of the Vendor Services Agreement, document pick up and delivery charges for documentation were not authorized.

### **Benefits**

The U.S. Company garnered several benefits from Stuart Maue's review of the invoices. The Company received a detailed report outlining the fees and expenses that did not comply with the terms of the Vendor Services Agreement. By using the services of Stuart Maue, The Company employees could place their focus on core responsibilities instead of invoice review. Additionally, realizing that Stuart Maue used a team of experienced professionals to review entries line by line, versus a computer generated review, The Company was confident in the accuracy of the findings.

### **About Stuart Maue**

Stuart Maue develops customized cost management solutions for our clients in the areas of *legal cost management, legal bill review audit and analysis, bankruptcy, and vendor invoice review*. Our clients recognize significant savings from our programs as well as gain vital insights into legal and vendor costs. With added pressure to reduce costs and improve their return-on-investment, Stuart Maue can assist clients in gaining a more accurate picture of their spending as well as the performance of their firms and vendors.

**For more information about Stuart Maue or our services, call us at: 314.291.3030 or e-mail us at: [info@smmj.com](mailto:info@smmj.com).**