



Realigning contracts, expert negotiations and smarter outsourcing enable government agency to save £450,000 a year in IT costs

Scottish Enterprise aims to stimulate sustainable growth within Scotland’s economy by helping ambitious and innovative businesses to grow and become more successful. The agency works with public and private sector partners to develop the business environment, and in partnership with universities, colleges, local authorities and other public sector bodies to achieve its goals and maximise its contribution to the government’s economic strategy. Mainly funded by the Scottish government, Scottish Enterprise also raises part of its revenue from other sources including property rental and the disposal of assets.



Scottish Enterprise

Client

Scotland’s main economic, enterprise, innovation and investment agency.

Challenge

Achieve substantial savings in IT following budget cuts.

Solution

Advisory, consulting, and negotiation services for outsource IT supplier selection, aligned with agency needs.

Benefits

Major cost savings of £450,000 p.a. with IT services more closely aligned to deliver against real-life requirements.

Challenge: do more with less

When the agency’s funding was substantially reduced, savings had to be made from its IT budget. The organisation had previously gone through a formal tender process to select the preferred suppliers for a range of IT-related services. Fixed-term contracts existed with a range of suppliers, and over the years amendments had been made to add new services to some of the contracts. It was clear that while saving money was necessary and important, there should be no impact on front-line service delivery, and that savings should be made from the business-as-usual costs rather than project-related costs.

Why Datalytx?

While working for Skills Development Scotland, Datalytx undertook a due diligence exercise regarding outsourced services in Scottish Enterprise. The team saw opportunities for savings on a range of existing contracts, and so was engaged by Scottish Enterprise. Datalytx believed these contracts could be realigned to the current needs of Scottish Enterprise and substantial cost savings could be found.

“Our staff were IT experts, not skilled contract negotiators,” says Iain Scott, Finance Director, Scottish Enterprise. He saw Datalytx “as a third-party partner that could realign the existing contracts to our current needs, while making substantial cost savings. The company’s consultants were aware of the current market rates for IT services and were therefore able to review our existing contracts and negotiate with our suppliers, confident in the knowledge that savings could be made.”

“The company’s consultants were aware of the current market rates for IT services and were therefore able to review our existing contracts and negotiate with our suppliers, confident in the knowledge that savings could be made.”

Iain Scott
Finance Director

"£450,000 worth of savings was a major achievement. This successful project clearly shows the benefit of engaging with an expert. Their consultants not only had specialised industry knowledge and good negotiation skills, but they were able to drive a hard bargain without damaging our relationship with the various suppliers."

Iain Scott
Finance Director



Expert advice, support - and supplier negotiation

With increasing pressure from client-side organisations to smooth the transition of services from clients to service provider support sites - and deliver service value and profitable outcomes to agreed time scales - difficult market conditions, cost pressures and the need to continually raise quality are pushing service providers to lift the bar in terms of the business value they deliver.

In this environment, Datalytx expertise in outsourcing and governance enables internal and external service providers to address ever-increasing calls for continual service improvement in the highly competitive managed services sector. Support is provided throughout strategy development, supplier engagement, service design, service transition, performance management and continuous service improvement.

Making intelligent savings

Iain Scott says that, initially, Scottish Enterprise was unsure if Datalytx could deliver the substantial savings it was looking for, "So I picked the four largest contracts for them to work on. It would not have been cost-effective to realign some of the smaller contracts."

Savings were achieved in a number of ways. For example, £80,000 was saved after a review of all the services on one contract schedule found that some could be removed without having any impact on the front-line services. In other cases, prices were reduced through negotiation, with the Datalytx team able to secure savings of more than £150,000 on a single contract with a major blue chip supplier.

Iain Scott adds, "£450,000 worth of savings was a major achievement. This successful project clearly shows the benefit of engaging with an expert. Their consultants not only had specialised industry knowledge and good negotiation skills, but they were able to drive a hard bargain without damaging our relationship with the various suppliers."



About Datalytx

"Datalytx is a leading UK provider of big data, digital transformation, governance and analytics solutions, all delivered as a service from the cloud. Our client-focused approach delivers rapid gains and sustained ROI, meets requirements to store and manage huge data volumes, deploys powerful business-focused analytics, and digitises essential business content and processes. The trusted management information that results enables more effective and more profitable decision-making. Our diverse client base includes AstraZeneca, Nissan, ABN AMRO, Surrey County Council, EasyJet, Allianz, Unisys, Capita, Eversheds, Veolia Environment and UK local government. We also partner with other leading providers to deliver best-of-breed solutions, including Microsoft, K2, Talend, Tableau, HP Vertica, KnowledgeLake and Hortonworks."

