

# **The Strategic Sourcing – Compliance Multiplier**

Highlights the Important Interaction Between  
Negotiated Results and Compliance in Driving  
Results to the Bottom Line

# Strategic Sourcing/Compliance Multiplier

**(\$ to the bottom line for each \$10 million of spend)**

<u>% Cost</u> <u>Reduction</u>	<u>% Compliance with New Contract</u>				
	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>85%</u>	<u>95%</u>
05	\$ 125,000	\$ 250,000	\$ 375,000	\$ 425,000	\$ 475,000
2	\$ 250,000	\$ 500,000	\$ 750,000	\$ 850,000	\$ 950,000
3	\$ 375,000	\$ 750,000	\$ 1,125,000	\$1,275,000	\$ 1,425,000
20	\$ 500,000	\$ 1,000,000	\$ 1,500,000	\$1,700,000	\$ 1,900,000
5	\$ 625,000	\$ 1,250,000	\$ 1,875,000	\$2,125,000	\$ 2,375,000
30	\$ 750,000	\$ 1,500,000	\$ 2,250,000	\$2,550,000	\$ 2,850,000

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Many Sourcing Efforts End Up Here

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Where Those Sourcing Efforts Should End Up

# For Further Information

To arrange a comprehensive presentation on improving procurement performance,  
or an Executive Workshop based on *Straight to the Bottom Line*™

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