

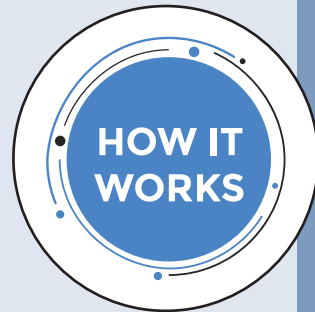


# A

Purpose

## How It Works

- ◆ Zero fees for the audit
- ◆ Contingency based cost reduction services in 18 cost categories
- ◆ Fees Earned – 50% of savings for 36 months



# B

Client Benefits

- 1) **Immediate profit impact** – every net dollar saved goes directly to the bottom line
- 2) **Time Savings** – Eliminate time managing vendors, tracking weekly market changes in 18 cost categories, checking invoices for price creep and billing errors, and negotiating contracts
- 3) **Security** – Ensure they are making the right decisions about obtaining the right services from the right vendor, for the right price, with professional guidance
- 4) **Clout** – Access to Schooley Mitchell knowledge and clout from 31,000 clients completed, 4,700 vendor relationships built, and in excess of \$1 Billion in client savings
- 5) **Monitoring** – Monthly audit/monitoring prevents billing errors, price creep, and identifies new market opportunities
- 6) **Contracts** – Optimal contract and agreement negotiation

# C

Partnership  
Fees Allocation –  
Example

**Client Savings – \$40,000**

**Fees Earned – \$20,000**

- ◆ Cost of Auditing Specialists – \$7,000 – 35%
- ◆ Fact Funding and Record Gathering – \$1,000 – 5%
- ◆ Overhead – \$1000 – 5%
- ◆ Your Partner Share – \$5,000 – 25%
- ◆ Schooley Mitchell Share – \$6,000 – 30%



# D

Work Product –  
Value Report

- ◆ Following the audit, The Value Report will reflect the three best savings options
- ◆ Executive Summary, outlining the three recommended options
- ◆ An overview of the reasoning for the options
- ◆ Details for the featured option on an item-by-item basis
- ◆ Savings Summary
- ◆ Graphical analysis





**SCHOOLEY  
MITCHELL**

# Business Partnership Proposal

**E**

Participation in  
the Process

- 1) Briefing with the client to explain the services – Schooley Mitchell & Partner (optional)
- 2) Audit, reconciliations, negotiations, reports – Schooley Mitchell audit staff
- 3) Value Report presentation to review the findings – Schooley Mitchell & Partner (optional)
- 4) Implementation of the results – Schooley Mitchell audit staff
- 5) Post Audits & Monitoring – Schooley Mitchell post audit staff



**F**

Continuing Service

**Invoices are audited every month for 36 months**

- 1) Calculate monthly savings
- 2) Eliminate billing errors
- 3) Prevent price creep
- 4) Monitor vendors
- 5) Monitor ongoing market changes for additional opportunities
- 6) Annual Market Review
- 7) Accumulated Savings Reports -Annually



**G**

Accumulated  
Partnership –  
Savings Example

Clients	Annual Savings	36 Months Savings	50%	Total	Your Share
30	\$5,000	\$15,000	\$7,500	\$225,000	\$56,250
50	\$25,000	\$75,000	\$37,500	\$1,875,000	\$468,750
100	\$40,000	\$120,000	\$60,000	\$6,000,000	\$1,500,000



**H**

Existing Partner  
Experience

One of our partners, Jerry, from a tax specialty firm has been partnering with us for several years now. We have worked together on several dozen clients over the past few years. Jerry just saw it as a way to increase his clients' profitability by managing these ancillary expenses properly.

The clients certainly have more confidence in his services because he has been able to help them in so many different and unexpected ways.

I don't think he really expected the results we achieved together, but his share of the fees

earned so far is in excess of \$2 Million at this point. In that case, the series of clients have increased their profits by more than \$16,000,000 for the sharing period and much more afterwards as they continue to save well past that point.

Many of the clients have renewed resulting in an income stream for everyone well beyond three years.

Jerry is very happy that we started this partnership and continues to bring clients into the process.