

# Procurement contracting transformation

*"We have always had an internal running joke here that everything Radiant touches turns to gold. You are the opposite of us, and we know it. You are clearly abreast with the latest thinking and you are dedicated to fixing this. You also come across as task and goal oriented, with the tech to back it up. Your drive towards continuous improvement is very strong, along with your aim of efficiency without hampering quality."* Legal

## Challenge

Since May 2021 one of the largest banking and financial services institutions in the world has outsourced the triage of >4,500 and negotiation of >1,700 procurement deals a year to Radiant Law through a managed legal service. Previously, negotiations were drawn-out and the response service level of five days was not being met. The client needed to ensure consistency, reduce negotiation cycles and build positive business relationships both internally and with customers.

## Solution

Radiant's approach to contract negotiations for the client has been to standardise both the stages of the contracting process and how we handle points that come up in negotiations. Reducing the number of rounds of negotiations is critical to reducing the time to close. We minimised (and still to do so through our continuous improvement approach) unnecessary contentious points by refining templates, and by 'being reasonable', rather than delivering dense, incomprehensible agreements and negotiating aggressively on non-material issues.

Before an agreement ever gets to negotiation we ensure that the terms are short, clear, reasonable and relevant. We optimised the client's long-form agreement from 60 pages down to 6 pages, and built a modular structure with annexes for relevant types of goods/service. This has ensured that mark-up is minimised and time to close is significantly faster.

In negotiations we utilise a playbook developed with the client's legal team, which avoids needing to continually escalate items and allows the client to be confident that we are operating using an approved approach and focusing on the priorities.

## Benefits

Deals are being turned significantly faster under Radiant's approach. 90% of deals (new and returning) are being turned in half a day, and average turnaround for a new matter is 0.58 days. Our customer satisfaction score is 4.8 out of 5 and it is clear that quick turnaround is a key priority for the business.

From an average time to close in excess of 3 months before we began, Radiant has been able to reduce time to close and minimise negotiation cycles to deliver business value faster and support the client's strategic priorities. 33% of deals are closed within 15 days and 41% within 30 days.