

# Case Study

## Technology Contract Negotiation

### Integrated Payment Services Company

**Challenge:** Our client needed contract review. They asked BCM One to perform an independent analysis of their technology services across the entire organization to optimize the cost of their networks.

**Solution:** BCM One identified several ways to reduce costs and improve performance, including one particular contract with significantly above market pricing. We presented alternatives and roadmaps for contract renegotiation or supplier replacement. BCM One successfully renegotiated our client's existing contract with their existing supplier.

**Result:** Our client saved \$3 million over the life of the new contract with no supplier change, service disruption or transition costs.

### Luxury Fashion Retailer

**Challenge:** Our client needed contract consolidation. They had over 35 individual agreements with a single supplier - some of which were in contract, others that were out of contract and some that lacked documentation. They needed to restructure all of these into one short-term master agreement that would provide attractive pricing and flexibility to accommodate a planned technology upgrade.

**Solution:** BCM One researched, analyzed and summarized all existing commitments with this supplier and renegotiated an overall <12 month contract on our client's behalf.

**Result:** Our client was able to confidently upgrade their technology with a new supplier and methodically disconnect services with their existing provider while avoiding price increases, early termination penalties and duplicate costs.

### Global Private Equity Firm

**Challenge:** Our client needed contract renegotiation. They were part of a buying consortium for technology services but were not receiving the best pricing and had significant billing disputes with these services.

**Solution:** BCM One mediated our client's release from consortium supplier commitments and negotiated replacement contracts direct with suppliers at superior pricing. Our forensic technology team also developed the analysis, documentation and business case to recover 98% of our client's historical overcharges.

**Result:** Our client reduced their overall technology spend by 25% (over \$250K annually) and recovered \$325K in past billing errors from their suppliers.

### Diversified Media Conglomerate

**Challenge:** Our client needed contract dispute resolution. They were billed a \$2 million underutilization penalty for not meeting minimum required spend levels with their primary supplier and were headed toward litigation after initial discussions broke down.

**Solution:** BCM One leveraged its supplier relationships to open a constructive resolution dialogue while our forensic technology team verified historical qualifying spend, developed penalty defenses, and analyzed enterprise-wide technology services that could entice our client's supplier into a settlement.

**Result:** Our client's penalty was 100% waived in exchange for a carefully crafted package of service commitments to the supplier that lowered our client's overall technology spend and saved them \$2 million of penalties.



**BCM One's Technology Expense Optimization Tool Sophia™ has helped a broad and deep cross section of clients get more from their technology suppliers, contracts and spend.**

#### Industries:

- › Financial Services
- › Healthcare
- › Media
- › Nonprofit
- › Retail

#### Challenges Resolved:

- › Overpriced Contracts
- › Fractured Supplier Relationships
- › Contract Penalties
- › Unused Services
- › Billing Errors