



CASE STUDY

Understanding the True Value of IT Services

An aerospace and defense company determines the true cost—and true value—of its managed network services.



Opportunity

Our aerospace and defense client needed to understand current market pricing, service levels and trends in the global managed network services market, because internal perception of value for money, service quality and performance of its services was low. The outsourced service provider cited the multi-vendor ecosystem, technological complexity, and UK and US government restrictions on the operational environment as significant cost drivers.



Imagining IT Differently

ISG provided a market price analysis of the managed network services contract, highlighting the impact of contractual constraints placed on the service provider. Additionally, ISG analyzed the potential costs of moving some service delivery obligations offshore.



Future Made Possible

- Identified £2.3 million price reduction per year (£3.14M identified in total, of which £2.3M was enforceable due to benchmark clause).
- Identified operational constraints placed on the service provider and associated financial impact.
- Obtained market view of service level agreements and associated credit regimes.
- Indicative market pricing of moving MNS support offshore.



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