

Spend Review Process

The Quantification of Savings Potential

The objective of the Compleat Buyers Group (CBG) is to save our client's money. The more clients spend and save through CBG, the stronger our proposition for supplier to maximise those savings and the better prices enjoyed by both existing and new clients.

We all have a common interest.

Experience has enabled the Compleat Buyers Group to develop a two stage process that quantifies the potential savings.

The Short Form Review Savings Estimate includes a conservative "warranted" minimum saving, which is followed by an in depth **Detailed Review Savings Analysis** that fully quantifies the savings potential for each organisation and how those savings will be achieved.

This document details the processes involved and quantifies the deliverables.

Short Form Review Savings Estimate

The Short Form Review has three distinct objectives:

1. Quantification of the savings potential available through the Compleat Buyers Group.
2. Quantification of the suitability and cost of a fully deployed Compleat Purchase to Pay and / or Employee Expenses software using Compleat's SCORE methodology.

3. The return on investment (ROI) based on the savings potential set against the cost of the deployed Compleat solution.

The Short Form Review meeting takes place at the client site and usually requires between 90 – 120 minutes.

Quantification of the savings potential

The first objective is to be able to provide an estimate of the potential savings for an organisation with the minimal amount of the client's effort and time. Based on the finding of the Short Form Review, our clients can decide whether the opportunity warrants further investigation.

The Short Form Review requires accurate details of expenditure across a range of overhead categories. This requires the completion of the CBG Overhead Expenditure Summary which includes details of the client's business, number of sites and total employees. It also requires a suppliers turnover report and an overhead report from the general ledger in order to extrapolate the annual spend of the organisation. Information on renewal dates and the client's willingness to change a supplier in order to make savings will also be useful.

The captured information is then processed by CBG and compared to other similar organisations and the saving potential achieved to calculate the probable savings opportunity for each organisation.

Compleat Spend Control

- Purchasing Automation
- Employee Expenses
- Buyers Group

- Easy to Use
- Easy to Maintain
- Fast User Acceptance

- Productivity Gains
- Reduced Cost of Purchasing
- Improved Spend Control

- Affordable
- Rapid Deployment
- Low Cost of Ownership
- Fast Return on Investment

Compleat Technology

Client

- 100% browser-based
- Browser independent
- Windows Authentication / Single Sign-On

Server

- Windows Server 2003 / 2008 (Standard & Enterprise, 32 or 64 bit)
- .NET Framework v3.5
- IIS 6 and above with SMTP

Database

- Microsoft SQL Server 2005 and above

Virtualisation

- VMware
- Hyper-V
- Citrix XenServer
- Sun Virtualbox

An estimate of the total potential savings will be provided together with an indication of how much of this is considered as potentially 'Easy to Achieve'. The Short Form Review will also provide a conservative "Warranted Minimum Saving" potential value. The purpose of the Warranted Minimum Savings is that the Compleat Buyer Group will refund any deposit payment made for the Detailed Review if the saving potential identified from the Detailed Review is less than the warranted minimum of the Short Review.

The Short Form Review process takes up to 7 days to process after completion.

All information provided by the client is treated as confidential and will only ever be used for the purpose of generating the saving potential. The information will be destroyed in the event the project does not progress.

Compleat Purchase to Pay and Employee Expenses solution costs

The second objective is to determine the suitability and the cost of a fully deployed Compleat solution.

This is achieved using the Compleat SCORE methodology, which is designed to quantify and capture the key information required to validate the suitability of the software, estimate the consulting services required to configure the software and the number of users required.

The comprehensive SCORE process will investigate the current purchasing methodologies in place, the accounting software deployed, the configuration characteristics and any third party applications in use. It will also investigate the full chart of accounts, the number of companies involved, locations, departmental structure, budget structures and existing approval processes for order generation, receipting and purchase invoice approvals.

The Compleat SCORE process enables a detailed proposal to be generated that quantifies the estimated costs and highlights any area that will not be addressed by the solution.

Compleat Return on Investment Proposal

The Compleat Return on Investment proposal provides a summary document that quantifies the cash implications of the turnkey solution for the client, incorporating the cost of Compleat and the potential savings available from the Compleat Buyers Group.

Unlike most ROI calculations, the Compleat proposal is based on real cash savings made from spending less on the goods and services already being purchased by simply paying less. These cash savings never leave the clients bank account. Whilst we will also provide an indication of the productivity savings in terms of man days, these are NOT included within the ROI statement simply because they are not a cash based saving.

Compleat Editions

Scalable solutions to meet every budget. Evolve through the editions as your requirements grow.

Standard

A richly functional and integrated purchasing, approvals and invoice entry solution, but without the controls for supplier lockdown and receipting. Can be operational within 2 weeks delivering ROI.

Professional

As per Standard, but includes the ability to restrict access by users to relevant suppliers, companies and departments. Enables full receipting of goods and services and Supplier Performance Management.

Enterprise

A complete purchase to pay procurement solution for the most demanding organisations.

Real time Integration

Current financial applications support include:

- Coda Dream (Version 3.2 & 3.3)
- Infor FMS SunSystems (Version 4 & 5)
- Microsoft Dynamics GP (Version 8+)
- SAP Business One
- Pegasus Opera II and 3
- Sage (Line 50 / 200 / 500 / 1000)
- PropMan (Property Management software)

Compleat can also provide integration to almost all financial software applications through batch updates methodology.

Compleat continues to add supported accounting software applications on a very regular basis.

The ROI statement will also include a ROI calculation for a five year period. Whilst the initial capital cost of Compleat is usually fully recovered within 12 month or less, the savings enjoyed continue into the future through the leveraged spending power of the Compleat Buyers Group.

Next Steps:

The Short Form Review and SCORE methodologies deliver the information required to make a senior executive level decision on whether the Compleat proposition warrants further investigation.

If the project is pursued, the next step is to agree the process and timescales to make a purchasing decision. This usually involves undertaking detailed presentation and demonstration of the solution to the relevant senior management and staff and addressing any issues raised from the Short Form Review.

Detailed Review Savings Analysis

The very last step in the process is to undertake the Detailed Review Savings Analysis. The Detailed Review involves many man days of the Compleat Buyers Group senior resources and delivers a project document that is the catalyst for the implementation of Compleat Purchase to Pay software and delivery of the savings potential from the moment that the system goes live.

In the normal course of events, a client will have purchased the Compleat solution and placed the relevant deposits to implement Compleat software and Buyer Group membership PRIOR to the Detailed Review being undertaken.

The validity of the contracts and deposit is based on the "Warranted Minimum Savings" identified and documented in the Short Form Review. In the event that the Detailed Review does not identify potential saving in excess of the Warranted Minimum Savings, Compleat and its reselling partners undertake to refund in full any deposits paid and cancel any contractual agreements.

In the event that a client is unable to contract prior to the Detailed Review, a non-refundable deposit (subject to the Warranted Minimum Savings being identified) is required, reflecting the considerable costs associated with the Detail Review process.

The Detailed Review process takes place at the client's site and usually involves at least two Compleat buyers' staff for a minimum of one day plus additional time subsequently spent assessing prices for the expenditure recorded on the day.

The process requires access to the purchase invoices of the client for a representative period of one to three months, suitable working space and access to a photocopier. Compleat will capture the line by line detail of all relevant purchase invoices in the period including the product, service and prices paid. This usually runs into thousands of individual transactions.

The Compleat Buyers Group then collates the information and quantifies the potential savings for the specific item, (or suitable equivalent) as part of the Savings Summary Report. This process will also cover services, contracts and term agreements (with the relevant renewal dates). CBG prices will then

be sourced from the CBG suppliers for the business to provide a definitive comparison and calculate the potential savings. This process takes between 4 - 6 weeks to complete, although we would expect to be able to confirm the Warranted Minimum Savings potential within two weeks from the site visit.

Detailed Review Savings Summary Report

The Savings Summary Report provides a detailed review of expenditure of the client and quantifies the profile of all areas of corporate spend and the potential savings identified.

The Detailed Review is presented to the senior management of the client (usually at their offices) and takes between one and two hours. The purpose of this meeting is to confirm the savings potential, quantify the immediate priority savings for the initial implementation and agreement to proceed with the project.

The Compleat Buyers Group focus is on "overhead" spending. The Detailed Review identifies corporate spend into three main categories:

1. Un-targetable Spend: This is expenditure that is very specific to the organisations and covers areas such as rent, rates, tax, legal, financial, intercompany trading etc.
2. Core Spend: This is expenditure which already has close management and includes areas such as raw materials, key subcontractors, goods-for-resale, core IT infrastructure, marketing and relevant professional services.

3. Targetable Spend: This section identifies a very broad range of overhead expenditure that will benefit from the Buyers Group purchasing power. It covers areas such as energy, cleaning, security, postage, corporate insurance, private medical insurance, telephony, mobile and broadband, plus many others. Whilst the savings in each area may not be large, the combined savings is usually a significant value even for quite small organisations.

The Detail Review will consider the Targetable Spend and splits it into three sub categories - "Easy to Achieve" savings, "Opportunities that need to be Validated" and "Savings not yet Forecasted".

1. Easy to Achieve Savings:

These are savings which have been identified and can be achieved with minimal effort by the client. They may require a change of supplier (and the enablement of the relevant CBG catalogues), but once enabled, the savings will be immediately achieved. The value of the savings potential is provided.

2. Savings Opportunities that need to be Validated:

These are identified savings where it is clear that CBG pricing will deliver savings, but will require more work to deliver a specific value. This may require further data, product specifications or samples. In many cases, it will require a visit from the nominated CBG supplier to the client's offices to enable the delivery of a fixed price quotation.

Once agreed, the relevant CBG catalogues are enabled and the savings will be immediately achieved. An estimate of the potential savings is provided.

3. Savings not yet Forecasted:

These are areas of corporate spend which offer the potential of savings, but this cannot be accurately quantified from the initial Detailed Review process. An estimate of the savings potential may be provided.

Our experience is that the majority of organisations will identify savings potential that will significantly exceed the cost of the Compleat solution within 12 months or less.

The ROI continues into the future, reflecting the fact that the CBG prices being enjoyed are considerably less than those that an individual company can achieve, based on their own spending power.

Achieving the Saving Potential

Whilst the Compleat software can enforce the desired spending habits for every client, the savings potential will not be achieved by themselves. Maximising the saving achieved requires the co-operation, commitment and some resources from the client.

Compleat Buyers Group recommends the Active Cost Management service to clients that do not have any dedicated purchasing resources. This service ensures that the project has the focus, resource, expertise and commitment to maximise the savings available, as well as educate and train the client's staff involved in purchasing to become self-sufficient.

The Active Cost Management service provides a professional buyer on site at the client's offices to take responsibility and proactively organise the process. This includes quantification of the priorities to target the largest and easiest to obtain savings, setting up supplier meeting and the quantification of savings available. Once a new CBG supplier is contracted, the relevant catalogues (and associated Compleat security set up) are enabled and the savings simply happen.

A primary goal of the Active Cost Management is to educate and train the relevant staff at the client's address to become self-sufficient and take responsibility for driving down costs into the future. The service is very flexible and the client can request the service for the initial implementation, or purchase additional days at any point in the future.

Summary

The mutual goal of Compleat and our clients is to identify and then achieve the savings potential offered by the Compleat Buyers Group combined with Compleat's software.

Compleat provides every business with the opportunity to initially evaluate and then implement Spend Control, increasing productivity, reducing costs and improving the quality and timeliness of cashflow and management accounts reporting.

The two stage review process (supported by our Warranted Minimum Saving potential) ensures that every project is founded on sound information which sets the realistic and achievable objectives.



SPEND CONTROL

About Compleat Software

Compleat Software is a UK organisation and was formed in 1999. In April 2008 the organisation secured investment through the Stockford Group and has been expanding rapidly to meet the growing demand for Purchase to Pay and Employee Expenses automation software for the small to medium sized business community.

The Compleat Buyers Group was launched in January 2011, enabling our clients to make significant savings on their purchasing simply by paying less on what they already buy. The leveraged purchasing power of the Compleat Buyers Group is delivering clients a compelling cash based ROI in as little as six months for a fully operational Compleat Spend Control solution.

Compleat Software sells through a rapidly growing number of leading UK accounting software resellers that provide local expertise, geographical coverage and vertical market specialisation.

Today, Compleat has over 4,500 users that collectively spend over £2 billion per annum using Compleat Purchase to Pay and Employee Expenses automation software.

Potential Return on Investment

The ROI calculations are simple and based on hard cash that never leaves your bank account and drops directly to the bottom line profit.

A small reduction in the cost of your discretionary spend achieved through the Compleat Buyers Group, combined with a reduction in maverick budget overspend will usually represent a hard cash ROI of under 6 months for most organisations.

The savings then continue far into the future, increasing profit and improving cashflow.

It's time to take control of corporate spending

Compleat is enabling organisations to take control of corporate spending.

- Improved productivity through purchasing and employee expenses automation
- Significant savings through the Buyers Group by paying less for what you already buy
- Delivering improved cashflow and profitability

Compleat is priced to be affordable, scalable and designed from the bottom up to increase productivity and efficiency throughout every organisation.



Take the first step and book a Short Form Review meeting

Call us, [email us](#) or [register online](#)

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