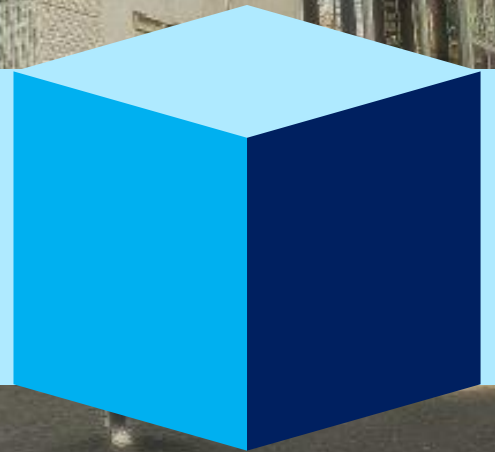




Case Study

ABRSM: EXAMINING IT SOURCING PRICES



ABRSM: Transparency and reliability in IT sourcing



A small organisation that spans half the globe: the Associated Board of the Royal Schools of Music (ABRSM) uses digitalisation to offer its services on a global platform. Metrics supported the UK institution in reviewing the cost-value ratio of a strategic sourcing agreement and initiating a favourable contract prolongation.

ABRSM is a global music education charity offering exams and musical pathway based in the United Kingdom. It was founded in 1889 and its motto is 'A Life with Music'. More than 450,000 candidates sit music exams every year in over 93 countries. ABRSM also runs a music publishing company and provides continuing professional development (CPD) courses and seminars for music teachers. In terms of annual expenditure, ABRSM is one of the top 200 charities in the United Kingdom.

At the heart of this global presence is a digital platform where students and teachers can book exams and view results. The Digital and Technology department is responsible for the software and deals with issues such as IT infrastructure, support, BI and AI. It is a lean team with a variety of responsibilities, comprising around 14 experts.

Application Management Outsourcing

In view of the staffing situation, ABRSM has outsourced the management and further development of the platform. This is perhaps the most important digital project for the institution. In addition, the IT organisation has to prove to its board that it pays reasonable prices for good services. Furthermore, in view of inflation and the development of labour costs, price increases were to be expected when the contract was extended.

Value for money?

That's why ABRSM engaged Metrics to compare their provider's prices with the market around a year before the contract expired. 'We wanted to know whether the cost-benefit ratio was right and whether we had set up the contract correctly,' says James Halliwell, Chief Digital Officer (CDO) at ABRSM. Objectives were to have a meaningful discussion with key stakeholders based on facts and to be prepared to negotiate the new contract with the provider.

ABRSM

**Associated Board of the
Royal Schools of Music**

- **Employees: 180; 400+ representatives and 600+ examiners globally**
- **450,000 music exams per year**
- **Income 2023: GBP 45.5m**
- **www.abrsm.org**



“Metrics' market data gave us objective information that we could use to prepare for contract negotiations.”

James Halliwell, CDO ABRSM

Why did you compare your application management prices with the market?

James Halliwell: We asked ourselves whether we were on the right track with the organisation's biggest single digital project: Were we getting value for money, had we structured the contract correctly? In addition, the contract was up for renewal, and we were expecting costs to rise. I just wanted to be sure of what we were getting ourselves into.

What has the benchmark done for your internal discussions?

As a charity, we need to be able to demonstrate to our trustees that we are paying reasonable prices for good services. This is about financial transparency and accountability. The sourcing benchmark proved to me that we are in a very good position - with low risks and without excessive expenditure.

How can you leverage the results in your sourcing relationship?

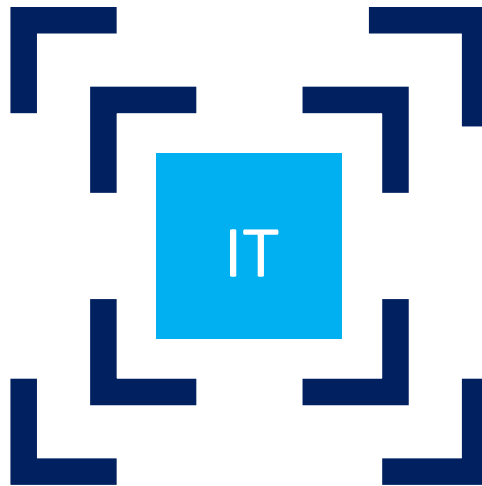
In addition to providing evidence to our stakeholders, our aim was to prepare for the contract renewal. We wanted to be able to adapt to future prices, which were likely to increase due to inflation and labour costs. Metrics' market data gave us objective information that we could use to prepare for contract negotiations. For example, the question of up to what price outsourcing would be worthwhile.

What else has the sourcing benchmarking project brought you?

Our board of trustees expect us to regularly review suppliers and go through a formal procurement process, even if we are happy with the service. The benchmark project provided an alternative and, in addition to market prices, the project showed us where we could improve the sourcing contract. Armed with this knowledge, we immediately started renegotiating. Thanks to Metrics' expertise, we were able to define areas where structures and individual passages of the contract needed to be changed for economic optimisation. This included, for example, rebates for certain agreed purchase volumes.

Benchmark Benefits

- Current market prices for a sourcing contract as evidence for stakeholders
- Forecasts of future market prices in preparation for negotiations
- Analysis of the contract and indications for targeted improvements



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