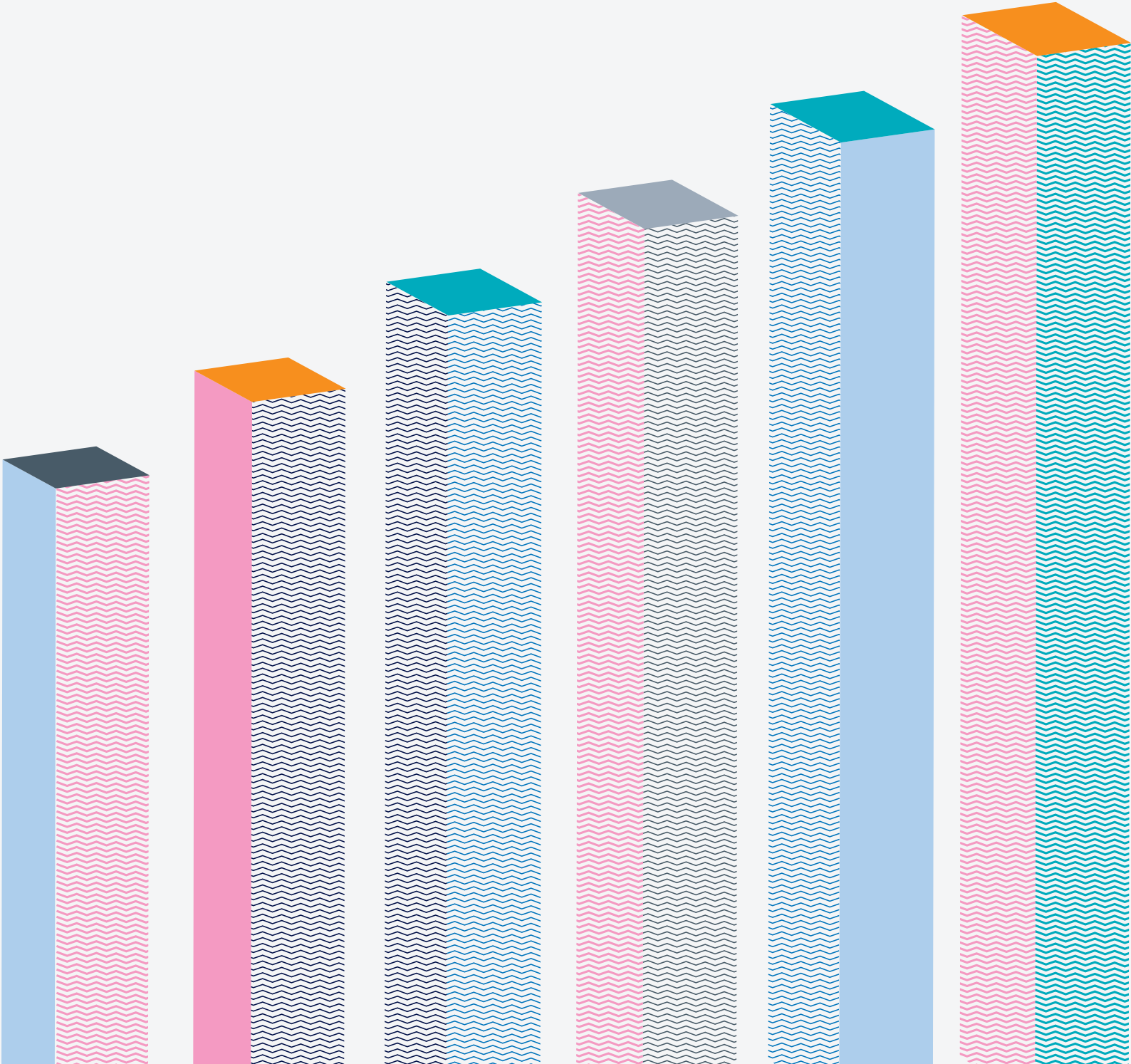


Case study
Man Group
Managed Services



The company

Man is a world leading alternative investment management business. Headquartered in London, Man is a global company with offices in 16 countries and approximately 1600 staff helping Man to maintain its status as one of the world's largest providers of hedge funds and alternative investment solutions.

In 2009, Man and Proxima entered into a new procurement Managed Service contract focussing on Technology Procurement and related processes. Technology is a critical spend area for Man with effective technology being part of the backbone of Man's business. The Technology Group (TG) consists of around 300 people spending circa \$100m per annum.

The challenge

The challenge for Proxima and Man was to move from the decentralized procurement approach towards a strategic model - with a greater focus on value, process efficiency and risk mitigation.

This included:

- Providing a diversified stakeholder base with greater access to procurement knowledge and management information
- Providing sourcing and category management expertise
- Helping build structure to core procurement related processes to bring both process efficiency and risk management.

Our approach & solution

Overall

The Proxima structure at Man is based in three core locations; an onsite team delivering projects and stakeholder engagement, category leadership and governance provided from Proxima's London office and process administration and support from Proxima's shared service centre in Cwmbran, Wales.

1. Engagement

The first priority was to put in place initial engagement processes giving the organisation a clear view on how and when to contact procurement and what to expect. This was supplemented by monthly reporting focussing on live projects and tracking various service metrics.

This was followed by a number of initiatives to bring established procurement tools and techniques to Man including the implementation of a procurement toolkit, a seven-step strategic sourcing process, regular communications and self help papers.

These initiatives have generated some immediate benefits. Yet the real success has been how (over time) procurement has become more engaged with business, has redefined its role and is driving a new appreciation of the things that procurement does and the value that procurement can bring.

2. Sourcing and Category management

Proxima has been able to provide a model to suit Man and to be flexible as requirements, skills and resources have evolved. Our on site team is supported by category experts from our London office and data analysts from our support services in Wales and is powered by Proxima's tools and methodologies.

Together with Man we set up a category ownership structure and a monthly steering committee to provide leadership and governance. In the first year we helped Man to save over \$4m. Recently we have supported key projects including;

- Selection of a Managed Service Provider (MSP) for contract labour
- Building of a new data centre (and currently support the building of a disaster recovery data centre)
- Fit out of a new London Headquarters at River Bank House

3. Process Efficiency

A key focus area over the last 2 years has been to bring structure, risk mitigation and efficiency to a number of procurement processes. Our approach has been to take on and transform some key processes. In doing this we have worked closely and cross functionally within Man, with Procurement, Finance, IT, Legal and Compliance and contributed towards the process design, supporting materials and policies.

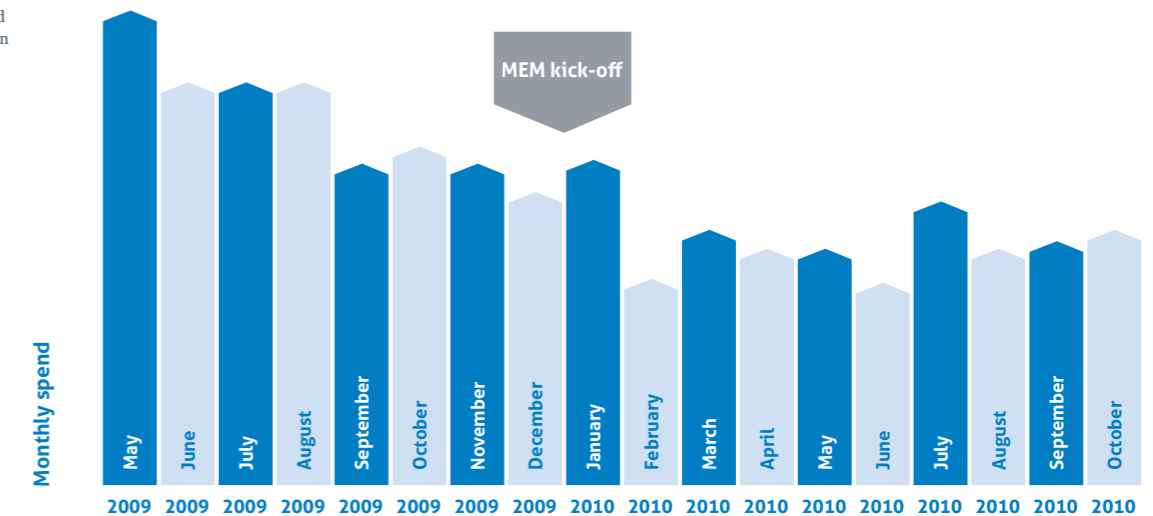
- **Consultancy On-boarding:** The approach to bringing in third party consultants had not historically been coordinated through procurement. Hiring managers received little in the way of procurement or process support and generally contracted on vendor terms. We helped hiring managers engage with, and bring on-board, consultants efficiently through a standardised and compliant process.

This installed a single point of contact for all external consultancy engagements. From here a new process was defined and underpinned with supporting contracts and compliance documentation. This was mandated through, and accepted by, the entire TG group - everyone now knows where to go for new consultancy engagements and understands how the process for consultant on-boarding works. Consultants that work at Man are now under standard terms and have signed up to the required confidentiality and compliance documentation.

- **Software Ordering:** TG's ordering processes for buying and maintaining software were not delivering the required level of information or compliance that management required. Proxima's approach was to set up a process whereby all new software licences and maintenance orders are placed through a single interface - a simple form embedded into Man's sharepoint site. Purchase requests are generated and sent to Proxima Support Services in Wales where the order is checked, transacted and relevant details recorded - ensuring there is a single point for all information.
- **Mobile Expense Management:** TG manages a fleet of over 800 mobile phones across the UK, USA and Switzerland. In 2009 bills were paid centrally, but with limited analysis available. The challenge presented was to improve the management information available per device and enable cost centre recharging. Our approach was to implement a tool that enabled full transparency into mobile phone usage throughout TG - the Mobile Expense Management (MEM) tool (managed by Proxima Support Services team in Wales).

The MEM tool analyses and categorizes billing data, enabling TG to gain complete visibility into mobile phone usage patterns and enable accurate recharging. Through a combination of demand management, vendor negotiations and the MEM tool, Man was able to reduce their mobile costs by approximately 30%.

Figure 1: UK monthly mobile phone spend analysis showing effects of implementation in February 2010



The benefits

- Proxima has been able to deliver to substantial savings and cost avoidance targets
- Procurement processes have been built to increase efficiency and ensure that legal, regulatory and compliance risks are covered when procuring goods and services
- People know where to go when they need support with buying, vendor relationships or general procurement advice
- Man senior management has far greater visibility of what's going on

"We have made major improvements to IT procurement. Proxima have been central to these enhancements."

Mike Wright, CIO at Man Group

"We have worked really hard with Man to get this right, and keep improving. By listening to our client and truly understanding their challenges we have been able to address them and help build a procurement service that fits Man's requirements and is seen as value adding by stakeholders across the business"

Simon Geale, Engagement Manager at Proxima

About Proxima

Proxima is a dynamic international business, specialising in procurement outsourcing.

At Proxima we approach things differently. Working closely with you, we improve business performance by making procurement deliver more. Our approach goes beyond driving efficiency. It's about enabling change, enhancing management control and delivering results that exceed your expectations.

Proxima: Redefining procurement. Powering business.

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