



## **Vendor Consolidation: Software Development Suppliers**

Client: confidential - national standards institute  
Industry: business services

### **At a Glance**

- ~£150k pa - 15% reduction in day rates
- Consolidation of vendors from 15 to 3
- Volume discounts negotiated into the contract

### **Client Challenge**

The client is a national institute - a leading global provider of standards, management systems, business improvement and regulatory approval information.

The institute used a variety of software developers, both off shore and on shore. It lacked a cohesive approach towards its technology suppliers, with most project managers using their services because of the past history.

IT service costs varied between the vendors, whilst the client didn't use its organisational buying power. Contract terms also varied, with differing levels of risk exposure.

Turnstone's remit was to reduce the number of vendors, obtain competitive rates and improve the commercial terms through deploying a safer contract framework.

### **Solution**

The Turnstone team of experts guided the client through the process, managing the vendors and negotiations. Key client staff only had to be involved at decision points.

The RFP went to 10 bidders - offshore, onshore and near shore. This was reduced to 7 and then to 3 final winners.

The technical specification within the tender was jointly developed between the client and Turnstone.

### **Outcomes**

#### **Commercial benefits**

- Successful consolidation to 3 vendors, with only 2 now doing most of the work
- Fixed pricing for 18-24 months
- On site account management for the Client
- Vendor agreement to pay for up to 2 weeks for transition if resources leave a project
- Vendor agreement to provide a client induction course for new resources
- Safer and cohesive approach to commercial arrangements, with Master Service Agreements and Statements of Work in place

*"Turnstone brought management to the process, and undertook nearly all the 'grunt' work.*

*It was great to have all the comparative analysis work taken out of my hair. I only had to be involved in three short meetings throughout the whole process"*

**Head of IT &  
Business Integration**

#### **Cost savings**

15% reduction in on shore/off shore day rates, worth ~£150k pa, plus further discounts at volume thresholds