CLIENT SUCCESS STORY — FINANCIAL SERVICES

# IT Vendor & Product Consolidation: Redefining Vendor Strategy

*Global Insurance & Financial Services Enterprise — Supplier Governance Services*

## CLIENT PROFILE

A US-based major insurer operating an end-to-end insurance product solution across the MEMSA region (25+ countries), with multiple product divisions and a diverse business portfolio. The client maintained a multi-year relationship with a strategic vendor and additional preferred IT vendors — including its own captive delivery unit — supporting a $250M TCV package-based ADM services footprint.

## CHALLENGES & PAIN POINTS

- **Vendor lock-in & IPR risk:** product/vendor lock-in threats and IPR exposure limited flexibility.
- **Bandwidth & delivery gaps:** vendor capacity constraints, poor SLA adherence, and weak management commitment.
- **Rising ADM spend:** costs growing ~20%/year on rate card/T&M-driven contracts.
- **System stability issues:** product stability gaps impacted business growth projections.
- **Fragmented governance:** relationship, contract, and operational issues across a multi-vendor, multi-country footprint.
- **Stale commercial terms:** MSAs, SOWs, and rate cards needed refresh amid periodic vendor-driven pricing changes.

## APPROACH & SOLUTION

- **Vendor consolidation strategy:** RFI/RFP across vendors and captive units; added a competing vendor to mitigate supplier risk.
- **Dedicated Relationship/Vendor Manager:** owned contract negotiation, RFI/RFP/WO preparation, governance, and performance benchmarking.
- **SLA-based managed services:** moved from T&M to SLA-driven delivery with scorecards, daily/weekly service reviews.
- **Mixed global sourcing:** onsite, onshore, and offshore blend to mitigate visa, staffing, and capacity risk.
- **Unified VMO governance:** one scalable support model for the MEMSA region, with a structured Transformation Roadmap.
- **Continuous improvement (OIP):** an Operations Improvement Program with quarterly/monthly metrics tracking and common compliance metrics.

## TRANSFORMATION FRAMEWORK

### Fix the Basics
System stability, zero non-compliance target, process maturity, and eliminating manual rework.

### Optimize Governance
Relationship, contract, performance, financial, and service delivery management, unified.

### Improve & Innovate
Reduce revenue leakage, converge platforms, and build outstanding, trust-based relationships.

## OUTCOMES & BENEFITS

### 10–15% Cost Reduction
Lower AMS operating expense through SLA-based delivery maturity (Stabilize–Optimize–Transform).

### SLA Compliance in 6 Months
Vendor brought to full SLA compliance within six months of program launch.

### Faster Backlog Recovery
Support backlog reduced and core operations stabilized within the first 3–5 months.

### De-Risked Vendor Base
Moved away from vendor/product lock-in and IPR exposure via a competitive, multi-vendor model.

### Unified Regional Model
One scalable system and support model rolled out consistently across the MEMSA region.

### Faster Time-to-Market
Reduced cycle time on new product deployments and rollouts (NPD) across countries.

### “What Gets Measured Gets Done”
*A rigorous VMO metrics and SLA scorecard framework, paired with continuous OIP improvement cycles, turned a fragmented multi-vendor footprint into a governed, benchmarked, and cost-optimized delivery model.*