

A UNIQUE CONSULTANCY WITH A SINGLE FOCUS:

Risk-free engagements that drive hard dollar savings to the bottom line

Third Law Sourcing identifies and implements pricing reductions on your existing products and services, without requiring changes to your existing vendor relationships.

Our clients save \$10 to \$50 million and begin realizing savings within 90 days of engagement - savings that are fully incremental to your current initiatives.

Success-based and net cash flow positive, we share only in hard dollar savings you validate are implemented and realized.

Sir Isaac Newton defined the inertia of objects at rest and established that for every action there is an equal and balancing reaction. Successful companies recognize the challenge of balancing strong supplier relationships with best-in-class pricing. Third Law Sourcing leverages Newton's three laws to describe the opportunity.

1 The First Law **INERTIA**

Vendor pricing will not significantly improve without focused application of resources and expertise.

2 The Second Law **ACTION**

Transparency into vendor pricing practices guides optimal vendor negotiations.

3 The Third Law **BALANCE**

Principled negotiations enable the balancing of vendor relationships and the bottom line.

Third Law Sourcing's team of former corporate executives focuses on common expenses, applying uncommon expertise. Our understanding of the pricing practices of your vendors goes beyond benchmarking, allowing us to align deals to your usage and the underlying costs of your suppliers. Examples of savings areas include:



Third Law Sourcing is proud to be recognized by Inc. Magazine as one of America's fastest-growing private companies



Our Solution

Many companies offer cost reduction services. Third Law Sourcing was founded by former corporate executives with years of experience on the client side of the table. Our risk-free approach eliminates the challenges that plague most savings engagements:

- ▶ Knowing that the value is truly incremental to what your own team is doing
- ▶ Minimizing your resource investment, while maintaining visibility and control over the outcome
- ▶ Confirming that the savings are implemented, and paying only for savings that are realized
- ▶ Ensuring that projects are not disruptive to your current supplier relationships

The Third Law Approach

Engagement Model	Third Law Sourcing	Procurement Consultants	Big Consulting Firms
Sourcing Approach	Incumbent Vendor Focused	Sourcing Purists (RFPs)	Playbook and Templates
Key Delivery Resources	Former C-level Executives	Procurement Specialists	Career Consultants
Negotiation Model	Principled Negotiations	Bid/Award Based	Positional Bargaining
Overlap with Existing Efforts	Savings are Fully Incremental	Overlapping Efforts	Overlapping Recommendations
Client Resource Requirement	Limited; Non-disruptive Projects	Significant; Staff Augmentation Role	Heavy; Enterprise Change Management

Fee Model	Third Law Sourcing	Procurement Consultants	Big Consulting Firms
Fees for Recommendations	No Fees Without Implementation	Includes T&M or Fixed Fee	Includes T&M or Fixed Fee
Fees for Savings	Implemented, Verified Savings	Based on Estimated Benefit	Supplemental Engagement
Timing of Fee Payment	After Savings are Realized	Due Upon Implementation	Due Upon Recommendation

Our Results

Most consulting firms measure success in billable hours; we gauge success by the savings we deliver to our clients. With Third Law Sourcing, the definition of success isn't our definition. It is yours.

"The professionalism and expertise of Third Law Sourcing made the process transparent and successful. Immediate results were achieved in several areas with \$5,000,000 savings in the first year and annualized future saving being higher. The projects were well defined and managed and savings well documented; our pricing improved and our contracts were strengthened. When we chose not to support a suggested project due to internal issues, we incurred no fees - Third Law Sourcing did not pursue it, did not bill us anything and simply reported the opportunity as a future potential savings."

- SVP Operations,
Global Equipment Manufacturing and
Services Company

"We engaged Third Law Sourcing as part of our effort to optimize go-forward operations. Due to our focus on cost reductions, we believed we already had aggressive pricing in many of the areas TLS focuses on. Despite this, we gave them the opportunity to review our current pricing and they responded by identifying and implementing over \$50,000,000 in real cost reductions on the products and services we buy."

- President,
Telecommunications Services Provider

"We engaged Third Law Sourcing to renegotiate our outsourced services, a major effort that required significant technical expertise and a deep understanding of the vendor pricing environment. The results exceeded our expectations - they negotiated millions of dollars in recurring annual savings, in excess of 40 percent of our original spend."

- President and CEO,
Technology Services Company

