

At a Glance

- **£1.6m** cost reduction achieved
- Over 260 IT suppliers involved
- Demerger timescales met and better contracts secured

Client Challenge

Land Securities is the largest commercial property company in the UK and the leading British property development and investment company headquartered in Central London. It owns and manages commercial property, from London offices and high street shops to major shopping centres and out-of-town retail parks.

Following a decision to demerge, Land Securities had to 'duplicate' the entire IT function and all associated supplier contracts, within stringent timescales.

The company had little time to prepare, with all IT contracts needing to be either duplicated for the new entity, novated or terminated. Against a background of immovable deadlines, significant cost and legal risk and with a limited central repository of contracts, the in-house team needed extra resource to cope with the workload.

Solution

The team of five Turnstone consultants worked onsite in conjunction with the IT, procurement and legal teams, to deal with all 260 IT suppliers.

All contracts were identified and catalogued into a master contract index. Each contract was then summarised, with a supplier negotiation log appended.

All the licences were correctly novated, keeping commercial risk at demerger to a minimum. Many contracts were split with no extra cost, despite vendors' intent to charge more.

Turnstone ran all the negotiations, liaising with the client team as necessary, to reduce their time burden.

Turnstone's market experience helped with speed and best pricing. All the negotiations were completed on time, and the company was able to proceed with the de-merger as planned.

"Turnstone played a key role in preparing for a demerger of our organisation.

They worked closely with our in-house IT and Procurement teams, providing extra capability and expertise in contract novations.

Their most valuable input, however, was in our commercial renegotiations."

Nick Foster
CIO Land Securities

Outcomes

£1.6m saved through negotiation and streamlining