



CASE STUDY

Securing Contract Prices Well Below Market

A large energy and utility enterprise sees double the expected savings after IT infrastructure contract renegotiation.



Opportunity

Contract restructurings often present an opportunity to tap into new technology and maximize the IT environment. With help from ISG, this large European energy and utility client originally outsourced its complete IT infrastructure, third-party contracts and thousands of employees to two large providers, at prices that were up to 30 percent under market. When the contracts came to their natural end, the client was facing increased pressures on revenue and profit. It turned again to ISG for the best sourcing strategy for a complex environment.



Imagining IT Differently

ISG renegotiated the contracts, avoiding increases to maintain the already below-market prices while securing improved quality. ISG uncovered components in both contracts that were contributing to “pain points” for the end user and negotiated improvements to those clauses at much lower cost than expected.



Future Made Possible

- Actual annual savings of US\$28,000,000 – nearly double the original targeted savings.
- Two-year contract extensions that bought time to overcome a difficult business environment.

Annual savings of
\$28 million



imagine your future®