



Paladin Associates

Risk Free Cost Reductions

It's 2012. Do You Know Where Your Cash Went in 2011?

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February 22nd, 2012

At month end many families struggle with too many bills and not enough cash. What to do?

Financial planners suggest that families start a log of all expenses so that at the end of the month they can see where the cash went. Families that do that find opportunities to cut back. "I didn't realize I spent that much at Starbucks" is a typical revelation.

Businesses face the same situation; cash seems to disappear:

- Financial statements show expense categories, but not suppliers.
- Accounts Payable reports show where the cash went but not what it was for.
- Neither source shows what business unit made the expenditures.

It is difficult to get actionable information. It is a three dimensional problem. You need to know who spent the cash, for what, and with whom. It all has to come together.

Fortunately there are tools and processes to solve this problem:

- Spend Analytic platforms can receive data from multiple systems.
- There are data enrichment processes that map the relationships between the who, what and to whom.
- The end result is actionable data that can be used to develop plans to control expenditures and identify Sourcing savings opportunities.
- The Sourcing savings result from the identification of fragmented buys, off-contract purchases, expenditures not going through the Purchasing organization, etc.

Spend Analytic tools can be purchased for in-house use or the entire process can be purchased as a service.

Purchasing Spend Analytics as a service typically results in faster implementation and quicker cash flow improvement.

Paladin Associates Inc., a Sourcing Cost Reduction firm, offers strategic sourcing expertise for multiple commodities to secure “fast track” quantifiable savings and long term cost reduction programs.

We can help you with technology implementations such as spend analysis and eSourcing as well as sourcing process improvements, skill training and staff development while delivering bottom line savings with a guaranteed ROI. For more complete information, visit:

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