



## Strategic Review: Vendor Performance Management

Client: confidential - global asset management bank  
Industry: finance

### At a Glance

- £400,000 savings
- Improved Vendor Performance Management
- Reduced risk exposure

### Client Challenge

One of the largest asset managers in the world, the client is the asset management arm of a leader in financial services, operating in 100 countries.

The company's IT and Procurement functions were stretched and under pressure from the business to deliver production systems. Senior management decided to address the vendor management processes, firstly to benchmark the current performance and to improve and align themselves with best practice.

### Solution

Turnstone carried out the following steps:

- Full assessment of the client's current vendor management strategy
- Identification of areas for improvement
- Roadmap to achieve best practice in VPM
- Preparation of a business case to improve VPM

Utilising our proprietary VPM Framework, nine areas were assessed and scored against best practice. The assessment identified elements of VPM that existed but were not fully utilised or integrated.

The existing 'AS IS' state was analysed by gathering spend data, using experience gained on a current vendor renegotiation project and interviews with senior staff.

*"We engaged Turnstone on a number of projects one of which was to develop a Vendor Performance Management strategy for our bank's IT.*

*As a department we really wanted to improve our service delivery from our key suppliers and ultimately reduce costs but we really didn't know how to begin. Turnstone started the ball rolling for us."*

**Head of AM IT Production**

### Outcomes

#### Cost savings

- Conservative savings estimate of £400,000, based on 2009 spend

#### Commercial benefits

- A new VPM role was created and staffed, to provide appropriate resource and focus
- The key areas for improving service delivery from IT vendors were identified
- The top commercial risk exposures were listed, to be addressed through on-going contract management were