

Productivity Gains for an Old Agreement

A benchmark analysis for a global pharmaceutical company shores up a major BPO contract.



Opportunity

Benchmarking uncovers gaps in performance and cost and charts the best path forward. Nine years into a business process outsourcing (BPO) contract for finance and accounting services in support of 300 full-time employees, our global pharmaceutical client asked ISG to review its original master services agreement and benchmark its terms, pricing, fees and service levels.



Imagining IT Differently

ISG analyzed a budget of \$11,000,000 for services in three countries. A thorough benchmark review recommended a change to a fixed-price productivity model in one country, implementation of a continuous improvement process for all service levels, and the addition of more services to the master services agreement.



Future Made Possible

- Potential savings of between \$2,000,000 and \$6,000,000 over five years.
- Regular service provider management representation guaranteed business continuity and internal controls.
- Implementation of a more market-based methodology for determining inflationary adjustments.
- Additional productivity commitments and regulatory compliance by the service provider to reduce the burden on our client and minimize contractual risk going forward.