

SLAUGHTER AND MAY

# Strategic Sourcing

As a leading commercial law firm we have an enviable track record in managing and implementing some of the largest and most complex outsourcing transactions and projects across a broad range of sectors. Our strategic sourcing practice advises on technology outsourcing (including infrastructure, desktop, application and application support) as well as more general business transformation outsourcings. As part of this we advise on different sourcing strategic structures including co-sourcing, multi-sourcing, offshoring and insourcing.

Complex projects require the skills of specialist lawyers across a wide number of practice areas. As a full service law firm we are able to call on the skills of our specialists in each relevant practice area including technology, financial regulation, tax, IP, employment and pensions, corporate and commercial, competition and procurement, dispute resolution, data protection and commercial real estate, as the need arises. Details of our key contact partners can be found below.

Strategic sourcing projects require a consideration of activities based in a number of jurisdictions. We have longstanding relationships with experts in all major jurisdictions and are able to deliver integrated advice for offshoring transactions and for many transactions that have an international dimension.

We embark on each project with no preconceptions as to the "right way" to document or implement it but rather with a pragmatic, commercial and positive approach designed to achieve a successful outcome. We are committed to developing and implementing a best practice approach to outsourcing transactions and have won the National Outsourcing Association's *Outsourcing Advisor of the Year* award for Best Practice.

It is not uncommon for outsourcing deals to end short of full term whether as a result of a dispute or otherwise. We have assisted a number of clients on re-evaluation and re-negotiation exercises, and have run workshops for clients facing issues with their current arrangements. Our experience of supporting clients through these issues has helped us to advise on the preparation of agreements and management of relationships so as to minimise the disruption that can be caused by disputes or the termination of a relationship.



Detail from *Early Morning* by Trevor Bell

**"They do more than act as lawyers working on a contract – they advise clients on how to outsource effectively"**

## Overview of Slaughter and May

Slaughter and May is a leading international law firm recognised throughout the business community for its commercial awareness and commitment to clients. We have a diverse and extensive international practice advising on the full range of commercial, financing and other matters. We have a commitment to delivering top quality legal advice, combined with commercial awareness and a “can do” approach.

Central to our culture is the priority we place on the individual needs of our clients. We are organised to be client focused rather than product focused. We develop strong working and personal relationships with our clients and take a proactive approach.

We add value by:

- creating innovative solutions to problems
- giving leading edge structural advice and risk analysis
- understanding what may, or may not, be acceptable in the market
- providing first class transaction management assistance
- ensuring delivery against realistic timetables and milestones.

International work has been central to our practice since the earliest days of the firm and our lawyers are continuously engaged on matters with a significant cross-border or multi-national aspect. We provide strategic sourcing advice to clients on a global basis and the sourcing arrangements we work on require an in-depth knowledge of the relevant jurisdictions, local commercial and legal expertise and an ability to deliver advice in the required time frames. We believe that these elements can best be provided by lawyers at the top of the profession in their own countries and that these lawyers are to be found in independent law firms. We have longstanding relationships with leading lawyers in all major overseas jurisdictions and we work closely with them to ensure that our clients receive a fully integrated international service wherever this is required.

We believe that our approach allows us to provide a worldwide legal service of the highest standard without disadvantages in terms of quality or culture.

**“An outstanding organisation with excellent capability and detailed industry and market knowledge”**

LEGAL 500, 2011

**“Slaughter and May handles large-scale complex outsourcing deals. It acts for an impressive client portfolio of FTSE 100 companies”**

CHAMBERS UK, 2011

**“Appreciated for its ‘very high level of service and strong business acumen”**

LEGAL 500, 2010

**“Recognised for its commercial and collaborative approach, this firm also wins praise for its ‘pragmatic and solution-orientated’ practitioners”**

CHAMBERS GLOBAL, 2009

**Clients say “...it's hard to match Slaughters when it comes to value for money”**

CHAMBERS GLOBAL, 2009

**“These innovative lawyers think outside the box when it comes to resolving difficult issues, attracting clients with their impressive problem-solving skills”**

CHAMBERS UK, 2009

**“Described by clients as ‘a down-to-earth, user-friendly team,’ Slaughter and May's outsourcing lawyers also attract praise for being ‘consummate negotiators – both thorough and quick at homing in on the key issues”**

CHAMBERS UK, 2008

## Key Contacts

For further information on any outsourcing or other strategic sourcing related matter, please contact your usual Slaughter and May contact, or any of the following:



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## Recent Experience

The following list is intended to give an indication of our experience in strategic sourcing matters. We advised:

- **Marks and Spencer** on the provision of outsourced administration services in connection with their new innovative master trust arrangement with Legal & General which is designed to provide a new pension arrangement for 2012
- **Carillion** on both the outsourcing of the Group's UK internal IT services functions to Accenture and on the sale of its external 'IT Services' business, an outsourcing, network and cabling solutions provider, to Capita
- **Aviva** on the business process outsourcing in India and Sri Lanka, comprising over 5800 seats, which sees WNS become the long-term strategic BPO service provider to Aviva's business units located in the UK, Canada and Ireland for a period of more than eight years. It is estimated that the BPO arrangement could generate around \$1 billion in revenues over the life of the contract
- **Marsh** on the outsourcing of Marsh's UK back office processing department for the speciality practices (Aviation, Marine & Energy, FinPro, Property & Casualty, Global Placements, Aviation Reinsurance) to Capita
- **Cadbury** in relation to the global outsourcing of its telecoms capability (voice, data, mobile, satellite, support and services) to BT
- **L'hoist UK** on the outsourcing of both the UK and international transport and logistics functions of its business as well as the transfer of certain transport-related assets, to Turners (Soham) Limited
- **Axa Insurance** on the establishment of a new retail investment management business and related multi-manager investment management operations and outsourcing arrangements in relation to administration
- **Aviva** on the outsourcing by its UK life business, Norwich Union Life, of the administration of almost three million of its life and pension policies to Swiss Re, one of the largest commercial arrangements of its type in the insurance sector
- **Raymarine** on the review and renegotiation of a manufacturing outsourcing agreement
- **SAV Credit**, a leading UK specialist credit card provider, on the servicing arrangements supporting its Aqua, Marbles and Opus branded credit card portfolios and on the strategic framework agreement with its service provider
- **Cadbury** on its global data centre operations to Hewlett-Packard
- **Ericsson** in connection with its managed services partnership with Hutchison 3G UK which appoints Ericsson the exclusive manager of the H3G network and its IT infrastructure in the UK
- **First Group**, the UK's leading bus and rail operator, in connection with its transformational infrastructure sourcing project to BT, which was one of the first outsourcings of its kind in the UK transport sector, and on the subsequent replacement of those services with a multi-sourcing arrangement with three suppliers
- **Shire**, a leading specialty biopharmaceutical company, in connection with the outsourcing of its global IS infrastructure support, IS and data centre operations and user support function, including a new multi-lingual service desk, to Capgemini
- **Thomson Reuters** on its continuing arrangements with BT in relation to BT providing telecommunication network services to meet Thomson Reuters' internal data, voice, mobile and other telecommunications requirements

## Recent Strategic Sourcing Matters continued...

- **Abbey National** with regard to Abbey National Asset Managers Limited ("ANAM") on the outsourcing of its in-house active fund management and conversion to multi-manager arrangements in respect of its £29 billion portfolio of funds to State Street Global Advisors
- **The Department of Energy and Climate Change** on its procurement contract with eaga plc in respect of the administration of the Warm Front fuel poverty, heating and insulatory grant scheme
- **Abbey National** on the appointment of BT to install and manage a consolidated company-wide integrated voice and data telecommunications solution
- **Prudential** in relation to a major telecoms sourcing arrangement with BT and on a business process operations agreement with ICICI OneSource
- **UK Financial Investments** (which manages the Government's investments in RBS, Lloyds TSB / HBOS, Northern Rock and Bradford & Bingley) on its IT managed services contract with Wavex
- **Post Office** on its strategic IT sourcing arrangements with Fujitsu Services and on various other outsourcing arrangements
- **ITV**, working alongside ITV's internal legal team, in connection with its five-year arrangement to outsource its IT service management, infrastructure and application management services to Accenture
- **Schroders** on its arrangement with CSC for the provision of certain IT and related services
- **Cox Insurance** on its ten-year outsourcing agreement for the management of IT services by CGI
- **Schroder Investment Management** on the termination of its BPO (fund administration and custody) with JP Morgan Chase
- **Fidelity Pensions Management** on a services agreement for the outsourcing of defined benefit administration
- **AXA Investment Managers** on the outsourcing of its middle and back office functions to State Street
- **Abbey National** on its appointment of Computacenter to provide desktop management services group-wide
- **Thomson Reuters** on its global network services agreement with BT, thought to be one of the biggest telecoms sourcing deals in the world

### WORKSHOPS

We offer workshops for clients to help them assess the 'health' and success of their current outsourcings and to assist them in working through issues they face on any particular strategic sourcing project. These focussed and collaborative workshops aim to get to the heart of a client's satisfaction with its outsourcing arrangements – what is working, what isn't, and what options are available to make it better. We provide tangible benefits for our client's outsourcing relationship and work with external sourcing consultants, where appropriate, to help deliver these workshops. We look at all aspects of a deal – commercial, contractual, delivery and relationship – enabling underlying issues to be identified, relevant commercial and legal advice to be given and practical plans to be developed. We have recently undertaken such workshops for a number of financial services clients on their existing global outsourcing arrangements.

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