



TODAY'S SOURCING CHALLENGES

Few people today question the principle of outsourcing, in fact most organisations, large and small, outsource some of their services. More sophisticated customers are less concerned with '*Should we outsource?*' and more interested in '*How do we continuously optimise the value from our outsourcing relationships?*'

Typical concerns are:

- How do we exploit the best of third party services with the best of in-house provision?
- How do we manage and incentivise the relationship with external suppliers to deliver appropriate value at competitive cost?
- How do we re-configure services, contracts and relationships mid-term through renegotiation?
- How do we ensure we continue to receive competitive market prices over the life of the contract?

Today we are seeing a shift to increased interest in re-pricing and renegotiation stemming from cost pressures on client organisations and the intensifying competition between outsourcing suppliers.

OUR SERVICE PHILOSOPHY

NixonBrooke advisory services provide a comprehensive approach to the entire sourcing lifecycle. Using our combination of experienced practitioners and proven methodology, we advise our clients where outsourcing is appropriate, how to package services into manageable units, how to establish an effective partnership with their supplier and how to continue to get value for money.

Whatever stage you are at in the sourcing lifecycle, we can give practical advice to maximise the value from service-based relationships by ensuring cost saving and performance remain in balance – and that risks are minimised.

BENEFITS OF USING NIXONBROOKE

We have team of pragmatic and seasoned outsourcing experts, who have negotiated global deals with all the major IT suppliers. We work closely with our client's legal advisors to ensure integrated technical and legal agreements are achieved. We draw on our methodology base which has been developed from real-life experience since the early 90's.

We are independent of outsourcing suppliers, so we can assist in vendor negotiations on behalf of clients, adding value with our knowledge of prices built up from our global experience in this market.

Major sourcing deals need multidisciplinary teams. We can put this all together for you. Alternatively we can work with your in-house teams and preferred advisors.

OUR APPROACH

We support all stages of the sourcing lifecycle.

1 Sourcing Strategy

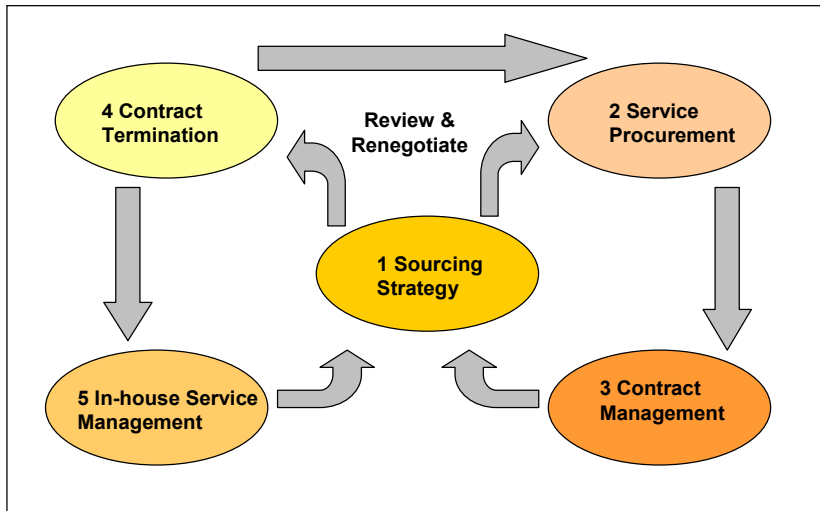
We help clients define which areas to outsource and which to provide in-house, based on an assessment of strengths. This includes a comparison of total costs and quality against required service profiles for internal operations and external market capability.

2 Service Procurement

Our methodologies provide a clear and robust route to selecting the supplier which best meets overall business, technology and cultural needs.

Activities include:

- defining the scope of the deal
- the disposition of personnel and assets including facilities, hardware and software licences



The Sourcing Lifecycle

- definition of services and underpinning service level agreements
- vendor selection
- contract negotiation
- specification of transition management and take-on responsibilities.

In addition, we assist clients determine an appropriate exit strategy which is then linked to their supply contract.

3 Contract Management

Contract management spans three distinct phases – initiation, review & renegotiation and termination & transfer.

In our experience the key is to establish the right balance of trust, flexibility and clear responsibility between customer and supplier from the outset; and to provide effective management links with end users and all stakeholders. We use a stewardship model as a framework for developing the best governance structure. Many initiation activities happen in parallel with procurement activity. Here we help clients carry out critical activities, for example putting in place the necessary management structures and processes and assessment regimes -

- due diligence reviews
- performance and auditing processes
- communications to stakeholders
- managing inter-supplier interfaces and disputes.

During the contract term our experienced practitioners can review all aspects of service performance, business requirements and contractual matters and advise on realigning these. We also support contract re-negotiations and renewal.

4 Contract Termination

Contract termination and transitioning out of the existing relationship is not simply the reverse of transitioning in. It is usually more complex and can involve moving to more than one new supplier and bringing some or all of the services back in-house. Our expertise and methods focus here on guarding against loss of service, assets and people during the period of transition.

5 In-house Service Management

Where the sourcing strategy points to managing a service in-house we can help you gear up your own IT operations as a service supplier using our performance improvement methodology and best practice benchmarks, to identify change initiatives. We can also assist you with developing service level agreements for use in your internal operations.

OUR BACKGROUND

NixonBrooke is a specialist IT advisory team. Our role is to help the business obtain the best possible return from its investment in Information Technology. Our teams comprise experienced consultants who have specialised in this field for many years. We were formed as an agreed spin-out from KPMG, with whom we have a licensing arrangement for our methods, and with whom we continue to work collaboratively for some clients.

Our services cover:

- IT strategy
- IT performance management
- Governance & organisation
- Outsourcing
- Strategic programme management.

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