

Cannon Group Contract Renegotiations Result in Savings for Ricoh

Cannon Group's relationship with Ricoh USA began in 2005, when they were still known as IKON Office Solutions. They were interested in maximum savings in their telecom environment with minimal operational disruption.

Cannon Group helped IKON optimize and re-negotiate hundreds of local telecom and data service contracts — achieving more than 30 percent annual savings in telecom spend. Cannon Group continued to monitor carrier usage and billing to realize additional savings of 5 to 7 percent per year.

CHALLENGE

Post-merger, Ricoh was faced with the challenge of reducing expenses, consolidating vendors and renegotiating existing agreements while increasing their network bandwidth.

They looked to Cannon Group for assistance with sourcing in order to ensure they were getting leading-edge pricing and contract terms — and to achieve the above with minimal operational and financial risk.

SOLUTION

Cannon Group experts created a baseline spend by gathering and summarizing all contract data and creating a contract timeline of all key agreements.

Cannon Group conducted a competitive assessment and was able to provide Ricoh with intelligence on a short list of vendors to be considered based on experiences with services, rates, terms and pricing. After summarizing the bid responses and making the recommendation, Cannon Group handled all contract negotiations with the winning bidder.

RESULTS

Along with more flexible contracts, competitive rate reviews and term volume commitments for procurement leverage, Cannon Group experts were able to realize price reductions of 28 percent on current services within the scope of the RFP.

But Cannon Group's biggest achievement was earning more than \$2.2 million in savings while simultaneously negotiating exponentially more network bandwidth.

Ricoh USA is the North and South American arm of Tokyo-based Ricoh Company, Ltd. The company has more than 30,000 employees located throughout the two continents. Ricoh USA has been leading the way in workplace innovation for more than 50 years by delivering solutions to help companies make the most of their information.

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