

The Realized Savings Tracker

Negotiated savings are what a deal promises. Realized savings are what reaches the P&L. This tracks the distance between them, one initiative at a time.

WHAT THE TRACKER HAS TO ANSWER

A savings report survives contact with finance when it can answer four questions about every line: what was the baseline and who agreed it, what mechanism delivers the value, who owns it in the business, and what evidence proves it landed. A report that cannot answer those is a forecast, however it is labelled.

THE FIELDS THAT MATTER

FIELD	WHY IT IS THERE
Baseline and basis	The number the saving is measured against, and which baseline rule produced it. Disputes start here.
Negotiated value	Annualized value agreed at signature. A forecast, and labelled as one.
Mechanism	How value converts: price reduction, volume tier, rebate, avoided increase, terms. Determines what evidence looks like.
Effective date	When new pricing applies. In-year value pro-rates from here, not from the signature date.
Business owner	The named person outside procurement who agrees the number. Unowned savings do not land.
Realized to date	Evidenced in invoices paid. The only number finance will defend.
Variance	Realized minus expected-to-date. The early warning that something is not converting.
Evidence	Invoice reference, report, or credit note. Not the contract.
Finance validated	Date finance confirmed. Until then the line is provisional.

RUNNING IT

- **Review monthly, report quarterly.** Monthly cadence catches conversion failures while they are still fixable.
- **Investigate any line under 80% conversion.** The cause is almost always price loading, off-contract buying or a volume assumption that did not hold.
- **Close initiatives at twelve months.** The new price becomes the baseline. Carrying savings forward year after year is the fastest way to lose finance.
- **Report realized and negotiated side by side.** Showing the gap builds more credibility than hiding it ever has.



THE CONVERSION RATE IS THE NUMBER WORTH WATCHING

Realized divided by negotiated, across the portfolio, tells you whether procurement is a negotiating function or a value function.

Teams that measure it improve it, because the gap stops being an accident nobody owns and becomes a metric somebody reports.

THE COMPANION SPREADSHEET

The Excel version carries all nine fields, calculates expected-to-date from the effective date, flags conversion below 80%, and totals negotiated against realized so the portfolio conversion rate is visible at the top of the sheet.