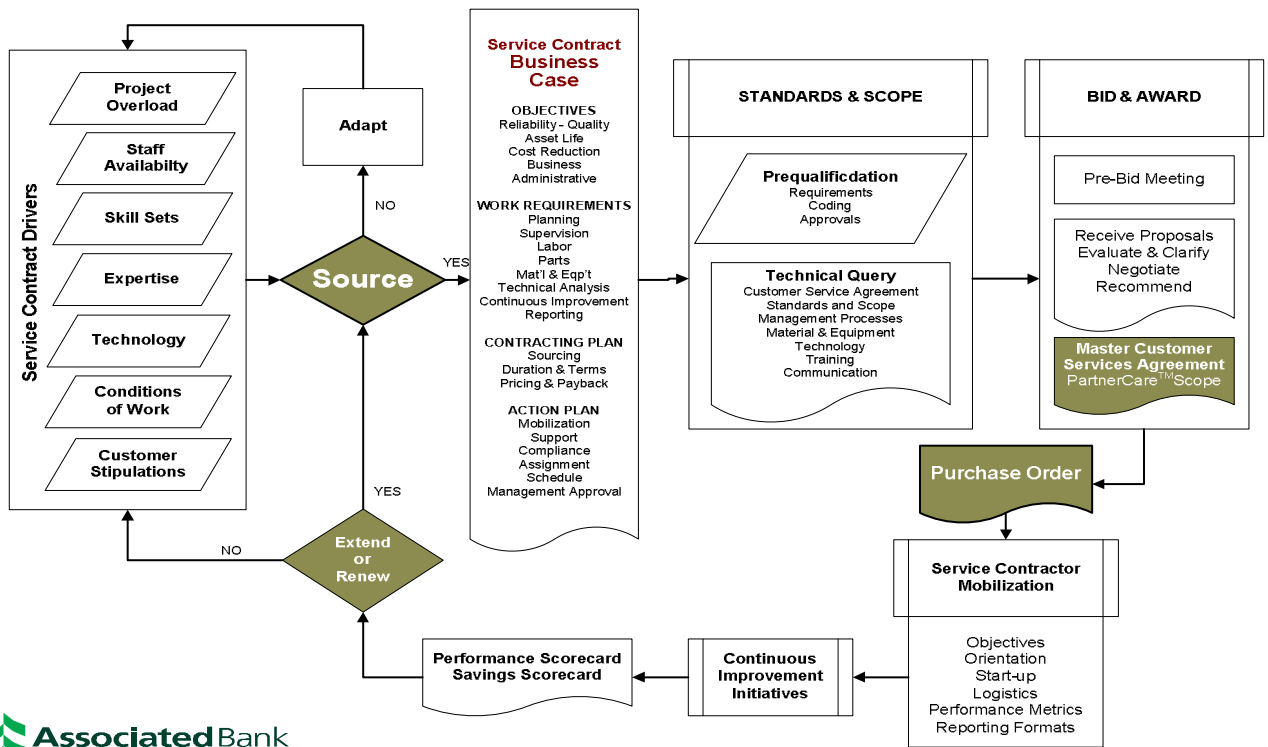


Case Study	Associated Banc Corp – Internal Services
Project	Service Contractor Value Management: janitorial, landscape and snow removal, window and carpet cleaning, walk-off mats, pest control, lamp replacement, waste disposal and fire protection systems.
Deliverables	Assessment of service contract operations, data quality and document control. Training of Regional Facility Managers to define scope and standards, capturing immediate savings. Service contractor prequalification, procurement and contract negotiation.
Participants	Senior VP, Internal Services; VP and Manager Facility Metrics; VP of Facility Operations, Regional Facility Managers and Administrative Assistants.
Staffing	MartinCompany principals, staff data analysts
Duration	3 weeks- assessment, process design, implementation plan 6 weeks- process training and orientation for facilities team 8 weeks- (concurrent) facility and service contract data structures, RFP development, market assessment and contractor evaluations 6 weeks- proposal evaluation, finalist interviews (2 cycles) 5 weeks- negotiation, internal reviews, contract award
Background	Associated Banc Corp’s facilities team managed 380+ properties with a roster of 1100+ contractors, processing 80,000+ invoices annually. Beyond consolidating for administrative soft savings, the bank sought operating cost efficiencies and gains in reliability, quality and customer satisfaction. A new approach to service contracts serves as the backdrop for a management restructuring and new policies for accountability and communication.
Approach	Martin Company developed a baseline service profile and cost model, setting a target price for the service platform. Regional Facility Managers were trained to develop business cases and capture immediate savings from incumbent service contractors. Service contracts are not annuities, they are opportunities to excel. SCVM drives the philosophy of continuous improvement and ongoing cost reductions.

Case Study

Associated Banc Corp. – Internal Services Service Contractor Value Management



Approach (cont'd) Service contractors submitted technical proposals under an RFP that set a target price 10.3% below the current spend; therefore, the focus was on process, not price. Finalists presented their approaches twice, and the lessons derived from their input lead to the selection of a single SCVM program manager to perform all administrative, financial and reporting functions, coordinating process improvements across the Associated Bank portfolio.

Outcome Facilities team's orientation exercise to refine work scopes and business cases set a strict five week timetable to capture \$323,000 in current-year savings, adjusting incumbent's contracts. This sets the baseline for future savings that requires service contractors to document their scope and standards and drive continuous improvement. Communication, cooperation and collaboration characterize the process.

Outcome (cont'd) Under the SCVM program manager, the bulk of the portfolio is awarded to 5-7 lead contractors. Incumbent contractors who are also key bank customers are retained until their baseline performance data is documented in detail. Thereafter, their continued service is based on the value of their performance.

Beyond the savings captured in the orientation, an additional \$630,000 in savings is established in the target price, a total **savings of nearly \$1 million in the first eighteen months.**

Prior to contract award, the Regional Facility Managers were polled on their expectations of SCVM's impact on their jobs. Conventional wisdom abdicates services to contractors; SCVM focuses a process of mutual stewardship among contractors, stakeholders and customers, and the facilities team.

Service Contract Value Management Data Sources

