



# NPI Brings Bandwidth, Vendor Intelligence and Market Data to National Retailer's World-Class Sourcing Team

In an industry where margin means everything, one of the country's largest outdoor equipment retailers faced tremendous pressure to be competitive. With an aggressive expansion plan underway, the CIO turned to NPI to boost the power of its world-class IT sourcing team. The result? Unexpected and significant savings, and more business value for every IT budget dollar.



## Case Study: Outdoor Equipment Retailer

### The Challenge:

- Fast-growth expansion phase required major investments in supply chain and enterprise technology
- World-class sourcing team needed additional bandwidth and a way to validate fair pricing on IT purchases
- CIO and sourcing wanted to stretch the IT budget farther to improve supply chain operations and better the overall customer experience

- Benchmarked and analyzed more than 100 hardware, software, telecom and consulting purchases
- Delivered immediate contract savings of \$5M, which will yield a total savings of \$8M+ over the full term of vendor agreements
- Reduced major analytics consulting contract costs by 23 percent; a pricing software purchase by 16 percent; and a large Oracle investment by 11 percent
- Added rigor, diligence and expediency to the retailer's IT sourcing team to support continuous cost improvement

### Retailer Expands Operations – and IT Investments

For one of North America's largest retailers of outdoor sporting equipment and goods, aggressive expansion has driven a spike in IT demand. This has included several major IT purchases and renewals to improve supply chain efficiency, store operations and the customer experience. To support this fast-paced growth, the retailer needed extra sourcing bandwidth and expertise, and the ability to quickly verify that the costs of these IT purchases were at or below fair market value.

Already equipped with a world-class sourcing team, the retail giant turned to NPI as a trusted IT spend management advisor. NPI provided the pricing, vendor and contract negotiation insight to ensure the retailer didn't pay above fair market value for IT purchases, and got the most value and flexibility out of every IT investment.

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Real experts.  
Real data.  
Real savings.



**“NPI has done more than just cut IT costs. They’ve given us the confidence to seek and establish fair prices and terms and conditions every time we make an IT purchase.”**

CIO  
Large Outdoor Equipment Retailer

## NPI Identifies, Secures Savings and Contract Optimization Opportunities

The challenge was to find savings beyond those that the retailer’s efforts had already yielded, and to do it on an aggressive sourcing timeline.

NPI’s IT spend management advisors reviewed and benchmarked existing and new vendor agreements to identify savings and contract optimization opportunities. These investigations found some vendor pricing to be above fair market value, and some discount levels to be inappropriately low relative to the company’s spend. In other cases, contractual terms and conditions were not as favorable or flexible as they needed to be.

As each optimization opportunity was identified, NPI played a critical and integrated role in vendor negotiations. They helped the retailer successfully capture recommended target pricing and terms. Examples include 23 percent savings on a recent onshore application support consulting agreement; 16 percent savings for a seven-figure software purchase; and 11 percent savings on a large-scale Oracle buy.

## NPI Extends Power of IT Sourcing to Tackle Market Pressures

To date, NPI has saved the retailer over \$5 million in year one costs, which will deliver an estimated \$8M savings impact over the full term of vendor agreements. With more than 100 IT purchases benchmarked and analyzed, NPI now functions as a seamless extension of the retailer’s IT sourcing team and an essential part of their ongoing commitment to eliminate overspending.

Together, the team has delivered significant savings on hardware, software, telecom and consulting investments that have exceeded every expectation. As a result, the retailer is now able to channel a greater proportion of IT budget dollars toward projects that improve supply chain operations, increase margins and enhance the customer experience.

### About NPI

*NPI is an IT sourcing consulting company that helps enterprises identify and eliminate overspending on IT purchases, accelerate purchasing cycles and align internal buying teams. We deliver transaction-level price benchmark analysis, license and service optimization advice, and vendor-specific negotiation intel that enables IT buying teams to drive measurable savings. NPI analyzes billions of dollars in spend each year for clients spanning all industries that invest heavily in IT. For more information, visit [www.npifinancial.com](http://www.npifinancial.com).*



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