



Delivering The New Standard

NORTHWESTERN LAW FIRM

Kicking the can down the road can be costly.

THE CHALLENGE

In April of 2018, a successful Law Firm located in the Northwestern region of the U.S. reached out to RIC with their concern regarding high Storage & Services. Recognizing RIC's unparalleled expertise and proven track record, the Law Firm engaged RIC to execute an RFP process for on behalf of the organization. This engagement was 100% performance based.

THE SOLUTION & THE DELAY

In July 2018, RIC reviewed proposals from various vendors and provided the client with a proposal reflecting a **31% annual savings** or **\$13,599** per year in hard dollar savings. The Firm was thrilled with the team's findings and the new vendor proposal, but due to internal issues at the company, the decision to switch vendors at no cost was put on hold. This holding period from July 2018 to March 2019 gave The Firm's existing vendor the ability to significantly increase the cost to remove The Firm's boxes.

In 2018, The Firm's cost for retrieval and perm out to leave their vendor was at **\$2.51/CF** and **\$4.54/CF** respectfully. Now, in 2019 the retrieval has increased to **\$3.10/CF** and perm outs increased to **\$5.61/CF**. This delay increased The Firm's cost to remove their 17,133 cubic feet of inventory from **\$122,408** in 2018 to **\$150,596** in 2019. This **increase of \$28,188** occurred in less than 12 months. The Firm had no clue these increases had occurred. Contingent liability to leave a storage provider should never go unchecked. During the RFP process, the current vendor bid retrieval at **\$2.51/CF** and permanent removal at **\$4.54/CF** using the July 2018 RFP prices for retrieval and permanent removal of **\$120,787**.

Had The Firm chosen the proposal presented in July of 2018, they could have benefitted from:

1. Annual savings of 31%
2. Annual spend reduction of \$13,599
3. Free move away from the vendor
4. Fixed rates for contract term
4. Permanent removal & contingent liability reduced by 49% over contract term
5. More favorable terms and conditions

SUMMARY

Client's need to understand kicking the can down the road and leaving the storage vendors unchecked can turn into a financial nightmare like this case study is reporting. The vendor completely lost the customer's trust by increasing the costs to leave them by 23% over a 9-month period. The Firm wasn't sending new boxes into the vendor believing they could keep the costs the same to leave. Little did they know the vendor would impose new rates that would increase their costs to leave. There are no controls in place when you leave in place a contract with the vendor that allows for price increases at their discretion with a 30-day notice. We advise our clients to never kick a situation like this down the road because it's costly.