

# Consumer Water Retailer Saves \$1.6 Million Annually with Proactive Treasury and Waste Expense Optimization

## Cost Reduction



## Client

A leading pure-play water solutions provider in North America and Europe offering an industry leading lineup of innovative water dispensers along with a water delivery service and water exchange and refill stations.

## Solution

Managing the monthly volume of fees across multiple banks is a major pain point for the client. The company does business with six different major national and regional banks. With more than 3,100 different fees that banks can potentially charge businesses, the company was managing a wide range of charges adding up to \$2.2 million annually.

SIB's treasury fee optimization experts provided the knowledge and dedicated resources to navigate complex banking structures, identify cost-saving opportunities, and pinpoint strategies for more efficiently managing financial transactions. In just three months of work and through comprehensive audits, extensive fee and rate analysis, benchmarking, and negotiations, SIB helped the company deliver new banking proposals to all six banks. Based on spending comparisons to companies of similar sizes, transaction activity, and balances, the new proposals and negotiations resulted in lower transaction costs and line-item reductions, process improvements to boost operational efficiencies, yield and earning credit rate improvements, and the implementation of new interest-bearing accounts. The client ultimately tapped into an annual cost reduction opportunity worth \$1.3 million while preserving and strengthening essential relationships with all its banking partners.

Because reducing waste and environmental impact is core to the company's business model, they began working with Vector97 (Vector), an SIB division specializing in complex waste and recycling programs, to find ways to optimize solid waste vendor management and brokerage services. Vector helped them implement an invoice auditing and processing solution for 197 different water locations. In addition to identifying and correcting hauler invoice errors amounting to \$76,000 across 680 separate invoices, Vector found opportunities to reduce total waste management expenses by 9.28%.

## Challenge

As a company committed to the health of people and planet, the client is inherently motivated to optimize resources of all types, including its own consumption and spending on business services. However, as a growing international business, the need to work with multiple vendors across hundreds of geographically dispersed locations introduces complexity in operations and numerous opportunities for inefficiencies, billing errors, and overspending.

The executive team knew that if it wanted to strategically control spending across its operations, it needed the support of experts with specialized knowledge and industry insights in different spend areas along with the bandwidth to take on the massive job of overseeing hundreds of vendor relationships and monthly invoices.

## Results

By partnering with SIB's team treasury and waste experts, the client quickly generated \$1.6 million in annual savings that can be redeployed into other areas of the growing business:

- ✓ Treasury fee annual savings: \$1.315 million
  - Optimized proposals for all 6 banking partners
  - 108 line item reductions including account maintenance, depository services, information reporting, lockbox services, ACH, wire transfers, and more
- ✓ Solid waste vendor management and brokerage services annual savings averaging \$250,000 per year over the past two years
  - 197 locations served through invoice processing and auditing
  - \$76,000 in billing errors recovered
  - 9.28% net savings

The company has unlocked tangible and substantial savings that underscore the company's dedication to fiscal responsibility, efficiency, and waste reduction. Through ongoing partnership with SIB, they will continue to proactively look for additional savings and ways to take advantage of SIB's unrivaled benchmarking database to optimize strategic cost management and improve vendor contracts across its many expenses, furthering its commitment to cost efficiency and sustainability.