

# Spend Viz and Cornell University – A Success Story

## About

Spend Viz is software written specifically for higher education administration.

## Cornell's Purchasing Department's Problems

- Managing spend from 13 disparate sources.
- Spending a great deal of money on a rigid tool that did not meet Cornell's needs.
- Software Cornell had been using only classified 80% of their total spend.

## Solutions

- Cornell commissioned the Spend Viz team to create a cost efficient product that could be easily expanded and/or modified.
- Spend Viz can import and classify 100% of all spend using UNSPSC classification system from an unlimited number of disparate sources.

## Benefits

- Switching to Spend Viz provided Cornell with immediate annual savings of \$145,000.
- Cornell has achieved over 31 million dollars in annual savings through their use of Spend Viz.
- Cornell retains control of data by keeping it on their local secure server.
- The Spend Viz team is based in the United States and provides live support hours for all U.S. time zones.

Higher education institutions share the needs of many organizations to monitor spending carefully in order to steer their operations in today's challenging economy. However the similarities between higher education and other sectors end there. When Cornell University adopted a strategic priority to identify savings through procurement, a fundamental first step was to find a tool suited to analyzing spend in higher education. Cornell collaborated with the Spend Viz team to create such a tool.

Spend Viz is an affordable, flexible, robust software system that includes a spend analysis tool capable of providing a complete view of all university spending. The Spend Viz contract management module allows institutions to track the various details of their contracts and receive alerts when contracts need attention. Other software solutions are rigid, cost-prohibitive, and not designed for the unique higher education environment. Spend Viz allows universities to include all aspects of spend and all systems through which purchasing is processed. Many universities consist of multiple campuses which may have separate administrative departments and systems, but Spend Viz is able to incorporate the spending from all campuses while retaining the ability to report on them as a whole or individually. University purchasing also can be distributed across multiple systems. The Spend Viz software is designed to import spend from the various different purchasing systems commonly found in higher education such as purchase orders, procurement cards, and e-procurement.

With Spend Viz, importing and accessing data is quick and easy. Spend Viz was written utilizing a Universe based 4GL that provides performance comparable to data warehouses without the overhead normally associated with data warehouse applications. Data that is imported is immediately available to all analysis and reporting tools without performing massive data cube builds.

Spend Viz classifies the spending under one common taxonomy, the United Nations Standard Products and Services Code® (UNSPSC), which is a global classification structure for products and services utilized by businesses and vendors alike. Other taxonomies can easily be supported in Spend Viz through the use of code translation tables and synonyms. This allows for easy translation between university systems and suppliers and enables full exploitation of electronic commerce capabilities providing the ability to drill down to the SKU level. Spend Viz can aggregate spend by common accounting attributes (e.g., organization level, department, account, fund type etc.) or unique attributes unrelated to accounting.

By classifying data, institutions improve understanding of spending patterns on many levels. Standard reports are available to support institutional decision making, identify compliance issues, analyze spend patterns, and show local/regional economic impact. Spend analysis reports offered through Spend Viz include a classification report, e-procurement report, preferred vendor report, spend table report, vendor type report, run rate savings report, and

more. The vendor diversity report is particularly helpful in reviewing spending patterns related to an institution's diversity goals.

Since the introduction of the Spend Viz software, Cornell has engaged financial administrators from several large departments and schools within the university. Their feedback has been vital in tailoring the reports to the needs of higher education. Cornell began with about a dozen users and now over three hundred users utilize the Spend Viz toolset. Spend data is imported into the software on a monthly basis. Users have access through a secure web site enabling them to do their own research, analysis, and reporting. This has improved relations with senior finance managers and developed procurement advocates across the Cornell campus.

Within the Procurement Services department, purchasing agents use the data to identify trends in spending, determine the aggregate market spend among like competitors, and identify exact item SKU's and total quantities purchased through the e-procurement tool. This provides them with a complete view of their spending and increases their efficiency. For example, Cornell recently used the Spend Viz tool to aggregate the purchases of Hewlett Packard and Xerox toners across multiple providers at the line item level. This in turn allowed the agent to conduct a reverse auction for the high volume items and achieved an additional 17% in savings in an already competitive commodity by consolidating the spend and suppliers.

Also included in Spend Viz are tools for managing contracts and client relationships. The contract management module provides a clear view of the spending that is occurring through negotiated contracts, and it includes an automated notification tool that alerts procurement agents to begin contract actions prior to a contract's expiration. The client relationship management tool maintains all contact information for suppliers, as well as other important information such as certificates of insurance and Small Business Administration annual certification. The relationship management feature was invaluable for communicating to Cornell's campus community and their suppliers during the university's transition to a new financial system.

Most institutions have at least three different payment systems while others may have over a dozen. Possessing the tools to synthesize and analyze universities' spending on goods and services enables institutions to identify cost savings from a centralized perspective. Lack of visibility into spend data can be an obstacle to making fully-informed business decisions. Importing the data into a tool that standardizes classifications and provides flexible reporting greatly increases the ability of procurement agents and administrators to understand and efficiently direct the institution's spending.

Providing university staff with direct access to the Spend Viz tool has enhanced Cornell's working relationships across campus. In addition to the benefits in identifying cost-savings opportunities, the procurement department now sits in a more strategic position within the university. They no longer just process transactions, they help people look at and understand their spending. This collaboration between departments allows the university to work as one with suppliers on strategic sourcing initiatives.

Through the use of Spend Viz, Cornell's annual savings has grown to over 31 million dollars per year. Cornell's total savings through their 2015 fiscal year was over 109 million dollars. That is a tremendous return on their investment in the Spend Viz toolset.

For more information on how Spend Viz can save higher education millions, please contact:

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