

# Cost Reduction as a Percentage of Managed Spend

*Benchmarks, Definition & Measurement Details*

**SAMPLE  
CONTENT & DATA**



# Cost Reduction as a Percentage of Managed Spend

Definition & Measurement Details



## What is Cost Reduction as a Percentage of Managed Spend?

The dollar amount saved through cost reduction divided by the total dollar amount of managed spend over the same period of time, as a percentage.

### Why should this KPI be measured?

Cost Reduction as a Percentage of Managed Spend measures the Procurement function's ability to "reduce" costs through diligent negotiation and vendor management practices. Lack of attention to

### How is this KPI calculated?

Two values are used to calculate this KPI: (1) the dollar amount saved through cost reduction, and (2) the total dollar amount the Procurement function manages. The calculation is the difference in

**ABRIDGED CONTENT**  
Purchase to View Full Definition & Measurement Details!

# Cost Reduction as a Percentage of Managed Spend

Benchmarks & Characteristics of High Performers



## Cost Reduction as a Percentage of Managed Spend

(Dollar Amount Saved Through Cost Reduction / Total Procurement Spending) \* 100



### Characteristics of High Performers

- KPIs are well-defined, tracked and tied to performance reviews
- Robust self-service options for customer

Sample Size: XX

KPI Type: XX

Unit: XX

Is High or Low Best?: XX

**How to read this chart:** This chart summarizes the performance gaps between high (Top 5%), mid (Median) and low (Bottom 5%) performers for this Key Performance Indicator (KPI). For example, the column labeled "Top 5%" represents a company that outperformed 95% of the peer group observed for this metric.

# Benchmarking Report Terms & Conditions

*OpsDog KPI Reports*



© 2017 OpsDog, Inc.

The OpsDog KPI Reports and their contents are protected by copyright laws, contain the trademark OpsDog, Inc., and are OpsDog's proprietary information. No part of this book shall be reproduced, stored in a retrieval system, or transmitted by any means, electronic, mechanical, photocopying, recording or otherwise, without written permission from OpsDog, Inc.

OpsDog, Inc. assumes no liability with respect to the use of the information contained herein which is provided "as is" and there are no warranties of any kind provided by OpsDog with respect to this report. OpsDog assumes no responsibility for errors or omissions and will not be liable for any damages resulting from the use of the information contained herein.

## **OpsDog, Inc.**

1502 Augusta Dr., Suite 200

Houston, TX 77057

Tel: 844-650-2888