



Surviving the Unpredictable: CompuCredit Turns to NPI Advise™ to Weather Economic Storm



Risk is no stranger to CompuCredit. In fact, it's part of the company's corporate mission – to assist consumers that are underserved by traditional financial institutions.

However, “risky business” was redefined for the financial services and lending industry when the market took a sharp downturn. In response, CompuCredit searched for ways to keep its IT and service operations functioning at optimal levels without overspending.

The company enlisted NPI Advise as part of this initiative. CompuCredit partnered with NPI's technology spend management experts to increase the flexibility of its IT infrastructure and prepare its operations to contract and expand as warranted by market demand.

Case Study: CompuCredit

The Challenge:

- Improve the tradeoff between cost and level of service, and establish a more efficient platform for growth
- Re-engineer IT infrastructure services for greater flexibility in light of changing market conditions
- Strengthen IT asset management best practices
- Reduce technology spend where possible
- Protect IT, productivity and customer service levels to drive customer satisfaction despite spending cuts

- Reduced IT spend by \$1M for first year, \$3M over three years
- Outsourced storage, application support and helpdesk support to create an on demand computing environment
- Improved lifecycle asset management for company's IT portfolio
- Transitioned key vendor agreements to transaction-based pricing for flexibility
- Decreased vendor support and maintenance costs by identifying areas of excess and unnecessary spend

Flexible IT – Agility that Defies Market Conditions

In response to a market downturn, CompuCredit launched an initiative to improve the flexibility, service levels and cost structure of its IT infrastructure services. At the core of this initiative was the quest to more efficiently manage technology spend as well as the company's IT asset portfolio.

The company anticipated a slowdown in its growth and marketing activities as the economic downturn continued. However, they knew that there would be a period of account growth following the downturn and any reductions in infrastructure had to be temporary. Without deeply understanding how to manage the spend and flexibility of its IT operations, CompuCredit risked overspending in the short-term as well as the ability to keep up with the rebound in demand as market conditions increased.



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“NPI helps make sure that every decision we make is engineered for hard dollar savings, intelligent risk management and vendor productivity. The results have been astounding. In two years, we’ve more than doubled our return on investment each year, while knowing we’re paying fair market value for all of our IT purchases at a reduced level of risk. NPI’s access to the latest vendor management tips and best practices has also helped us improve how we manage our vendors and asset portfolio.”

Guido Sacchi
CIO, CompuCredit

Reducing Today’s Spend for Tomorrow’s Market Gains

CompuCredit turned to NPI’s Advise program to evaluate its vendor portfolio, develop an IT savings roadmap and create vendor management strategies that fostered flexibility. Additionally, NPI established transaction-based pricing models with several IT vendors, reviewed support and maintenance agreements for areas of excess spend, and renegotiated maintenance agreements to support infrastructure changes.

This approach delivered overwhelming financial and customer-facing results: \$1 million in IT savings for the first year, and more than \$3 million over the next three years. It also created the flexibility needed to keep operations running smoothly despite any flux in economic conditions, while retaining customer service levels and loyalty.

Transforming Fixed Costs into Variable Costs

NPI achieved these savings by transforming many of CompuCredit’s fixed costs into variable costs, including:

- On Demand Computing – NPI identified areas that could be more easily outsourced, such as storage, application support and helpdesk support. Under NPI’s guidance, CompuCredit sourced vendors and developed flexible agreements.
- Transaction-based Vendor Pricing – NPI asked vendors to incorporate transaction-based pricing into their current agreements. This allowed CompuCredit to only pay for the products/services being used as well as reduce its financial risk.
- Reducing Support & Maintenance Costs – NPI benchmarked pricing for all of CompuCredit’s software maintenance agreements to see where the company was spending more than their peers. NPI also identified creative ways to reduce support and maintenance spend.

About NPI

NPI is an IT sourcing consulting company that helps enterprises identify and eliminate overspending on IT purchases, accelerate purchasing cycles and align internal buying teams. We deliver transaction-level price benchmark analysis, license and service optimization advice, and vendor-specific negotiation intel that enables IT buying teams to drive measurable savings. NPI analyzes billions of dollars in spend each year for clients spanning all industries that invest heavily in IT. For more information, visit www.npifinancial.com.



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