

At a Glance

- Immediate negotiations save £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 capability, 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 massive exit charges for one data centre.

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

Steve Blundell, CFO

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 to commence negotiations and re drafting of agreements.

Outcomes

- Cost negotiations £250k pa saving, and a more flexible contract
- Average of 12 red flags found per contract (total of 120)
- Example red flags:
 - *Data protection not covered*
 - *Old pricing*
 - *No exit provisions*
- 90% reds renegotiated in 6 weeks

