

PROVINCIAL ELECTRICITY PROVIDER RETAINS DEAL IQ TO ADDRESS COST SAVINGS MANDATE

Canada's largest electricity service provider reduces procurement costs through Deal IQ

With roughly 1.3 million customers, this provincial electricity transmission and distribution service provider services approximately 75% of the geographic area of Ontario. Following an IT mandate to recapture \$20M of cost savings from renewals of current contracts, Deal IQ stepped in to begin negotiations.



SOLUTION:

Expert negotiation strategy produces impressive cost savings



STRATEGY

After reviewing a list of the current contracts, a procurement software was chosen as the pilot for the cost-recovery mission. With the contract up for renewal in two months, the client passed the negotiation over to Deal IQ to handle on their behalf.



PROCESS

Deal IQ thoroughly researched the incumbent provider, including sourcing an independent subject matter expert to aid in their understanding of the product. The current contract was set to renew at \$700k USD, alongside a 5% increase year over year. Throughout the 6-week negotiation process, Deal IQ reported back to the electricity service provider's procurement professional and IT team regularly to keep the lines of communication open.



RESULTS

5% year-over-year increase eradicated alongside contract savings

The negotiation involved a great deal of back and forth between both teams. But at the end of the process, Deal IQ successfully recovered \$100k per year in cost savings, while also successfully negotiating out of the intended 5% year-over-year increase suggested in the provider's best-and-final offer.