

Fine Tune & Procurement Foundry Survey Reveals Organizations Struggle to Ensure Projected Savings Hits the P&L

61% of respondents reported resources are not in place to deliver expected results

CHICAGO, IL, US, October 7, 2021 /EINPresswire.com/ -- Fine Tune, a provider of indirect expense management services, today released results from its joint survey with Procurement Foundry

which shows organizations are struggling to define, quantify and ensure savings hits the P&L.



The overwhelming conclusion is that the required resources for optimizing P&L impact are not in place, causing savings to decay over time and erode P&L impact.”

Rich Ham, CEO, Fine Tune

The full report, “Procurement’s Role in Ensuring P&L Impact,” [can be downloaded here](#).

In a survey of 100 Procurement Foundry members circulated and completed in May 2021, respondents report a general belief that “both systems and reporting structures are not aligned to support” proper and effective tail spend monitoring—which negatively impacts the P&L.

As a result, this toxic combination of a lack of resources and systems as well as reporting misalignment manifests a real challenge for procurement professionals to be strategic, let alone take the lead in managing the more complex categories of tail spend.

Key findings from the survey include:

-61% of respondents do not believe or don’t know if they are adequately resourced to deliver P&L impact

-Only 32% believe their definition of savings is aligned to ensure P&L impact AND believe they are properly resourced

-Alarming, 29% do not believe their definition of savings is aligned to ensure P&L impact and do not believe they are properly resourced

-The majority (58 respondents, or 58%) think their organization is doing a good job aligning savings definitions and tracking methodologies. But:

o Only 21 of those 58 respondents (36%) say procurement is responsible for measuring and tracking P&L impact of savings initiatives

o 3 of those 58 respondents (nearly half) say savings is credited/rewarded at the start of the savings effort

- Only 38% of respondents said savings is credited/rewarded “as P&L impact is realized,” revealing a significant majority get rewarded for savings without assurance it actually materializes

- While approximately half of respondents seem to think that accounting/finance is the responsible party when it comes to measuring/tracking (54%) and ensuring (41%) P&L impact, only one respondent said that finance/accounting interacts with the vendor on an ongoing basis

- 57% “engage with outside partners to augment Procurement department resources”

“The overwhelming conclusion is that the required resources for optimizing P&L impact are not in place, causing savings to decay over time and erode P&L impact,” said Rich Ham, CEO, Fine Tune. “And for the vast majority of businesses, it takes coordination of multiple areas of the organization to properly manage tail spend post-contract. This is especially difficult at scale. If you don’t have all the parts working in tandem with one another or dedicate the necessary resources to ensure P&L impact, you will struggle to successfully manage tail spend and your indirect suppliers will feast on your bottom line.”

The full report, “Procurement’s Role in Ensuring P&L Impact,” can be [downloaded here](#).

Michael Cadieux, founder of Procurement Foundry, and Rich Ham will discuss the findings from “Procurement’s Role in Ensuring P&L Impact” in an Ask Me Anything event on Tuesday, October 12 at 1:00 p.m. EDT.

Register for the [event here](#).

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About Fine Tune

Headquartered in Chicago, Illinois, Fine Tune partners with companies to source, negotiate, manage and audit certain complex indirect expense programs. Led by executive-level industry insiders, Fine Tune has also developed proprietary auditing software which monitors client invoices to ensure adherence with the implemented agreements. Several of the world’s most recognizable brands have chosen Fine Tune, including Cargill, Pep Boys, Siemens, Advance Auto Parts, Caterpillar, and MilliporeSigma. For more information, visit www.FineTuneUS.com.

About the Survey

Commissioned by Fine Tune and conducted via an online survey tool, the survey polled 100

members of the Procurement Foundry community in May 2021.

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