



Case Study

52% Hardware Maintenance Cost Reduction via 3rd Party Competition

Scenario: The IT organization within a company was tasked with substantially reducing their monthly maintenance spend within their cost center to meet budgetary pressures and adhere to strict parameters set by their CIO and CFO. The client received direct hardware maintenance support from a major OEM, spending roughly \$1.5M per year.

Solution: A TGA advisor identified changes in the marketplace beneficial to the client and recommended an RFP process to introduce competition. He then worked with the client to produce an accurate inventory list, capture business requirements and send out an RFP to the incumbent vendor along with a mature, proven 3rd party competitor. The TGA advisor stayed actively engaged to vet the responses to the RFP and negotiate and award the contract.

Results: The RFP process revealed that there was no advantage to stay with the OEM provider for maintenance. The 3rd party maintenance provider had depots in the required regions and met all of the identified business requirements and response times. By transitioning from the OEM to a 3rd party maintenance provider the client reduced their monthly run rate by 52% yielding a \$2.4 million savings over the 3-year contract term.

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