

CASE STUDY: IT

CLIENT	IT Services Contractor
PROJECT	UK Government IT Outsourcing
CONTRACT	Bespoke Contract
CONTRACT VALUE	£2.3bn over a term of five years
WORK SCOPE	Merging two existing IT outsourcing agreements into one new and extended contract
BLAKE NEWPORT SERVICES PROVIDED	Commercial Management of contract renegotiations with end-customer, contract drafting and agreement.



SITUATION

Blake Newport was engaged by a major IT Outsourcing organisation to provide commercial services with regards to renegotiating a new contract. Reporting directly to the client's Commercial Director a Blake Newport Associate Director led a team of six Blake Newport Consultants to agree and document the deal.

IMPLICATIONS

The two contracts to be merged were very different, providing different technologies that were not compatible, contained dissimilar service levels and were not co-terminus. The end-customer had expressed a wish to be able to use the services of multi-vendors rather than be tied to just one contractor which led to a massive change in the way the services were provided under the contract and involved Blake Newport being fundamental in devising and implementing a Service Tower approach for the provision of the services, which was a departure from the previous end-to-end approach.

The format of the new contract would also change drastically, moving away from a 'traditional' style of contract drafting and replacing it with a Responsibility Matrix, depicting the obligations and deliverables of both parties in a tabular format. To move from the old services to the future services to be provided under the new contract would take two years which meant the need to incorporate a Transformation Period into the contact with milestones for the client to deliver against.

OBJECTIVES

The objective for Blake Newport was to secure the best possible deal for the client. The client wanted to showcase this deal and was keen to offer World Class Services to the end-customer and Blake Newport needed to ensure the client was contractually protected and aware of the risks involved at all times.

BLAKE NEWPORT SOLUTION

Blake Newport assigned a Senior Consultant to each Service Tower. The Blake Newport Associate Director provided support and guidance where needed to these Senior Consultants and also sat on the client's core team, providing regular updates on progress and issues to the client's senior management. It was essential that all towers progressed at the same rate and that a common approach was taken.

During the negotiation meetings the end-customer had a high number of external legal representatives, due to the commercial and legal skill-set of the Blake Newport team, the client did not feel it necessary to engage a lawyer into every team and instead had a much smaller legal team providing a centralised legal support service to the Blake Newport team. This saved the client a significant sum of money in legal fees throughout this lengthy deal.

OUTCOME

A contract was signed that guaranteed an additional five years of revenue for our client whilst offering savings of up to £1bn for the end-customer. Blake Newport was key to developing and delivering a very complicated deal into a large contract that is easy to navigate and understand. After the deal was signed, the entire team was retained to develop and deliver a contract review and handover process to the delivery teams.