



IT Services Comparative Analysis

Benchmarking and measuring your IT outsource services

As information technology (IT) plays a more visible role in driving your business success, having the right IT resources to satisfy your growing need is key. Under certain circumstances, outsourcing IT services can provide a viable alternative to an in-house solution. However, taking the outsourcing route and selecting a preferred vendor to get the best price and performance for services can be a challenge. This is especially true for businesses that are unaware of their real IT costs and performance.

Since outsourced IT services are not commodities, service packages and prices are unique to each vendor. To ensure competitive pricing and service performance, most organizations include a benchmarking clause in the vendor contract. But to execute a useful price and performance review, you need an understanding of the external market and all market-driven price points to get a true “apples to apples” comparison—knowledge that you may not have.

PricewaterhouseCoopers can help you determine a fair price for IT services or products by comparing the target environment against similar and current outsourcing agreements. Our extensive knowledge of the vendor/service provider approach can help confirm if you are paying the right price for IT services. Our professionals have structured and negotiated over \$4 billion worth of outsourcing transactions of all sizes and complexities.

When to Contact Us

Clients who have used our services vary in industry, market segments and business lines. Consider our skilled professionals to:

- Determine if outsourcing will save costs before undergoing a protracted outsourcing process;
- Verify that pricing is competitive with the market when you invoke your contract’s benchmarking clause; and
- Help set or verify price benchmarking in a contract when negotiating an outsourcing agreement with the vendor.



PwC Approach and Benefits

We are independent and objective professionals with no vendor alliances or fixed solutions. This means we offer unbiased information based on empirical evidence so you know all the facts before approving a contract term or price. We:

- Recognize the fact that a contract is a commercial vehicle and therefore use a business-like approach to conduct a comparative analysis;
- Work with you and the vendor to support and facilitate the negotiation process;
- Streamline data gathering to reduce the impact on your and the vendor's daily operations;
- Offer trusted and proven price comparisons and strategies to ensure your outsourcing agreement remains competitive;
- Provide numerous pricing structures based on real world data and flexible strategies so results are compatible to your business needs;
- Have deep IT and network outsourcing knowledge, and a thorough understanding of the organizational dynamics so you receive an industry-aligned, granular assessment that is relevant to your business; and
- Are open and transparent during the analysis process without compromising any sensitive and confidential data—to keep you informed of our progress every step of the way.

How Can PwC Help?

We can assist with various areas of the benchmarking exercise including:

- Formulating your outsourcing strategy;
- Determining your readiness to be assessed;
- Structuring the deal between you and the vendor;
- Developing and managing the request for proposal process;
- Designing and implementing your outsourcing transaction;
- Measuring the benefits;
- Optimizing your vendor relationship; and
- Preparing for the expiry or renewal of your vendor contract.

Our goal is to achieve the best business outcome for your organization. We have a strong North American presence and can leverage capabilities from our other offices in 148 countries. Regardless of how the contract agreement is structured with the vendor, we can tailor our measurement instruments to your specific environment and needs so that your business receives an accurate comparative analysis (benchmarking) assessment.

For more information on our IT comparative analysis services, contact:

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www.pwc.com/ca/advisory