BIDMA

How a saving is counted, and how we handle your suppliers.

How a saving is counted

A saving is only a saving if your own finance team can see it. So we fix the method before the work starts, and it does not move afterwards. The baseline comes from your data. What counts and what does not is agreed in writing. Every figure is measured against invoices and purchase ledger entries your finance team can trace on its own.

01 We build the baseline from your own paid prices and volumes over an agreed reference period, normally the previous twelve months.

02 Your finance team signs the baseline in writing before any work starts. If we cannot agree one for a category, that category stays out of scope.

03 A saving counts when the new terms are signed, in effect and traceable in your invoices or purchase ledger. Changes in volume and changes in scope do not count.

04 Where a price is index linked or driven by a traded commodity, the baseline moves with the published index. We are paid on the improvement against that index, not on the movement of the market.

05 If a category or a negotiation is already in progress when we start, we list it and carve it out at baseline sign off. If your own team delivers a saving on a category in scope without us, it is excluded on your written confirmation.

06 Working capital gains such as extended payment terms, and one off rebates or credits, are reported separately. They stay out of the fee base unless you agree in writing that they belong in it, and never on the same basis as a recurring price reduction.

07 Each saving is counted once, in AED, on what is realised within the measurement period and net of recoverable VAT. We do not charge on annualised or run rate figures.

Better terms, same suppliers

None of this starts with replacing your suppliers. Most of what we find sits in the agreements you already hold. The people you buy from stay where they are unless you decide otherwise.

- We work to reset terms with the suppliers you already use before we suggest replacing anyone.
- We never contact a supplier without your written approval.
- You see every message before it is sent.
- You lead the discussions, you decide, and you sign. We sign nothing on your behalf.
- If a supplier will not deal with an adviser in the room, we prepare your team and stay out of it. The analysis is what does the work.

In our experience a supplier protecting a long standing account will usually protect it with price. A long relationship is leverage, not an obstacle.

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