

..... THE CLIENT

A parcel delivery service.

..... THE OPPORTUNITY

The client wanted to drive cost reduction and to identify supplier engagement improvement possibilities across a range of third party contracts. They were looking for an independent partner to help them undertake a rapid exercise to identify these opportunities and to propose how these could be exploited.

..... VIRTRIUM'S APPROACH

Virtrium led a rapid initial review to understand the client's commercial priorities and to agree the set of key metrics against which the contracts and supplier compliance performance would be assessed. A central repository for the existing contracts was created and each was stored with a proforma properties sheet summarising its key attributes, cost metrics and financial terms together with renegotiation and remediation recommendations. A summary report, in the form of an easily digested senior management presentation, including:

- *The methodology used – so that it could be followed across the client's entire Group regardless of Virtrium's continuing involvement;*
- *A financial summary – showing opportunities of around 10% annual contracted values;*
- *Contract quality summary - covering contractual completeness and an assessment of key terms;*
- *Prioritised assessment of opportunities - identifying quick wins and a recommended order of remediation.*

"The outcome provided us with a clear current-state assessment; proposed and identified opportunities; clarified the likely opportunity value; and provided practical proposals for change"

Interim CIO

..... THE OUTCOMES

The project was delivered to time and at a fixed price budget minimising risk to the client and paying for itself in the cost saving and supplier relationship enhancement opportunities it identified.