



# NutriSystem slims expenses by 59%

## Hidden profits of \$220,000 a year found in merchant card fees



### Weight management leader wanted to tighten its belt on purchases made with credit cards

When NutriSystem, a leading provider of weight management products and services, wanted to tighten its belt on merchant card fees, it turned to Expense Reduction Analysts (ERA).

NutriSystem was spending \$370,000 a year to process credit card orders placed online, over the telephone and through a number of other sales channels, including television shopping network QVC, to purchase its prepared meals.

### Lower per-transaction pricing contracted

Consultants met with NutriSystem’s CFO, Controller, CIO and IT managers to gain the senior executives’ perspectives on the project and determine criteria important to the company.

In addition to better pricing, NutriSystem wanted certain interfacing capabilities and the ability to process “Bill Me Later” and Canadian transactions. Furthermore, next-day deposit of funds was important, as was the ability to work with the processing company to correct errors and identify ways to manage interchange costs.

Analysts reviewed reports and contract terms from the incumbent processor and ultimately negotiated significantly lower per-transaction pricing.

### Project Information

Cost Category — **Merchant Card Processing Fees**

Annual Spend — **\$370,000**

Annual Cost Savings — **59%**

Hidden Profit — **\$220,000 a year**

Client \$ Saved/Hour Invested — **\$4,400 per hour invested**

Supplier — **Incumbent**

*“We believe that much of our clients’ success depends on the ongoing support NutriSystem provides. I was struck by the similarity in ERA’s business philosophy. ERA Consultants have been at our side throughout — they helped us implement the new processing system and they continue to monitor progress to make sure we stay on track.”*

*~ Kathleen Simone, Controller, NutriSystem*

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