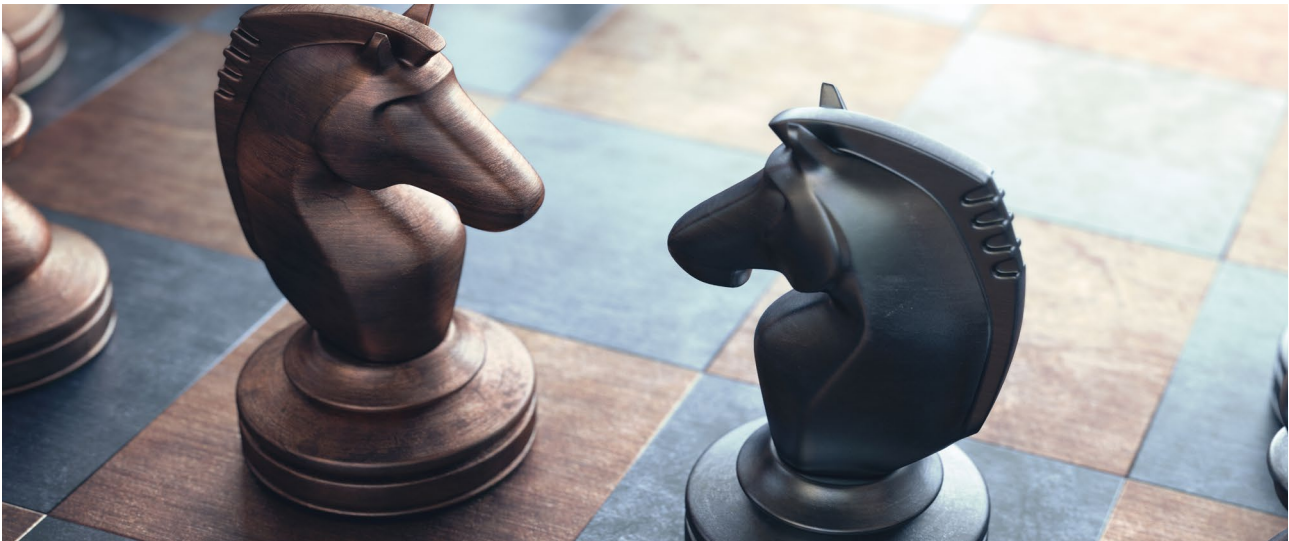


CASE STUDY RESOLVING A DISPUTE



Merranti Consulting



RESOLVING A MULTI-MILLION POUND DISPUTE BY WORKING WITH BOTH PARTIES AND REVIEWING THEIR CONTRACT

Organisation: A large financial organisation providing services across the UK. Having worked with an IT supplier for 5 years, they received an extension quote for the service for future years which increased the price by over 50%. Whilst additional services were included, the Board requested an independent review to see whether the increase was justified.

Solution: Working with both parties, we initially interviewed the customer to understand the history, service quality, current relationship level and contracts. A contract review was then undertaken and key clauses and elements captured. The supplier was then interviewed and (under the terms of an NDA) they declared cost profiles and profitability. In this interview, their perception of the contract, relationship, pricing and organisational pressures were reviewed also. The end result was a recommendation to the supplier that, in the main, the price was justified due to a significant increase in volume which had been catered for in the previous contract, but these clauses hadn't been used meaning the final year price was not reflected of the true cost of the service leading to the perceived price increase.

Actions and Deliverables included:

- **Contract review** – A review of the existing contract from a service, pricing, commercial and legal perspective, identifying reasonable

clauses, unfair clauses and clauses which had not been used to ratchet the price up as initially designed and agreed

- **Customer review** – A review of the customer view of the service focussed on service, SLA attainment, pricing, relationship health, any commercial or service lock-in (ie the ability for the customer to easily get similar service elsewhere, and overall perception of the supplier.
- **Supplier review** – A review of the supplier view of the service focussed on service, SLA attainment, pricing, relationship health, any commercial or service lock-in (ie the ability for the customer to easily get similar service elsewhere, and overall perception of the supplier.
- **Objection handling and negotiation suggestions** – As part of the overall process, we were able to understand the drivers of each side in the dispute and identify approaches and opportunities for them to reach a win-win solution.
- **Final report** – The final report listed the key findings in the investigation and proposed that the price increase could be justified. It identified areas for improvements on both sides and suggested some approaches both could take to reach an agreement. It was agreed at the early stage that the final report would be shared with both parties

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