

## At a Glance

- Immediate negotiations saved £250k pa
- Many operational red flags found in 10 other IT contracts
- 90% of red flags fixed

## Client Challenge

The client had no IT procurement or vendor management capability function, this being left to busy IT staff.

With technology delivery being their main focus, this led to unmanaged vendors and contracts, exposing the client to operational difficulties, higher costs and bigger risk areas.

Two vendors in particular presented immediate problems - high unit pricing, and high exit charges for one data centre.

## Solution

Turnstone ran a two prong approach of direct cost negotiations with Dell and a major data centre provider, plus a rapid review of 10 other key vendor contracts for key, operational risk areas.

Walk through sessions with client staff brought these to life, to produce an agreed negotiation plan for Turnstone to execute.

The client then chose which vendors were to be contacted to commence negotiations and re drafting of agreements.

## Outcomes

- Cost negotiations netted a 16% (£160k saving with Dell) + £90k saving with Telehouse and a more flexible contract.
- In 10 other supplier contracts, average 12 red flags found per contract
- Example reds:
  - *Data protection not covered*
  - *Old rates / volumes*
  - *No exit provisions*
- 90% of reds resolved in re-negotiations over 6 week period

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*Turnstone got quick results on cost saving and cost avoidance with two key suppliers. They went on to unearth a number of material issues within our IT contracts portfolio, and rapidly re-negotiated these contracts successfully, placing us in a stronger and safer position.*

Steve Blundell, CFO