



Case Study

Financial Services Company Reduces Database Software Expenses

Scenario: A financial services company purchased database software multiple times throughout the calendar year via a decentralized procurement process among their multiple business locations. Increased capacity demand was the impetus for multiple transactions with speed-to-market being the driving force. The client was concerned with their discount structure and needed to reduce software costs due to tightening budgets. The client received a discount ranging between 28% and 30%; their goal was to increase the discount to 50%.

Solution: A TGA advisor worked with the client to accurately determine the annual forecast for all database software. The advisor used the total size of the forecasted spend to highlight the strategic direction of the relationship, and anticipated aggregate spend, with the incumbent supplier. In addition, the advisor communicated the pricing model concerns to the software provider and developed a negotiation strategy to lock in long-term discounts and pricing protection.

Results: The direct negotiations led to increased discounts and price holds that were unaffected by future price increases. The negotiations yielded a new discount of 60% for all database software purchases, resulting in savings of more than \$900K in that same calendar year.

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