

OUTSOURCING

The Case Study

The Customer

Major pharmaceutical company with a campus of over 4 million sq. ft. of research, development and administrative buildings.

The Situation

The customer had been challenged to continue to find ways to reduce facility operating costs while maintaining the quality of service to the facility occupants. The customer had an existing long term contract with a facilities management service company to provide a wide range of services in support of their facilities operations. The structure and type of contract made it very difficult for the customer to realize any significant savings and also suppressed any incentive for the supplier to deliver significant and lasting savings opportunities.

The Strategy

The customer recognized that in order to achieve and maximize savings opportunities, the nature of the contract and of the entire service delivery model would need to be changed. The strategy was to develop a contract that would provide tangible savings to the customer while providing appropriate incentive to the supplier to continue to identify and deliver savings opportunities.

Impact Management Services was engaged to lead a dedicated project team consisting of members from both the customer and supplier organizations. The team's charter was to define the new approach, gather and analyze required data, provide recommendations to executive management, and to develop the new contract scope.

The Results

Impact Management Services was instrumental in developing a contract model that satisfied the strategic goals of each company. Our professional

staff worked closely with the project team and senior management from both companies to develop a new contract and service delivery model which delivered the following results:

- A new contract which guaranteed \$3 million in direct annual savings to the customer.
- A new service delivery model enabling nearly \$2 million in indirect annual savings to the customer due to staff redeployment.
- A new contract which provided for a 50% increase in direct profit for the supplier and incentives for additional profit based on additional savings delivered.
- The customer was able to redeploy key staff members into vacant positions having strategic importance.

The Impact Advantage®

Impact Management Services was integral to the design, implementation, and transition of this key business initiative. Our professional staff provided strategic and tactical support required to successfully complete this project. Our thorough knowledge of the outsourcing industry, coupled with our knowledge of core pharmaceutical business processes, and deployment of our tools and our programs, allowed for rapid deployment, reliable implementation, and predictable results.

Impact Management Services has the expertise and experience to support a wide range of project types in a variety of ways. Our services are provided by seasoned professionals with practical industry experience, and are designed to ensure the ultimate success of your business strategy.

