

CONTRACT MANAGEMENT

PRGX Case Study: Labor Service Provider

AUDIT SCENARIO

- ◆ Logistics Service Provider
- ◆ \$76M Annual Spend

BREAKDOWNS IDENTIFIED

- ◆ Poorly designed contract structure
- ◆ Lack of contractual definitions of key cost terms
- ◆ Reliance on manual billing processes
- ◆ Duplicative labor burden costs, overhead and SG&A expenses
- ◆ Excessive mark-up on pass-through expenses

OTHER KEY LEARNINGS

- ◆ Key business insights from historical data compiled from the audit
- ◆ Recommendations for enhanced contract language protections, reporting and billing process controls
- ◆ Future cost avoidance of >\$10M annually

3 Year Future
Savings Corrective
Actions Identified

\$7.3M+

Historical Cash
Recoveries
Realized

\$5M

