

At a Glance

- **£15m** over 5 years
- **£3m** cost saving identified (up to 20%)
- All key risks mitigated

Client Challenge

Arcadia Group Limited is a British retail giant that owns the high street clothing retailers Burton, Dorothy Perkins, Evans, Miss Selfridge, Topman, Topshop, Wallis and BHS, and the out of town chain Outfit. It has more than 2,500 outlets in the UK, concessions in UK department stores such as Debenhams, Selfridges and House of Fraser.

The Group had to replace multiple legacy systems each covering a particular niche area such as finance, warehousing, HR, etc., with a single Enterprise Resource Planning (ERP) suite.

To minimise risk of delay, cost rise and scope creep, Turnstone were asked to undertake a commercial assessment of bidder responses, providing a 360 degree assessment.

Solution

Turnstone conducted a detailed review of both ERP suppliers' proposed costs and the System Integrator (SI) partners' tender responses.

The team benchmarked all licence, support and implementation costs against the nearest market alternatives.

Detailed recommendations were provided on the key commercial negotiation points. These included the important contractual clauses, both service-related and commercial, for subsequent negotiation, to improve the Clients' position and reduce risk.

"Turnstone has provided a thorough commercial assessment of all supplier responses for this business critical software implementation.

They have identified the keys risks in each supplier response and provided a negotiation strategy to mitigate them."

Andrew Clarke
CIO Arcadia

Outcomes

Cost savings:

- £15m over 5 years
- £3m savings identified from the SI responses alone.

Turnstone recommended further negotiations with the ERP suppliers to reduce one off and on-going support costs.

Commercial benefits:

1. Cost benchmark information provided for SI partners, providing levers for further negotiation
2. Areas of commercial risk identified so that these can be addressed during negotiations
3. Recommendations for ways to reduce commercial risk provided so that these can be included within the negotiation process
4. Key terms & conditions provided in the RFP for negotiation into the final contract