

A company could measure its employee satisfaction rate by a goal to maintain a 5-percent annual turnover rate. To achieve that goal, the company objectives could include adopting a comprehensive employee orientation, instituting a new employee mentor program, reviewing all new employees after three months of employment, and providing an on-site daycare program.

A company's growth can be measured by an expanded customer base, an increase in the number of offices in new areas, plans on territory expansion, or an increase in the number of new hires. A goal to open five new offices in a new market by the end of the year may be a company objective to hire a new office manager in the target area, locate and lease suitable office space, and source vendors or suppliers who meet quality and pricing specifications by a certain time period.



Davies Consulting

Comparing the Costs and Models for Effective Business Strategy

Specialist support for outsourcing procurement

Outsourcing contracts are different from most procurement exercises, this is due to their length, scope and the need to trust a third party to deliver services on your behalf.

Our expert team has a wealth of first-hand experience procuring and managing large-scale contracts, meaning we are able to help you through the complex process – ensuring fair and robust procurement and supporting you during negotiations to secure the best value.

By comparing costs and models, we are able to deliver an effective business strategy for future increased performance and return on investment.

The Situation

A major food retailer was retendering a substantial outsourcing contract, which was currently split between three providers. Each had its own pricing model, which made it hard to compare the contracts and to determine what the future requirements should be.

Our Approach

By drawing from our extensive experience in outsourcing, we were able to help the client define their overall business requirements and identify the areas available to encourage innovation and flexibility.

We were tasked to find a way of normalising the pricing, so that the retailer could have a single, consistent view of its current arrangements to include in the RFP and to simplify the assessment of bids.

Return on Investment

The same information is also now used by the retailer to assist with performance management of the current contracts. The client was very happy with the work carried out by Davies' team of experts and the success and support provided during process.

**Fair and robust
procurement**

**Single, consistent
view of current
arrangements for
improvement**

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- Many companies set an ambitious goal of 100-percent customer satisfaction. Such an aggressive goal requires specific objectives for all levels of the organization. Answering a phone call within the first three rings, restricting telephone hold time to less than 30 seconds and sending a letter of apology to every unhappy customer within 24 hours are examples of customer service objectives. If these objectives are achieved, the company may achieve the overall goal of 100-percent customer satisfaction.
- A company's growth can be measured by an expanded customer base, an increase in the number of offices or services areas, plant or facilities expansion, or an increase in the number of new hires. A goal to open five new offices in a new market by the end of the year may be supported by objectives to hire a new office manager in the target area; locate and lease suitable office space; and source vendors or suppliers who meet quality and pricing specifications by a certain time period.

Get in touch

Wherever you are on your outsourcing journey, Davies can help you take the next steps. Contact us for an initial conversation to discuss your current situation.

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