



# Case Study

## Strategic Outsourcing

### Background

Ongoing restructuring at the Client resulted in a decision to seek bidders for an analysis and potential full outsourcing of the Client's Purchasing function. JVKellyGroup prevailed over well-established industry leading firms through a competitive bidding process, and began to work with Client management to propose a broad range of options for the future of the purchasing function.

### Challenge

Investigate the potential for outsourcing gains related to an important Client function while maintaining productivity and morale in that function.

### Response

JVKellyGroup worked to understand the roles and responsibilities of each of the various team members. This understanding was supplemented with formal interviews establishing detailed day-to-day functional specifications and process flows. Ongoing discussions with senior management kept the process on track and the ongoing support of the head of Purchasing was essential for a successful transfer-of-duty process. JVKellyGroup presented a series of customized outsourcing models whereby the Client could partially or fully outsource its Purchasing operations, retain full strategic control of the Purchasing function, and re-integrate the outsourced operation as required in future years.

### Result

The Client took advantage of JVKellyGroup's flexibility to analyze potential outsourcing scenarios and eventually crafted an outsourcing arrangement that aligned well with the Client's unique requirements. JVKellyGroup now manages the operational aspects of the Client's Purchasing department, while the Client retains strategic control over the future direction of its newly outsourced Purchasing department.

**Industry:**  
*Financial/Information Services*

**Spend:**  
*\$230M*

**Result:**  
*15% operating cost reduction*

**Timing:**  
*60 day transition*