

SUMMARY

A Senior-Level Procurement Manager at a major steel company uncovered systemic contract issues with service vendors. After six months of positive results at a single facility, scaling and standardizing the solution across other locations became challenging. Recognizing the need for software, the company implemented myTrack. As a result, they achieved a 8% annual reduction in labor overbilling and an 18% decrease in equipment overbilling.



JOB TITLE

Senior-Level Procurement Manager

PROJECT TYPE

Audit

INDUSTRY

Steel

HEADQUARTERS

Pittsburgh, PA

PRODUCT USED

myTrack

Procurement Manager Saves 8% on Labor and 18% on Equipment

An internal audit of service vendors at a leading North American steel manufacturer revealed systemic issues with contract management from inception to payment. The audit identified several key challenges:

- Vagueness in contract terms: Many contracts were outdated or unclear, leading to confusion over agreed-upon conditions.
- Lack of oversight on vendor activities: Vendors frequently submitted incomplete or inaccurate time sheets, with insufficient verification of labor and equipment charges.
- Erroneous invoicing: Vendors often billed for labor positions not covered by rate sheets, and inconsistencies were found in job classifications and equipment charges.
- Inadequate contract compliance controls: Departments struggled to enforce compliance due to a lack of automated controls and standardized processes.

With 6,000 employees and over 30 facilities, the company faced significant challenges in managing service contracts, relying on manual, time-consuming processes.

The responsibility for resolving these issues fell to a Senior-Level Procurement Manager. His role involved negotiating and ensuring vendor agreements were accurate and up to date.

The Senior-Level Procurement Manager implemented Management Controls' (MCI) myTrack software to scale the solution beyond manual efforts. This allowed the team to standardize contracts and streamline vendor management, resulting in an 8% reduction in labor overbilling and an 18% reduction in equipment overbilling.



The Challenge: Invoice Errors and Lack of Oversight

AT-A-GLANCE

Procurement Manager Challenges

- Inconsistent service contract management.
- Lack of automated contract compliance.
- Manual, time-consuming processes.
- Limited standardization across agreements.
- Difficulty scaling without software.
- Inaccurate vendor comparisons.



The Solution: Scalable Vendor Management

Procurement Manager Struggles with Contract Controls

The steel manufacturer formed a task force to determine the root cause of the systemic problems and how they could be addressed by implementing various controls. They included:

- Creating a procedure for administering and controlling service contracts with outside vendors.
- Establishing standards to ensure departments could write consistent, compliant service contracts, with automated controls in place to reduce the need for manual oversight.
- Hiring a Contract Manager and Contract Analyst per plant to revamp how service vendors were managed from contract inception, ensuring adherence to the newly established procedures.

Despite these efforts, responsibility for implementing the new controls ultimately fell to the Senior-Level Procurement Manager. His task was to standardize contract nomenclature for accurate comparisons, enabling more informed decisions and better negotiation with vendors and contractors.

After six months of successfully establishing vendor contract processes at a single facility, the Senior-Level Procurement Manager realized the limitations of their manual

approach. “We were successful, but it became very apparent that if we were going to scale, we needed a software solution, not manual processes like we were setting up, because we didn’t have enough time,” he said.

This realization led to the introduction of myTrack, which allowed the team to automate contract management and achieve broader standardization across all facilities.

myTrack Solves Vendor Management Bottlenecks and Standardization Challenges

Having a solution is one thing—implementing it successfully across multiple sites is another. The Senior-Level Procurement Manager recognized that consistency and standardization were crucial to replicating his team’s success at a single facility.

Maintaining up-to-date and accurate vendor agreements led to fewer surprises, stronger partnerships, and more reliable contracts. However, keeping track of these agreements became a time-consuming task.

“myTrack solved both the scalability and standardization challenges,” said the Senior-Level Procurement Manager.

There was still another hurdle. The team could only focus on six out of 50 vendors during the initial trial. Determined to manage all service vendors effectively, the Senior-Level Procurement Manager turned to myTrack. “myTrack became our solution to manage them all,” he said.

“myTrack moved us from recovery of overpayment to prevention of overpayment.”
— Senior-Level Procurement Manager,
Steel Manufacturer

Key Outcomes

- Achieved 8% annual savings on contract labor costs.
- Reduced equipment overbilling by 18%.
- Gained real-time visibility into vendor billing, preventing overbilling.
- Minimized time spent on vendor disputes with clear data-driven insights.
- Secured equipment discounts previously missed.



The Results: myTrack Simplifies Vendor Oversight



myTrack Prevents Overbilling and Drives Savings

The Senior-Level Procurement Manager and his team took 12 weeks to implement myTrack, and the benefits were immediately apparent. “It was like turning on a light switch... it prevented overbilling right away. We went from recovery to prevention,” he said.

A comparative analysis of invoices pre- and post-myTrack implementation showed an 8% reduction in labor overbilling and an 18% reduction in equipment overbilling. Procurement particularly appreciated myTrack’s clarity in vendor communications, as the software enforced consistent terminology across all contracts. This consistency allowed for easier rate comparisons, making vendor negotiations more straightforward and decisions more informed.

As a result, the team could spend less time arbitrating vendor disputes and concerns. When disputes did occur, myTrack gave the team clear data to show contractors exactly what they earned, saving time and resources.

In addition to streamlining contract review and standardizing terms and conditions, myTrack’s ability to automate the application of the lowest contractual rates ensured that equipment discounts were secured—a benefit often missed previously. Procurement teams, who sometimes didn’t know if they were entitled to discounts, either failed to negotiate or defaulted to using higher composite rates. myTrack eliminated this issue by automatically applying the lowest rate in everyday cost reporting.

With myTrack, the company saves 8% annually on contract labor costs and 18% on equipment costs. “We had value controls before myTrack, but the software still managed to improve our value proposition for labor,” the Senior-Level Procurement Manager added.

myTrack Simplifies Procurement and Drives Efficiency

Over time, the Senior-Level Procurement Manager successfully onboarded all vendors onto myTrack, though convincing smaller vendors who were resistant to change and unfamiliar with the system required extra effort.

Through effective change management, the entire vendor base transitioned to myTrack, streamlining vendor management and increasing overall efficiency. This allowed the company to reassign employees to more critical tasks.

myTrack empowered the Senior-Level Procurement Manager to resolve every issue identified during the audit, from vendor onboarding to payment. As a result, the company achieved significant cost savings and minimized the common challenges procurement managers face.

Get Started With myTrack

MCi helps companies of all sizes gain better visibility, control, and productivity from their workforce. We put owners and contractors on the same page. myTrack is the next-generation platform for contractor data management. Learn more about the myTrack Platform and how it can help your company better manage and reduce contract labor, equipment, and material costs.

Connect With Us

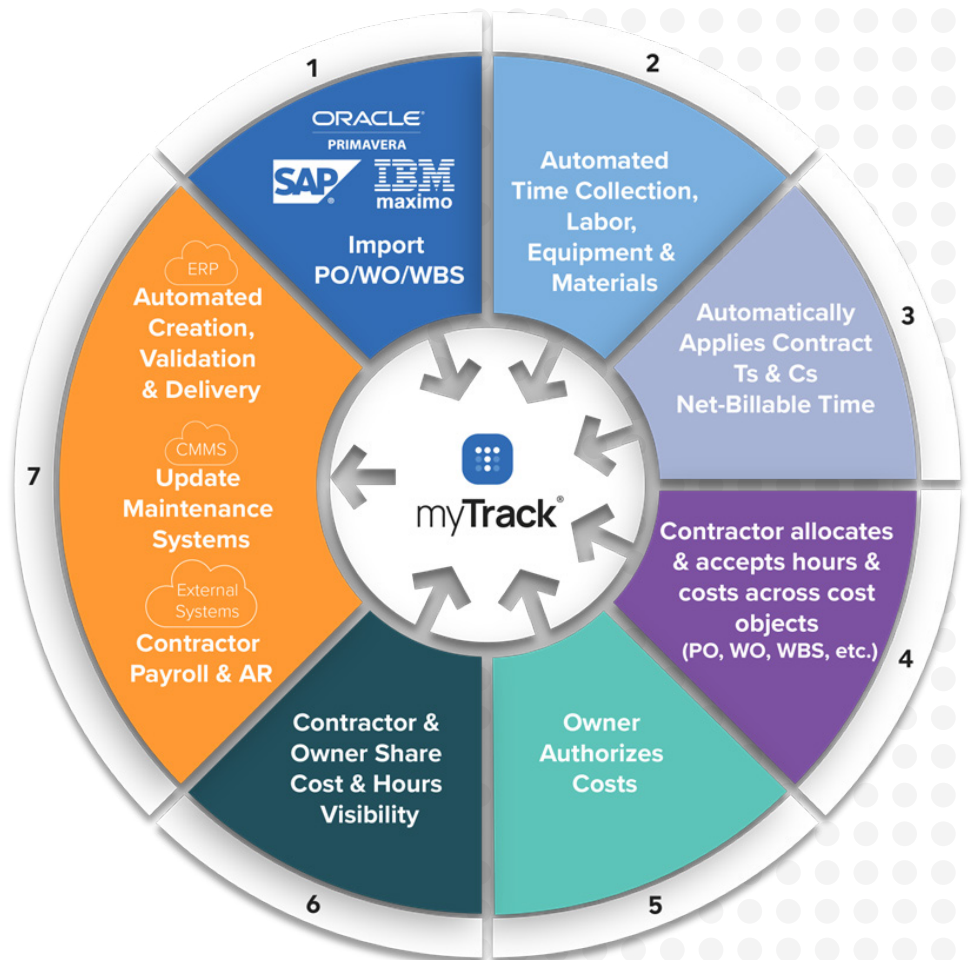
Find out how the myTrack Platform can help you better manage and reduce contractor costs.

BOOK A MEETING



myTrack

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**MANAGEMENT
CONTROLS**



ABOUT MCI

Management Controls Inc. (MCI) is a developer of a Contractor Data and Spend Management platform designed for industries that rely heavily on contractors for operations, routine maintenance, turnarounds, and capital projects. The company's myTrack software offers an end-to-end solution for all parties involved in tracking the costs of contractor labor, equipment, and materials, transforming the working relationship between owners and contractors by providing both parties full visibility, significant cost controls, and immediate savings.