

# Paying the Right Price

A mark-to-market assessment reassures a credit services client that a contract is fair.



## Opportunity

An important part of managing a multi-year outsourcing agreement is ensuring that prices stay competitive to current market rates. Our credit services client was three years into a five-year agreement for end-user computing and service desk support when it came to us for a market price range analysis for its outsourced services.



## Imagining IT Differently

ISG found that the supplier's rates were generally within market ranges, though there were some big regional variances. While a re-bid might result in "re-weighting" of some costs across regions, overall savings were likely to be minimal. ISG also flagged non-market-standard methodology that was not well managed and a contract that was poorly constructed and silent on many standard topics.



## Future Made Possible

- Confidence that existing pricing was not out of market.
- Validated evolving trends in the marketplace.
- Specified services the client should expect or request in the future, and the key providers for these services in the marketplace.
- Understanding of typical contract clauses and important clauses for a renegotiation or re-bid.
- Knowledge of typical market service-level methodology and the need to properly manage the process overall.