



## Nonprofit offsets decreased donations

Organization can continue its mission to serve children by reducing food service expenses and uncovering \$44,300 in hidden savings

### Funding hurt by the economy

A community-based nonprofit organization in New York State provides a variety of much-needed mental health, child welfare and early childhood development services to more than 6,000 children each year.

The organization is funded by individuals, government agencies, foundations and corporations — all of whose wallets have been hit hard by the poor economy.

The nonprofit invited Expense Reduction Analysts (ERA) to review its food services prices and procedures.

### Analysis uncovers different food items purchased at 10 sites—for same menus

Although the organization was pleased with the service provided by its incumbent vendor, it wanted to compare purchasing patterns and spend characteristics at each of its 10 sites. Of course, it also wanted to know if better pricing was possible.

Based on information presented by Consultants early in the review process, the nonprofit modified some of its purchasing policies to take advantage of savings opportunities uncovered through the ERA analysis.

### Best value-for-money vital

The client remained with its incumbent vendor under more attractive terms negotiated by ERA. Consultants found savings through a combination of pricing, incentives, credits and cost-plus margins.

The savings represent the nonprofit's "best fit" for pricing and services with its supplier. ERA Consultants consistently seek value-for-money solutions, evaluating bids based on factors that are most important to clients.



### The ERA advantage

- Benchmark pricing data from more than 14,000 successful cost-reduction projects
- Consultants with in-depth industry expertise
- Proprietary suite of advanced procurement tools that weigh all factors (service, payment terms, tracking ability, pricing, etc.) important to clients
- "No savings – no fee." Consultants are paid based on savings found and help implement changes to ensure success

### Project information

- Category — **Food Services**
- Client Spend — **\$492,000**
- Annual Savings — **9%**
- Hidden Savings — **\$44,300 a year**
- Supplier — **Incumbent**
- Client \$ saved/hour invested — **\$22,150**

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