

Case Study: Pantellos Members Capitalize on Pantellos Collaborative Agreement Value

A buyer member used Software House International (SHI) PCA to fill a Microsoft upgrade need. The PCA and SHI's software licensing expertise netted the buyer a best-in-class diversity supplier and a new avenue for earning diversity spend credit — a high priority for the utility.



Opportunity

In March 2001, SHI, a diversity supplier member, jointly offered a PCA to Pantellos utility members. The PCA featured compelling pricing on a variety of software and hardware products. SHI was one of the first suppliers to join the Pantellos Marketplace and develop a PCA offering. Shortly after the PCA was in place, a founding buyer member came to Pantellos with a need for a significant Microsoft upgrade.

Solution

The buyer adopted the SHI PCA to capitalize on the competitive pricing and the opportunity to increase spending with a minority-owned business. SHI made considerable efforts support the buyer's needs, creating a customized catalog specific to buyer product standards. The buyer also consulted with SHI on a need to upgrade to Microsoft Office XP. SHI assisted in evaluating the recent restructuring of Microsoft volume license agreements and helped the utility choose the best option for its long-term needs. As a result, the buyer placed a \$1 million purchase order for the Microsoft upgrade through the SHI PCA instead of using the incumbent supplier of Microsoft license agreements.

Results

In this transaction, Pantellos facilitated a win-win scenario for everyone involved. The PCA and SHI's software licensing expertise enabled the buyer to find a best-in-class diversity supplier and a new avenue for earning diversity spend credit—a high priority for the utility. The sizable purchase order significantly increased the buyer's spend through the Pantellos Marketplace, increasing its contribution toward earning additional equity in Pantellos.

SHI has also benefited greatly from the relationship with Pantellos. The supplier capitalized on additional exposure provided by the PCA to win a new customer and build a long-term relationship. In addition, SHI has strengthened relationships with several existing customers, also founding members in the Pantellos Marketplace. Through Pantellos, SHI has enhanced its ability to compete on a national and international basis.

This relationship is just the beginning. Moving forward, Pantellos, SHI and the buyer member expect to continue working to develop solutions that reduce total cost of ownership in the IT hardware and software supply chain. The buyer continues to order software and hardware through the SHI PCA.

Solution Overview

Pantellos Collaborative Agreements (PCAs) are negotiated agreements between buyers and suppliers, facilitated by Pantellos through the Marketplace.

For More Information:

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