Cornell University

Cornell University Uses Spend Viz from Tonto Verde Software, Powered by Rocket U2, to Manage University-Wide Procurement and Save Tens of Millions of Dollars

Founded in 1865, Cornell University has 20,000 students enrolled in one of 11 undergraduate, graduate and professional schools. The Ivy League university has an academic staff of more than 2000 people and its Ithaca campus spans more than 2,300 acres.

Economic Meltdown Requires Flexible, Data-Enhanced Procurement Platform

Nestled in Upstate New York's Finger Lakes region, Cornell University's bucolic campus setting does not reflect the hyper-intense pressure that Tom Romantic faces every day. As the manager of the Ivy League institution's $500 million annual procurement budget, he is responsible for maximizing the value of every dollar the university spends -- from cafeteria tray orders to the purchase of radio telescopes. In 2008, as the national economy was melting down, his already-difficult job became nearly impossible.

Romantic knew that budget cuts were looming and that he would have to reduce spending in a way that did not compromise the university's excellence. He needed to use a scalpel rather than a chainsaw, but there was a problem: the software that he inherited when he took the job was simply not up to the task.

"The platform was very rigid," Romantic recalls. "In higher education, we're unique because we need to slice and dice the data through very specific filters that we sometimes need to create very quickly. With the old system, we had to give the vendor the data, which they would then run through a 'black box' and send back to us.

"The only spends they would classify were those that fit into their system. For example, 80 percent of our Dell spend was classified as "IT." They were unable to even classify the other 20 percent and told us that they didn't have to because the agreement didn't require them to classify anything that didn't fit with their existing filters."

Spend Viz Offers Cornell Unrivaled Cost-Efficiency and Flexibility

Romantic had worked previously with, Geoff Hanshaw, a consultant who was now working as the chief technical officer for Rocket Software partner Tonto Verde Software. Tonto Verde Software's Spend Viz application imports data from various user sources and provides a cohesive view of an organization's overall spend. It is specifically designed to be ultra-flexible and scalable in order to help customers save

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Cornell University Ithaca, New York

Faced with budget cuts in 2008, Cornell University's procurement director needed to reduce spending without negatively impacting the university's research and teaching capability. Burdened by a legacy software system that was too rigid to meet its needs, Cornell called in Tonto Verde Software to implement a solution, powered by the Rocket U2 MultiValue database, to manage its procurement activities.

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money without negatively impacting procurement receivables. With Spend Viz, the university's spend can now be classified 100 percent.

"The Rocket U2 platform gives us such a leg up," Hanshaw says. "Other organizations that use data warehousing can spend a couple of million dollars rather than the $20,000 for a product built on Rocket, because there is no need for data warehousing. I do customization through this solution all the time. It's so easy to work with because it supports custom code and keeps version control intact, even when doing upgrades."

Tonto Verde Software Quickly Leads to Massive Savings

In September, Romantic approached the university's CFO for permission to request a proof of concept from Tonto Verde Software. By December, he had the green light to move forward with the Spend Viz implementation. One year later, he was able to report a run-rate savings of $2.5 million, and he says he has been "enhancing and expanding the platform ever since."

Issues as varied as diversity, local economic impact, run-rate savings, consumer price index and departmental budget are all critical pieces of data when appropriating funds that must be examined individually and also holistically.

 "Spend Viz created for us the ability to control classification and rules and we can change data attributes without any programming requirements," Romantic said. "We've been able to continually cleanse our data by fixing errors when we see them."

Scalability and High-Touch Service Enables Campus-Wide Implementation

Romantic has been able to easily scale usage of the Spend Viz platform so that anybody at the university with a procurement-based question can be given access to the system through a web-based interface. Romantic can also filter data by vendor name and pull real-time purchase order reports.

"Spend Viz was initially designed to serve as a tool for strategic sourcing," Romantic says. "We are now using it across campus with 500 users as an online tool to set up custom filters so people from various academic departments, colleges and business units can drill down into the data however they need to. There is a flexibility with Tonto Verde Software's Spend Viz that we don't see with any other tool on the market."

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