



Premier media firm taps BCM One to resolve multi-million dollar technology contract dispute

CHALLENGE

Our client had a significant contract with a Tier 1 supplier of telecommunications services. In exchange for preferred pricing, they had contractually agreed to a minimum level of technology spend. When the supplier claimed that minimum wasn't met, a sizable underutilization penalty was imposed. Initial efforts to resolve the billed penalty were unsuccessful, time consuming and proved so frustrating for all parties involved that there was a near complete breakdown of the client-supplier relationship. That's when BCM One was called in.

Spend commitments usually involve complex calculations of qualifying vs. non-qualifying spend and can be difficult to monitor under the best conditions. Believe it or not, relying solely on supplier reports to validate commitment satisfaction is risky and has proven to be a root cause of underutilization on more than one occasion. Suppliers are also under no legal obligation to proactively notify a client of an impending shortfall, and sometimes the principles of good customer service simply fall through the cracks.

SOLUTION

BCM One, leveraging our proprietary technology expense optimization tool called Sophia™, expertly reconstructed our client's historical qualifying spend and identified business and contractual support for why that spend did or did not meet committed levels in various areas. That data – prepared by BCM One's team of forensic accountants, contract experts and technology specialists – along with an in-depth analysis of our client's contracts, current spend commitments, existing technology services and future growth plans enabled us to open productive discussions between our client and their supplier. As a market leader in managed technology services, BCM One has strong relationships with executive decision makers at 50+ global suppliers, including Tier 1 firms, that foster successful outcomes.

RESULT

BCM One obtained a 100% waiver of the underutilization penalty for our client. The supplier was awarded a package of existing and new business with an attractive multi-year stream of revenue and included services the business needed regardless of the settlement. BCM One ensured that our client got the most value possible, mediated a win-win resolution outside of the courtroom and helped to restore a healthy business relationship between the parties.

Client:

Media Firm

Solution:

- Technology Expense Optimization