



MFD/Copier/Fax Program Management

Background

The Client sought a review of its existing fax machine rent/lease/purchase program, as existing contracts with incumbent vendors were expiring.

Challenge

The Client wanted to move quickly, generating the terms for new contracts and closing a new savings-generating vendor relationship in as short a time as possible.

Response

JVKellyGroup proposed an up front zero-cost buyout of older models of machines for a low dollar amount, thereby removing any future rental liabilities on those machines. Next, an audit of incumbent vendors' historical invoices.

would determine if any vendors were in breach of their existing contracts. JVKellyGroup would then manage in conjunction with Client an online electronic RFP and an optional online electronic reverse auction with existing vendors to drive improved contract terms and additional savings.

Result

The buyout of older machine models positioned the Client to save over \$600K in avoided rental expense over the next 3 years. The audit of vendor invoices showed that each vendor surveyed had a mixed record of appropriate/inappropriate charges to the Client, but showed no egregious violations of the previous contracts. From lessons learned in the audit, however, the Client was sensitized to the need for improved data capture and reporting mechanisms in the RFP process, enabling better data capture going forward. Price improvements through the RFP permitted additional 3-year savings of over \$1.4 million, for a total of over \$2 million in near-term future savings.

Technology

JVKellyGroup employed an industry-leading eRFX and reverse auction toolset, which enabled efficient data capture, rapid analysis of results, and maximum cost savings. Vendors were quickly screened and ranked based on their responses to the customized RFP questions about their business and the fax machine models they put forward through the bid. A subsequent reverse auction drove prices lower.

Industry:
Financial Services

Spend:
\$10M

Result:
\$2M savings

Timing:
6 month rollout

 **JVKellyGroup, Inc.**[®]

Results Through Applied Intelligence