

Optimising Managed IT and Cloud Services

The client

A medium-sized professional services company in New Zealand engaged ERA Group to review its Managed IT and Cloud Services after determining that its existing arrangement no longer aligned with its strategic objectives.

The supplier relationship had become increasingly transactional rather than strategic, while managing reputational risk, data sovereignty and compliance — all while remaining a lean organisation — were top priorities.

The challenge

The review identified several areas of concern across the client's IT environment. Surplus endpoints and inactive devices were inflating operating costs, while a complex web of overlapping software licences made it difficult to maintain clarity and control.

Opaque, multi-layered pricing structures also obscured the true cost drivers of the client's IT services. At the same time, the organisation was operating in an industry facing significant disruption and margin pressure.

Additional challenges included a limited partnership mindset and reactive service delivery from the existing supplier, as well as rising cyber risk and growing complexity across endpoints.



The solution

ERA Group applied its structured methodology to bring greater commercial clarity and strategic alignment to the client's Managed IT and Cloud Services.

The team established a transparent baseline, including cost per endpoint and a clear separation between implementation and ongoing costs. ERA then introduced competitive tension by inviting multiple suppliers to submit Best-Fit proposals.

To evaluate the options comprehensively, ERA applied a weighted scoring model incorporating 85 criteria across pricing, security, innovation, service capability and ESG factors. This disciplined approach enabled the client to assess potential suppliers not only on price, but also on long-term strategic fit, scalability and risk management.

The result

The process resulted in a shift from tier-based billing to a scalable, user-based commercial model, the removal of redundant licences and lower exposure to ad-hoc project costs. The client also gained an improved security architecture without disproportionate additional cost, transparent savings measurement using a cost-per-endpoint methodology and structured ongoing supplier performance monitoring.

The competing bidder's Best-Fit proposal delivered a materially stronger commercial outcome than the incumbent supplier's. Over a three-year term, the proposal was approximately 47% less expensive, representing \$236,443, than the incumbent supplier's Best-Fit pricing while meeting or exceeding all technical, security and service criteria. The competing bidder also offered a significantly less complex architecture, creating a streamlined and integrated environment with scalable user-based pricing and reduced hourly rates.

By combining competitive tension, structured scoring and transparent savings measurement, ERA helped ensure savings were defensible, strategic fit was prioritised, risk was reduced and long-term scalability was embedded.

