

MERCHANT SERVICES CASE STUDY



**SCHOOLEY
MITCHELL**

MANAGEMENT OF LARGE VOLUME AND MULTI-LOCATION BUSINESSES

Doing a cost analysis on your own can be an overwhelming task.

Schooley Mitchell takes a strategic approach, breaking down our risk-free analysis into several phases to ensure every aspect is taken into consideration.

As part of our process, Schooley Mitchell reviews your merchant accounts to ensure that all discounts are properly applied and you are processing under the appropriate rate structure.

Schooley Mitchell has produced over \$320 million in documented savings for more than 19,000 clients across North America. Our specialized software, benchmarking tools and best-in-class pricing databases ensure our clients never pay too much for their essential services. Schooley Mitchell has relationships with vendors across North America, including access to wholesale rates.

Phase One – Establishing a Baseline

- The client will:
 - ▶ Sign a Service Agreement that covers our business terms
 - ▶ Provide us with bills, or online access to their accounts, so we can establish a baseline of their current rate structure
 - ▶ Sign a letter of agency, so we can negotiate with their current vendors
 - ▶ Describe their current processing environment

Phase Two – The Analysis

- Schooley Mitchell will:
 - ▶ Use our benchmarking data to research options and negotiate better pricing for the client.
 - ▶ Request, review, and validate competitive quotes from other processors
 - ▶ Negotiate with the current vendor for a re-rate

Phase Three – Recommendations & Implementation

- Schooley Mitchell will:
 - ▶ Compile our research and recommendations into a Value Report
 - ▶ Assist with the cancellation of service if needed
 - ▶ Assist with compliance standards
 - ▶ Implement pricing and changes
 - ▶ Confirm the new pricing 30 days after implementation

Phase Four – Continued Monitoring

- Monthly or quarterly post audits
 - ▶ Continued monitoring of every account and service for duration of 36-month agreement





Client A

Schooley Mitchell conducted a complete merchant services review for Client A, an e-commerce store that accepts payments online and over the telephone.

- ▶ They were paying \$128,009.31 in monthly fees
- ▶ They were integrated with Point of Sale software
- ▶ There were multiple currencies
- ▶ They processed globally
- ▶ They used one American processor for all accounts

Schooley Mitchell's analysis found that all of Client A's accounts outside of North America were on the wrong rate structure.

Savings Breakdown

Schooley Mitchell negotiated and implemented the proper rate structure on each account. The client's estimated savings over the 36-month agreement is \$3,878,899.20.

The client will:

- ▶ Continue processing with their incumbent vendor
- ▶ Receive annual savings of 50.5%, totaling \$775,779.84, after implementing our recommendations.

Schooley Mitchell expects more savings to be found through the ongoing post audit process, as the Service Agreement term has not yet been completed.

Client B

Client B is another e-commerce business with the majority of transactions being made online.

- ▶ They were fully integrated with Point of Sale software
- ▶ They were processing \$1,421,305.15 monthly
- ▶ They have one location and one account

Schooley Mitchell's analysis found that Client B was not under the appropriate rate structure, and there was room for improvement.

Savings Breakdown

Schooley Mitchell negotiated with the current processor and found a substantial amount of savings. The savings were implemented for the first month, but the processor

increased their rates in month two. When Schooley Mitchell reached out to the processor, they explained that they considered this client to be high risk, and could only honor the new rates implemented for month two. After six months, the processor increased their rates again. Schooley Mitchell reached out, but the processor was no longer willing to negotiate their rates.

In response, Schooley Mitchell and Client B decided to switch vendors to a second option for more savings.

Client B was initially saving **\$279,523.56** annually, or 39%. After the incumbent vendor increased their rates, these savings dropped to **\$188,222.47** a year.

In response, Schooley Mitchell then engaged with the processor known as Option B from the Value Report. This processor was more than happy to honor the rates they had initially promised, and now the client is receiving great savings.

- ▶ Estimated annual savings of \$286,751.68 – nearly \$100,000 more than their incumbent would honor

The estimated total savings over the course of the 36-month Service Agreement is **\$860,253.15**. There is an opportunity for more savings through the ongoing post audit process, as the Service Agreement term has not yet been completed.

Client C

Client C is a large steel manufacturer and most of their transactions are processed through face-to-face interactions. They have 25 locations and process around \$3,500,000 a month – \$41,000,000 annually.

During our analysis, Schooley Mitchell discovered that Client C was being overcharged and placed under the wrong rate structure. Significant savings were found with their incumbent processor.

Savings Breakdown

After a simple move to a new rate structure, Schooley Mitchell saved Client C:

- ▶ \$86,000 annually, or 10%
- ▶ Estimated savings of \$258,000 throughout the 36-month agreement.

There is an opportunity for identification of further savings through the post audit process.

TELECOM CASE STUDY



**SCHOOLEY
MITCHELL**

MANAGEMENT OF CITIES, MUNICIPALITIES, SCHOOL DISTRICTS, AND MULTIPLE LOCATIONS

When it comes to larger entities like cities, municipalities, school districts and multi-location businesses, doing a cost analysis on your own can be an overwhelming task. Schooley Mitchell takes a strategic approach, breaking down our risk-free review into several phases to ensure every aspect is taken into consideration, all while maintaining the services you need.

As part of our process, Schooley Mitchell researches all services to confirm whether the client is eligible for government pricing, and always ensure all discounts are properly applied.

Schooley Mitchell has produced over \$320 million in documented savings for more than 19,000 clients across North America. Our specialized software, benchmarking tools and best-in-class pricing databases ensure our clients never pay too much for their essential services. Schooley Mitchell has relationships with over 1,000 vendors, including access to special pricing and plans.



Phase One – Establishing a Baseline

- The client will:
 - ▶ Sign a Service Agreement that covers our business terms
 - ▶ Provide us with bills, or online access to their accounts, so we can establish a baseline of their current rate structure
 - ▶ Sign a letter of agency, so we can negotiate with their current vendors
 - ▶ Describe their current processing environment

Phase Two – The Analysis

- Schooley Mitchell will:
 - ▶ Audit for billing errors
 - ▶ Use our benchmarking data to research options and negotiate better pricing for the client
 - ▶ Compare pricing with our best-in-class database to identify opportunities for cost reduction
 - ▶ Request, review and validate competitive quotes from other vendors
 - ▶ Negotiate with the current vendor for a re-rate





Phase Three – Recommendations & Implementation

- Schooley Mitchell will:
 - ▶ Compile our research and recommendations into a Value Report
 - ▶ Assist with the cancellation of services if needed
 - ▶ Implement pricing and changes
 - ▶ Coordinate with IT department to implement/introduce any new technology
 - ▶ Confirm the new pricing 30 days after implementation

Phase Four – Continued Monitoring

- Monthly or quarterly post audits
 - ▶ Continued monitoring of every account and service for duration of 36-month agreement

Client A

Schooley Mitchell conducted an extensive telecom review for Client A, a large city in a metropolitan area. The analysis included the City Hall, Police Department, Fire Department, Water Services, and various public resource centers.

Schooley Mitchell was able to negotiate with the incumbent vendors to price match the competition. During our analysis, Schooley Mitchell found that Client A was paying for far too many services. For example, there were old installations no longer in use that were still being billed. They were being charged for forgotten wireless devices clocking in at zero usage, and their vendors were even servicing buildings that no longer existed. These are all-too-common errors that Schooley Mitchell comes across when consulting to cities, municipalities, school districts, and multi-location businesses.

Outcome

- Primary Rate Interfaces (PRIs) decreased by 60% at their City Hall and Police Station.
- Utility lines were decreased by 50% citywide
- Wireless inventory and surplus management findings decreased wireless inventory by 30%

Savings Breakdown

The city saved \$52,554.60 annually on all services combined, for a total cost reduction of 28%.

More specifically, Schooley Mitchell identified the following savings, for an estimated **total of \$157,663.80** over the 36-month agreement:

- Phase 1
 - ▶ Wireless \$42,205.32
 - ▶ Wireline \$36,399.96
- Phase 2
 - ▶ Wireline \$79,058.52

Schooley Mitchell expects more savings to be found through the ongoing post audit process, as the Service Agreement term has not yet been completed.

Client B

Client B is a large property management company with 46 locations. Schooley Mitchell conducted an extensive telecom cost reduction analysis for all 46 locations, including review of wireless devices and basic services.

Schooley Mitchell’s analysis uncovered landlines that were no longer in use and successfully negotiated re-rates with the existing provider for its wireless services. Schooley Mitchell also recommended cancelling the client’s hunt groups based on the industry ratio.

Savings Breakdown

The property management company saved \$141,004.32 annually on all services combined, for an estimated **total of \$423,012.96** over the 36-month Service Agreement. More specifically, Schooley Mitchell identified:

- Phase One:
 - ▶ Wireless \$15,570, for a 25% reduction in cost
 - ▶ Wireline \$317,442.96, for a 31% reduction in cost
- Phase Two:
 - ▶ Wireline \$90,000

As well, Schooley Mitchell has already uncovered further savings during the post audit (Phase 4) process, identifying \$30,000 in additional savings.





There is an opportunity for more savings through the ongoing post audit process, as the Service Agreement term has not yet been completed.

Client C

Client C is a large municipality. Schooley Mitchell partnered with Client C to analyze the robust circuits that required inspection. The circuits included managed internet services, data transport services, DS1s, T1s, VPNs, LANs, WANs, and functionality services in the municipality, including traffic lights, sprinkler systems and security systems. There were also voice-connected communications throughout the municipal locations. Schooley Mitchell also consulted to basic utility lines, voice lines, and wireless devices.

Schooley Mitchell discovered Client C had a surplus of circuits and voice services that were not being used but were costing money. This municipality was paying for unused circuits to buildings and for outdated services that were no longer needed. The savings for the wireless portion involved consolidating services from three different providers to one single provider.

Savings Breakdown

The city saved \$97,596.92 annually on all services combined. More specifically, Schooley Mitchell identified the following savings, for an estimated **total of \$292,790.76** over the 36-month agreement:

- Wireline \$60,000, for a 6% reduction in cost
- Wireless \$232,790.76, for a 59% reduction in cost

Schooley Mitchell expects more savings to be found, as the negotiation process for cancellations and plan restructuring is ongoing. As well, there is an opportunity for identification of further savings through the post audit process, as the Service Agreement term has not yet been completed.

TAIMBase

Schooley Mitchell makes managing your telecom inventory and costs easy with our software as a service product, TAIMBase. This tool is a great resource at your fingertips, from identifying the source of overage charges to assisting with decisions about moves, adds, changes and deletes.

Let TAIMBase help you with:

- Wireless devices and inventory
- Wireless plans
- Wireless user and usage management
- Voice and internet inventory
- Voice and internet recurring costs
- Voice and internet management by service address
- Contract tracking and management
- Order management



SMALL PACKAGE SHIPPING CASE STUDY



**SCHOOLEY
MITCHELL**

MANAGEMENT OF LARGE VOLUME AND MULTI-LOCATION BUSINESSES

Doing a cost analysis on your own can be an overwhelming task.

Schooley Mitchell takes a strategic approach, breaking down our risk-free analysis into several phases to ensure every aspect is taken into consideration.

As part of our process, Schooley Mitchell reviews your small package shipping and courier services to ensure that all discounts are properly applied and you are shipping under an optimal rate structure.

Schooley Mitchell has produced over \$320 million in documented savings for more than 19,000 clients across North America. Our specialized software, benchmarking tools and best-in-class pricing databases ensure our clients never pay too much for their essential services. Schooley Mitchell has relationships with carriers across North America, as well as extensive knowledge of the marketplace.

Phase One – Establishing a Baseline

- The client will:
 - ▶ Sign a Service Agreement that covers our business terms
 - ▶ Provide us with bills, or online access to their accounts, so we can establish a baseline of their current rate structure
 - ▶ Sign a letter of agency, so we can negotiate with their current vendors
 - ▶ Describe their current shipping practices

Phase Two – The Analysis

- Schooley Mitchell will:
 - ▶ Audit for billing errors
 - ▶ Use our benchmarking capability to get a big data picture of the client's shipping profile
 - ▶ Compare pricing with our best-in-class database to identify opportunities for cost reduction
 - ▶ Ensure proper service levels and packaging are selected for the best outcome for the client
 - ▶ Request, review, and validate competitive quotes from other carriers
 - ▶ Manage negotiations with the current carrier for an improved pricing agreement

Phase Three – Recommendations & Implementation

- Schooley Mitchell will:
 - ▶ Compile our research and recommendations into a Value Report
 - ▶ Assist with the cancellation of services if needed
 - ▶ Implement pricing and changes
 - ▶ Confirm the new pricing on the next billing cycle

Phase Four – Continued Monitoring

- Monthly or quarterly post audits
 - ▶ Continued monitoring of every account and service for duration of 36-month agreement





Client A

Client A is a Title Company with many locations. Schooley Mitchell conducted a complete analysis of Client A's small package shipping and courier services.

- ▶ They were paying \$25,615.35 a month in small package shipping fees
- ▶ They had many accounts with two different vendors
- ▶ They primarily ship documents for next morning delivery
- ▶ They ship mostly to residential areas and remote locations
- ▶ They require a signature upon delivery

Savings Breakdown

Schooley Mitchell negotiated and found estimated annual savings of 34.61% totaling \$106,396.32. These savings were generated by:

- ▶ Consolidating all accounts across two carriers into 11 accounts with a single carrier
- ▶ Registering all locations with a free association for significantly improved discounts
- ▶ Reducing various shipping surcharges

Schooley Mitchell expects more savings to be found through the ongoing post audit process, as the Service Agreement term has not yet been completed.

Client B

Client B was an industrial manufacturer.

- ▶ They were paying \$10,065.16 in monthly courier fees
- ▶ They were shipping with two different carriers
- ▶ Their shipments were primarily sent to commercial addresses via ground service
- ▶ Their weight and dimensions of packages varied
- ▶ They had occasional need of express and international services

Savings Breakdown

Both vendors were very resistant to working with a third party, but eventually provided offers to the client based on Schooley Mitchell's recommendations

which significantly reduced costs. Schooley Mitchell's negotiations resulted in:

- ▶ Significantly improved discounts
- ▶ Restructured tiered incentives
- ▶ Simplified shipping and billing logistics
- ▶ Annual savings of 30.29% or \$36,581.40
- ▶ Estimated savings over 36-month agreement totaling \$109,744.20

There is an opportunity for more savings through the ongoing post audit process, as the Service Agreement term has not yet been completed.

Client C

Client C is a trucking leasing/rental/repair company with multiple locations.

- ▶ Monthly spend of \$7,556.31
- ▶ Shipping through one carrier
- ▶ Using vendor supplied workstations
- ▶ Shipping through ground and express mainly between business locations
- ▶ Wide range of size and dimensions
- ▶ Receiving seven different paper invoices each week

Savings Breakdown

After negotiating the contract with the current carrier, Schooley Mitchell was able to obtain:

- ▶ Increased transportation and accessorial discounts
- ▶ Consistent pricing structure across all locations
- ▶ Added incentives for more savings
- ▶ One consolidated paperless invoice
- ▶ Refunds for packages where shipping label was created, but never shipped
- ▶ Annual savings of 13.39% or \$12,143.04
- ▶ Estimated savings over 36 month agreement totaling \$36,429.12

There is an opportunity for more savings through the ongoing post audit process, as the Service Agreement term has not yet been completed.

WASTE CASE STUDY



**SCHOOLEY
MITCHELL**

ANALYSIS OF WASTE COST SAVINGS FOR LARGE CLIENTS

Doing a cost analysis on your own can be an overwhelming task.

Schooley Mitchell takes a strategic approach, breaking down our risk-free analysis into several phases to ensure every

aspect is considered.

As part of our process, Schooley Mitchell reviews your waste services and needs to ensure your disposal is optimized and your bills are free of errors.

Schooley Mitchell has produced over \$340 million in documented savings for more than 20,000 clients across North America. Our specialized software, benchmarking tools and best-in-class pricing databases ensure our clients never pay too much for their essential services. Schooley Mitchell has relationships with carriers across North America, as well as extensive knowledge of the marketplace.

Phase One – Establishing a Baseline

- The client will:
 - ▶ Sign a Service Agreement that covers our business terms
 - ▶ Provide us with bills or online access to their accounts so we can establish a baseline of their current rate structure
 - ▶ Sign a letter of agency, so we can negotiate with their current vendors
 - ▶ Describe their current waste disposal practices

Phase Two - The Analysis

- Schooley Mitchell will:
 - ▶ Audit for billing errors
 - ▶ Utilize our benchmarking tools to get an overview of the client's waste needs

- ▶ Negotiate with current and alternative vendors utilizing our supplier database
- ▶ Compare pricing options with our analysis tools to identify cost reductions
- ▶ Request, review, and validate competitive quotes from other waste disposal companies
- ▶ Ensure proper service levels and waste solutions
- ▶ Manage vendor relationships

Phase Three – Recommendations & Implementation

- Schooley Mitchell will:
 - ▶ Compile our research and recommendations into a Value Report
 - ▶ Assist with the cancellation of services if needed
 - ▶ Implement pricing and changes
 - ▶ Confirm the new pricing on the next billing cycle

Phase Four – Continued Monitoring

- Monthly or quarterly post audits
 - ▶ Continued monitoring of every account and service for duration of the 36-month agreement

Client A

Client A is a licensed long-term care facility with a large support faculty providing 24-hour care for residents. Schooley Mitchell conducted a complete analysis of Client A's waste solutions at the single location.

- ▶ Their total spend was \$2,020.84 monthly.
- ▶ They had both a four-yard and eight-yard waste container, and ten 95-Gallon mixed fibre containers.
- ▶ They are on contract for another year, and the incumbent vendor refused to make an offer on their services until the contract is closer to its end date.





Savings Breakdown

Schooley Mitchell investigated Client A's waste services and was able to reduce their costs by 64.74% by switching them to another vendor. This recommendation represented savings of over \$1,300 per month while maintaining the same level of service.

- ▶ Schooley Mitchell also found a second option of 55% savings with an alternate vendor.
- ▶ Once the client is closer to the end of their current contract, their incumbent vendor will also provide an offer.
- ▶ The client has already signed off on the changes and excitedly awaits the implementation at the end of their contract.

Schooley Mitchell will continue to monitor the account and expects the new vendor to be able to provide flexible solutions for the client's waste needs.

Client B

Client B is a large car dealership.

- ▶ Their monthly spend was \$2,323.34 in total.
- ▶ Their incumbent vendor told us that they were going to the dealership to offer the client a new rate. Our client directed the incumbent to work through us.
- ▶ Upon review of the contract, Schooley Mitchell found multiple billing errors.

Savings Breakdown

Schooley Mitchell negotiated monthly savings of \$715.59 or \$8,587.04 annually. The client received three options for base cost re-rate.

- ▶ Schooley Mitchell ensured that their new contract did not include an auto renewal that might lock them into a contract for longer than they intended.
- ▶ Thanks to negotiations, the client did not incur any extra administration surcharges or fees.
- ▶ The new contract included an agreement that capped inflation at 3.7% per year.

The implementation included several contract addendums and modification requests from the incumbent vendor,

all of which were handled by Schooley Mitchell. All that was required from our client was a signature after the final value report was presented.

Client C

Client C is a four-location automotive dealer and repair shop.

- ▶ Their monthly spend was approximately \$3,894.88.
- ▶ Across the four locations they had a 30-yard roll-off container, a 42-yard compactor, and several dumpsters ranging in size from six to 10 yards.
- ▶ All services were contracted.

Savings Breakdown

Schooley Mitchell's analysis found that the contract end date was fast approaching, so we had the client send an auto-renewal cancellation letter to the incumbent.

- ▶ Schooley Mitchell contacted alternative vendors which yielded savings, but the client had a good relationship with the incumbent and was hesitant to switch.
- ▶ After weeks of negotiations with the incumbent, they offered a contract at the same length as the original auto-renewal contract, but with annual savings of \$10,310.64.

Schooley Mitchell managed the entire negotiation process, and also implemented and backdated the new rates for an additional credit on the first invoice after implementation.

As contracts and requirements grow for this client, Schooley Mitchell will make additional recommendations to best suit their needs going forward.