

# **MSERV PARTNERSHIP IDENTIFIED \$8 MILLION & 5.7% AVOIDANCE IN MATERIAL SPEND**

## **Problem | Discrepancies in Project Charges**

A global industrial leader observed significant discrepancies in their project supplier charges. The company needed more clarity about the accuracy and compliance of these charges.

They wanted to investigate and analyze project costs. They required a deep dive into lump sum amounts, materials, and third-party supplier invoices.

## **Solution | Partner with an Expert Team**

The company collaborated with the experts on the MServ team from Management Controls (MCi), who dug into the data on the Track contract management platform. Over eight months, they analyzed \$140 million in uncertain charges.

This detailed invoicing audit uncovered double billing, duplicate invoices, and undue mark-ups on materials. Interestingly, there were also personal expenses, such as popsicles and internet bills, incorrectly billed to the company, none were compliant with the contract.



## **Results | \$8 Million Identified with 50x ROI**

Through the MServ team's rigorous audit and subsequent process enhancements, the company identified \$3 million in charges that were non-compliant with their contracts and an additional \$5 million that lacked supporting documentation, resulting in a significant 5.7% cost avoidance.

This added up to an impressive 50-fold return on investment for the MServ engagement.

To prevent future misuse of the Track Material Module, the MServ team:

- Developed standard requirements and processes for each material group.
- Implemented a new lump sum process to require supporting documentation.
- Provided end-user training and process definitions to identify billable vs. non-billable charges.

## **Conclusion: Ensuring Financial Compliance**

The MServ team was able to ensure contract compliance while removing value leakage. This standardized approach removed any gray areas for the company and its suppliers.

This use case underscores the immense value of expert partnerships in safeguarding a company's financial interests. Through diligent audit processes and proactive measures, the company not only rectified immediate discrepancies but also strengthened its financial controls for future projects.

## Unlock Your Full Potential Today with our Experts!

Embrace the future with confidence and take your success to new heights. Contact us today to learn how MServ can fast-track your ROI.



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