



# An Unexpected Recruitment Renegotiation Result

## Case Study

### At A Glance

**Category**

Recruitment Services for Generalist IT contractors

**Location**

Australia

**Suppliers**

Existing Panel

**Saving**

Average reduction of 22%

**Industry**

Financial Services

**About The Client**

ANZ provide a range of banking and financial products and services to around 8 million customers, employing 48,000 people worldwide.



**The Challenge**

Renegotiating recruitment contracts with existing suppliers can be a tricky business, especially when they reduced their fees 12 months prior during a similar exercise run by Trade Interchange.

ANZ’s Global Sourcing Labour team set out to renegotiate these fees, by requesting a reduction on the established percentage margin as well as an alternative fixed fee dollar based model. Trade Interchange was engaged by ANZ to manage an e-Negotiation in order to save time, increase transparency, and ultimately find the ‘real market price’.

*“I really like the fact all the evidence is in the tool – it’s captured, corroborated and visible.”*

Alison De La Garde, Regional Category Manager, Business Services

**New Market Insights: The Solution**

After a successful e-Negotiation, in which all suppliers formed a choice ‘cluster\*’, the e-Negotiation resulted in a saving of 22% when compared with the previous margin – much better than ANZ’s expectations.

“It really gave us an insight into the market” said Kim Hanrahan, Sourcing Project Manager, Contract Labour. “The feedback initially from the suppliers was that we were already getting their most competitive pricing, however by providing an alternative costing model, their prices reduced collectively, which gave us confidence in the real market.”

The e-Negotiation tool is just that – a negotiation. Unlike other live-award reverse auctions, run purely on price, having the ability to negotiate post-event brings qualitative factors into the decision making process.

“We really benefited from this feature” said Kim, “by being able to make sure suppliers were comfortable with the final price and reassuring them there was a cluster”

\*A ‘cluster’ refers to a close grouping of suppliers



## ANZ's Favourite Feature

“Trade Interchange made it all so easy and went absolutely above and beyond. I just had to provide documentation.

It was easy and hands off.”

### Trade Interchange

Trade Interchange has been providing fully managed e-Auction services since 2000. To find how they can be put to work in your business, or for a risk-free trial, please contact us.

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*“It absolutely exceeded our expectations and was unbelievably successful – the IT department were thrilled”*



For the sourcing team, it wasn't just the bottom line that benefited from savings, but time “which is key – the sooner it's in place, the quicker you benefit from the contract” Kim said. “After finalising the lotting strategy and initial supplier communication, having minimal involvement was really positive – As a sourcing professional, spending time setting up the tool and training suppliers takes me away from my role of adding value to the business.”

### Exceeding Expectations: The Response

For sourcing teams, e-Negotiations provides an easy and cost-effective solution to time-intensive manual negotiations, alleviating the back and forth discussions, the risks of error and the tedium of disagreements. Stakeholders save money and have probity and transparency that results in peace of mind.

Even the suppliers responded positively. “Despite some initial protests, it was easier for the supplier as they could immediately see their competitive position with transparency” said Kim.

### Above and Beyond: The Support

Kim says the main difference with Trade Interchange is that they were much more involved in the process – “I just had to provide documentation. It was easy and hands off.”

“Trade Interchange made it all so easy and went absolutely above and beyond, with a real ‘can do’ attitude. For instance they sourced a lot of extra information we needed for our analysis, and happily met our demands in terms of timing.”

*“I would recommend this to people in the business, mostly because of the big saving benefits, and the time it allows to achieve those benefits - it really frees you up.”*