Contracting Professional Services

October 2026



Presentation by:
Graham Crawshaw **(FCIPS Chartered)**
Procurement Content Director

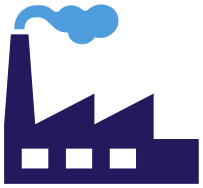


DEDICATED TO INSPIRING PROCUREMENT EXCELLENCE



200+

Client Organisations



15

Industry sectors covered



100

Countries with active contacts



16,000+

Participants

THE CASME COMMUNITY ADDING VALUE TO PROCUREMENT



ROBUST PEER-TO-PEER NETWORK

Global intelligence

No suppliers, consultants or sponsors

An unbiased platform to share ideas and best practice procurement



OUTSOURCING CONSIDERATIONS

The factors that influence the decision to outsource include the:

- Company culture and commitment to outsourcing
- Amount of in-house expertise
- Level of engagement with outsourcing partners
- Available support for the people, processes and technology
- Implementation of innovative solutions



OUTSOURCING CONSIDERATIONS

Additional factors that may influence the decision to outsource include the:

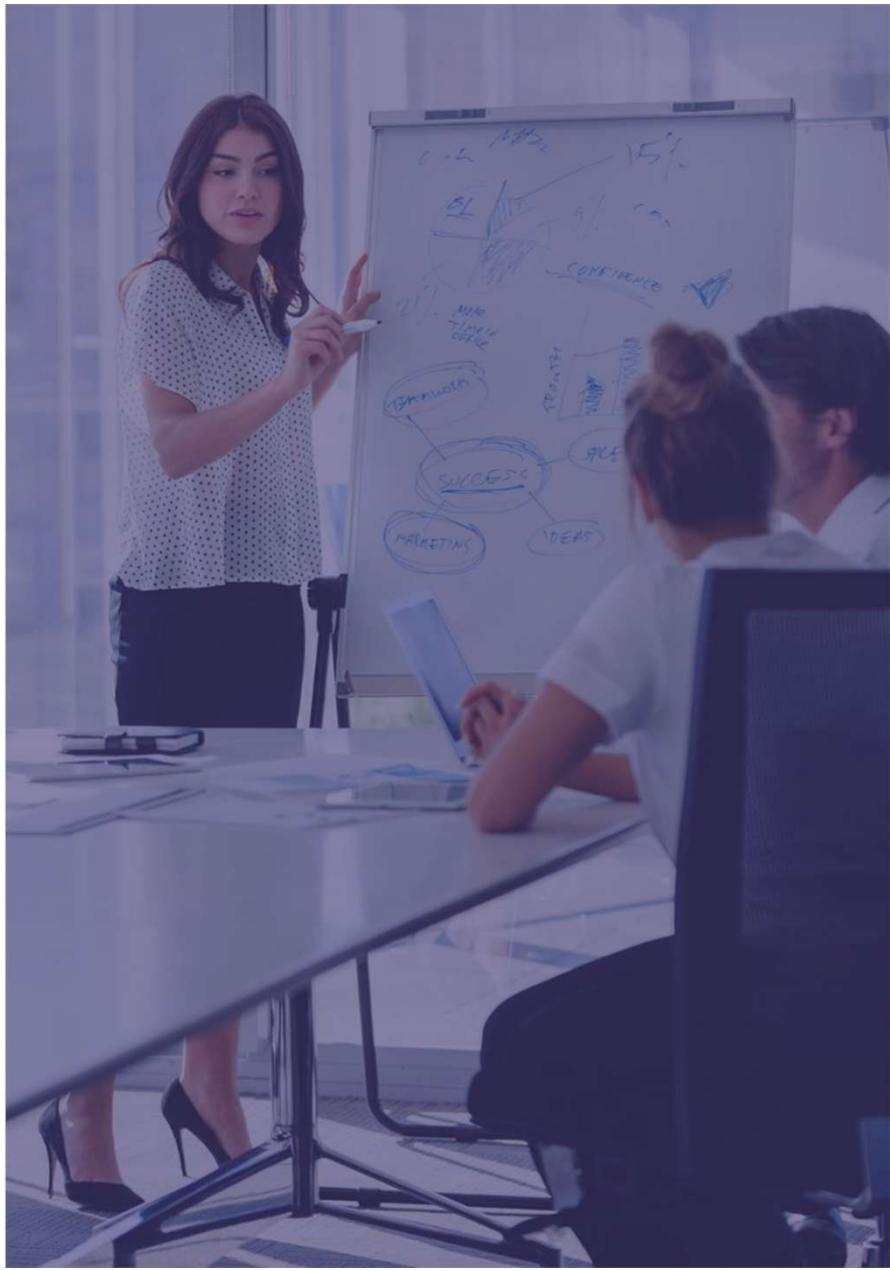
- Inclusion of additional services in the agreement
- Providers' leverage in negotiating with the suppliers
- Exchange of mutually beneficial investment opportunities
- Stakeholders' understanding of the benefits of outsourcing
- Limitations of internal expertise



STRATEGY CONSIDERATIONS

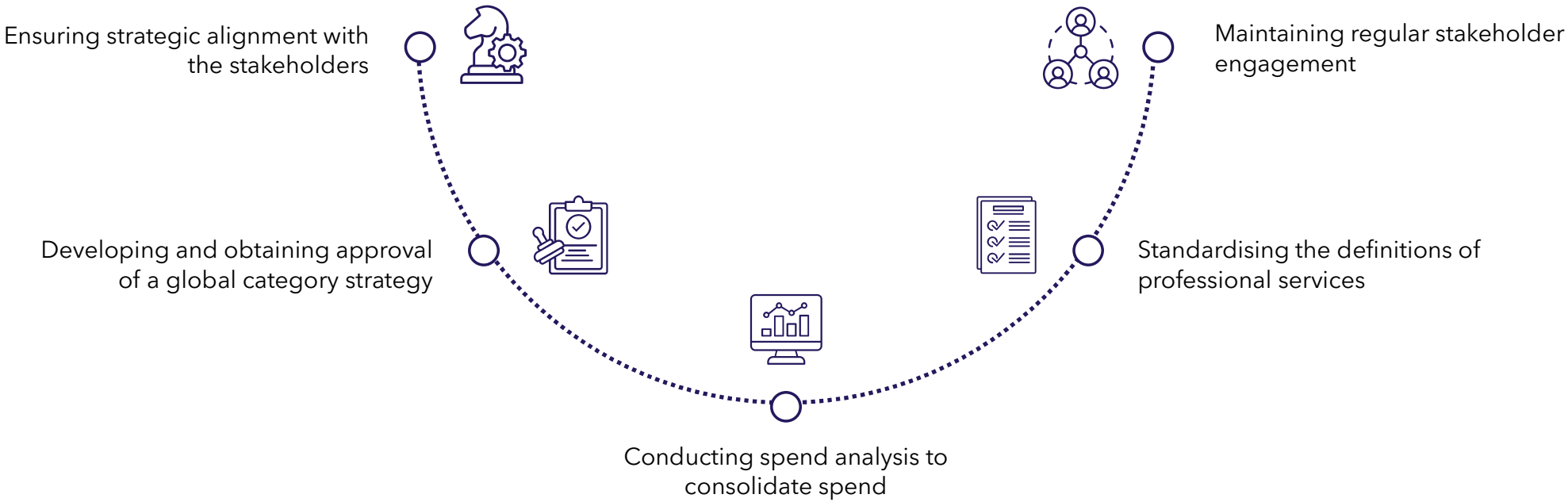
The business requirements for which professional services providers are being engaged include:

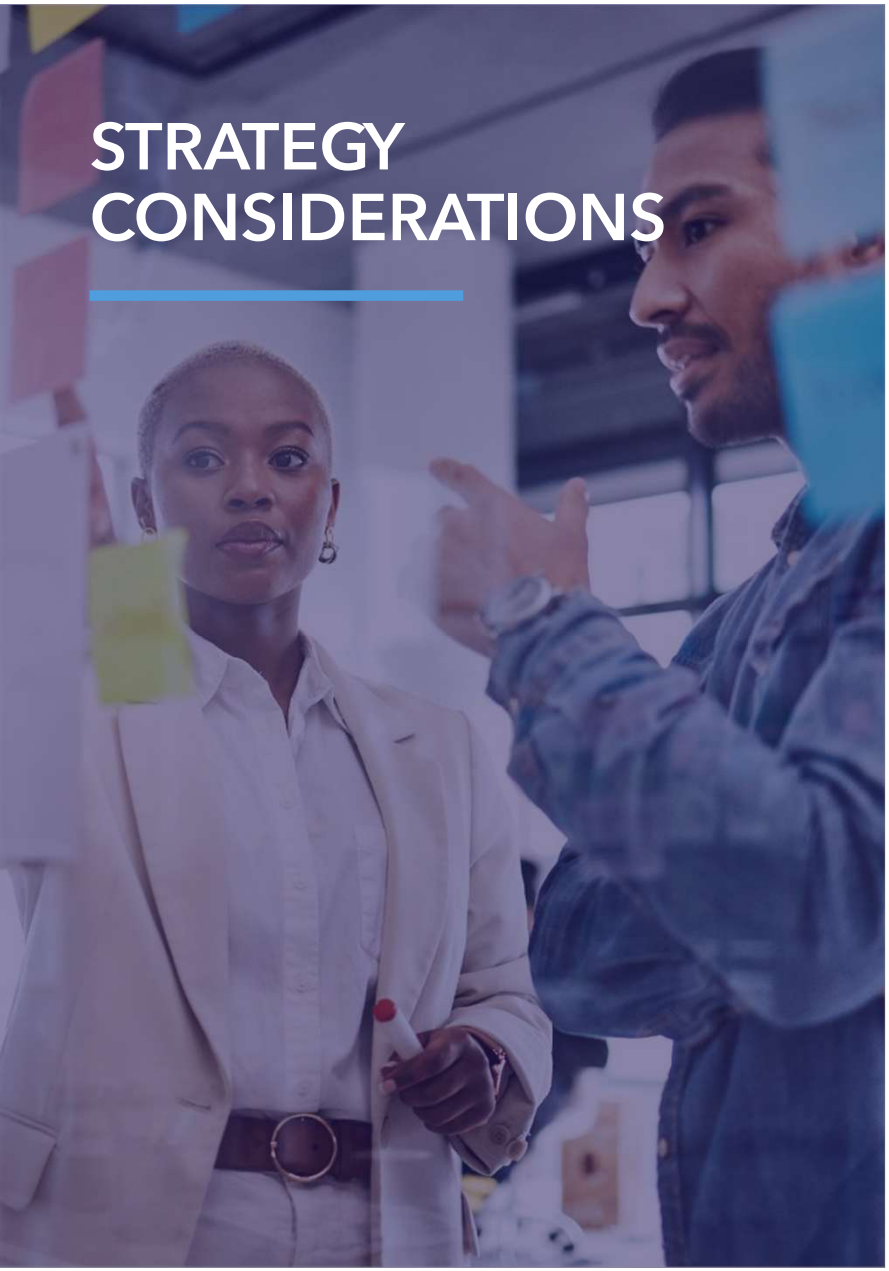
- The development and implementation of business strategies
- Taxation, process auditing and financial consultancy
- Digital transformation and specific category activities
- Environmental, social and governance (ESG), and sustainability requirements
- Business transformation projects
- Temporary labour and staff augmentation requirements



STRATEGY CONSIDERATIONS

The strategies Procurement is applying to manage professional services include:





STRATEGY CONSIDERATIONS

- Addressing geographic coverage, continuity of service, cultural compatibility, mutual codes of conduct and knowledge transfer practices
- Implementing automated self-service buying channels
- Establishing preferred supplier lists (PSLs)
- Conducting requests for proposals (RFPs) between PSLs
- Mandating Procurement's involvement in projects

STRATEGY CONSIDERATIONS



- Providing the stakeholders with a capability matrix and a list of additional requirements
- Providing guidance on the expected costs of services and opportunities to optimise budgets
- Establishing master service agreements (MSAs)
- Providing a statement of work (SOW) template
- Segmenting the contracted service providers

STRATEGY
DEMAND

Demand for professional services is changing, influenced by:

- Digital/operations transformation and optimisation
- Artificial intelligence adoption
- Internal capability
- Applicable environmental and employment requirements, alongside agreed sustainability and supplier diversity commitments
- Data privacy and security





STRATEGY
ROLES AND RESPONSIBILITIES

Procurement's role and responsibilities in developing and managing the category include:

- Developing the overall category strategy
- Preparing the contract content and clauses
- Developing and implementing RFxs
- Ensuring consistency across the business units
- Promoting collaboration between the stakeholders, service providers and Procurement
- Initiating robust relationships with the providers

STAKEHOLDER ENGAGEMENT

Procurement can increase its credibility with the stakeholders by:



Developing robust stakeholder engagement, supplier collaboration and SRM programmes



Using success stories to demonstrate the benefits Procurement provides



Proactively offering services, support, assistance and advice regarding the purchasing process



Providing criteria for the provider evaluation, qualification and selection process



Clearly defining the procurement taxonomy and category hierarchy to improve data quality

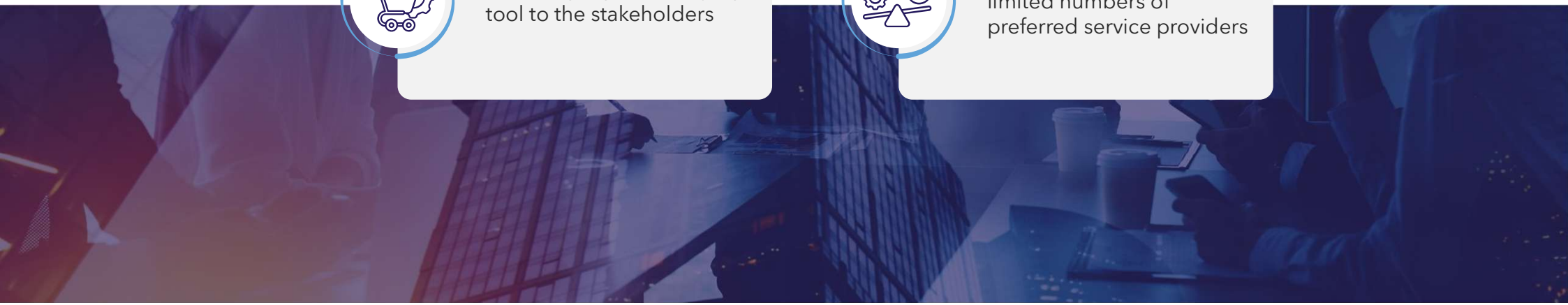
STAKEHOLDER ENGAGEMENT

- Conducting spend analytics
- Segmenting consultancy services into sub-categories
- Identifying the stakeholders with whom to present the spend data
- Recruiting experienced procurement professionals with the relevant expertise
- Highlighting fragmented spend



STAKEHOLDER ENGAGEMENT

- Collaborating on the service provider selection process
- Providing expertise and advice regarding the supply market and the results of spend analysis
- Providing detailed opportunities for consolidation
- Providing a guided buying tool to the stakeholders
- Leveraging spend with limited numbers of preferred service providers



STAKEHOLDER ENGAGEMENT
STAKEHOLDER MAPPING

The factors that are being considered when conducting stakeholder mapping include:

The stakeholder's role in managing or being involved in corporate strategic projects

The role, level of seniority and influence of the stakeholders within the organisation

The level of decision-making authority the stakeholders have

Their category specific spend levels

Their understanding and perception of Procurement as a strategic partner

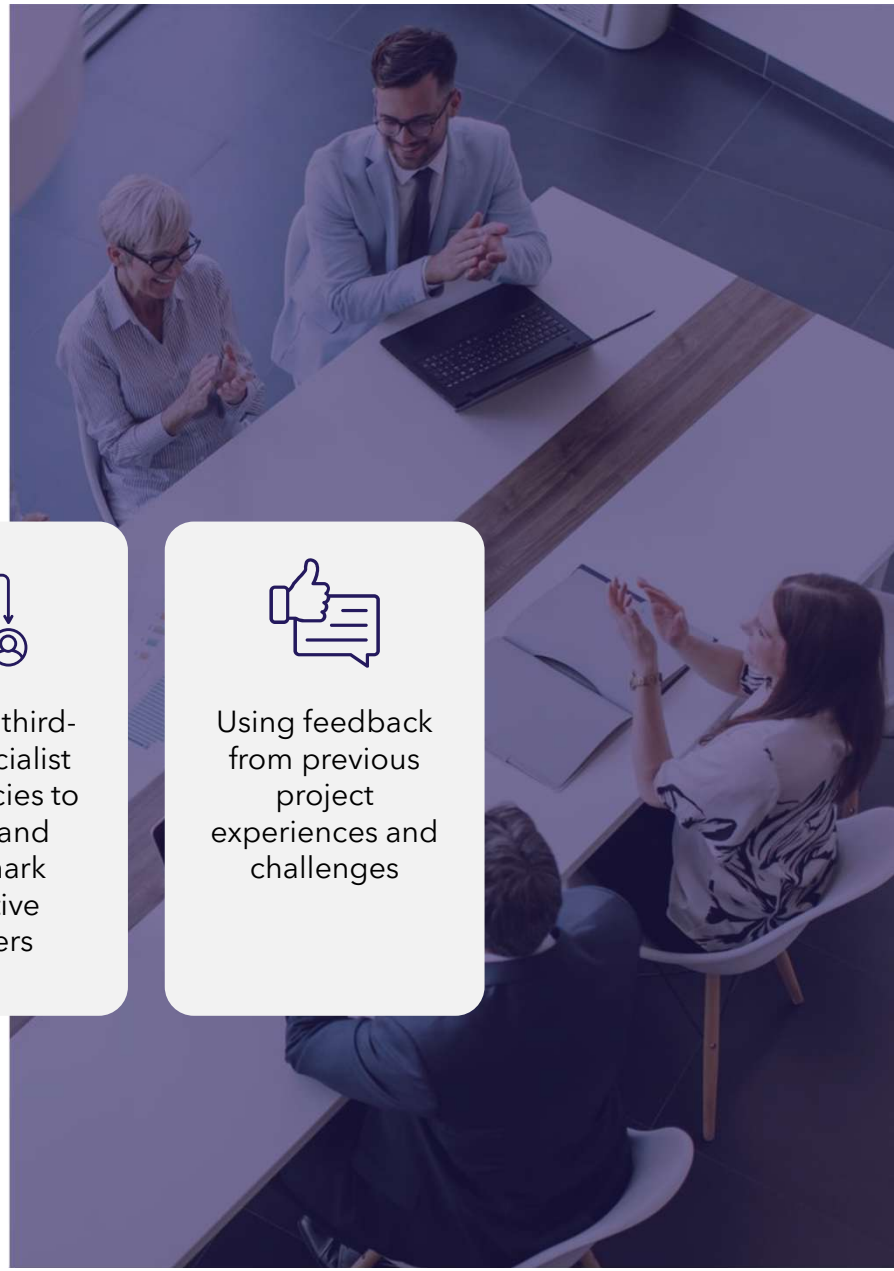
Their contribution to the company's core business



STAKEHOLDER ENGAGEMENT
INFLUENCING THESTAKEHOLDERS

Procurement influences the stakeholders to consider alternative options by:

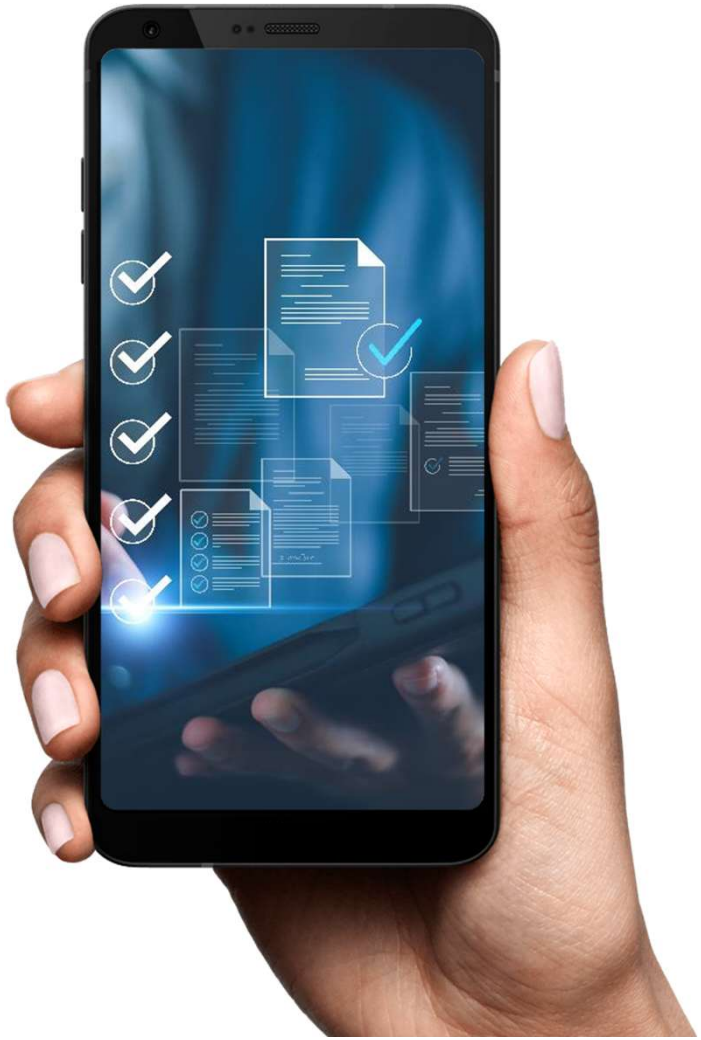
- Presenting the benefits of using alternative service providers
- Encouraging the use of new providers for a limited scope of services or specific duration
- Conducting requests for information (RFIs) to determine differences in pricing and service quality
- Engaging third-party specialist consultancies to analyse and benchmark alternative providers
- Using feedback from previous project experiences and challenges



POLL #1

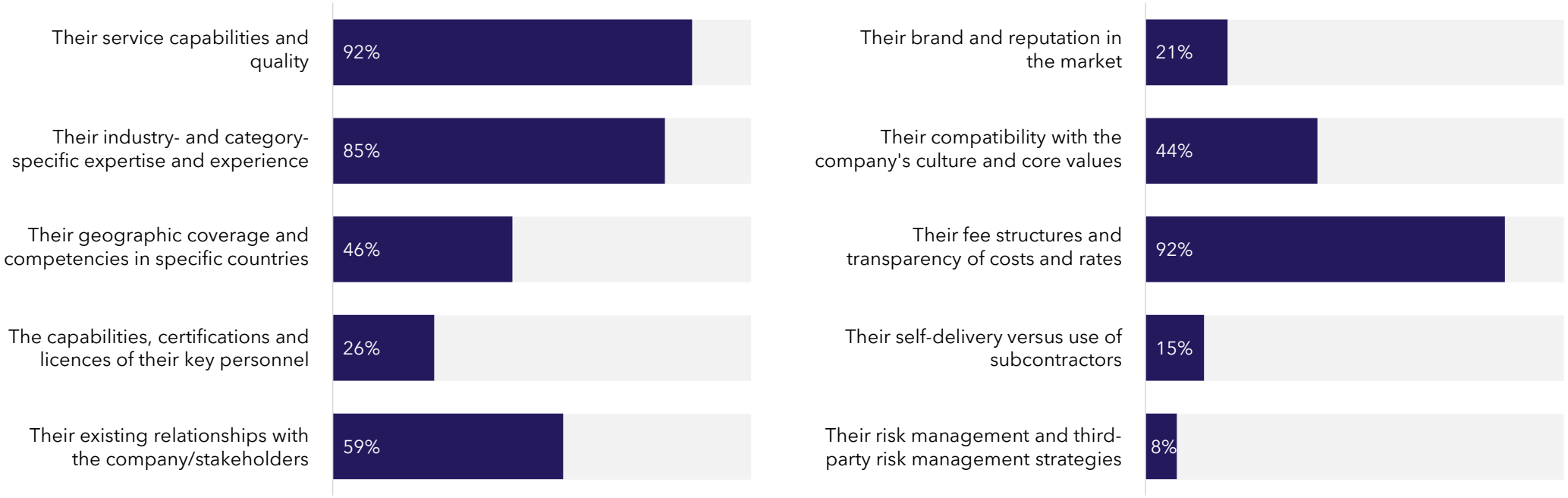
What are the top five criteria for evaluating and selecting professional services providers?

- [ ] Their service capabilities and quality
- [ ] Their industry and category specific expertise and experience
- [ ] Their geographic coverage and competencies in other countries
- [ ] Their capabilities, certifications and licences of key personnel
- [ ] Their existing relationship with the company/stakeholders
- [ ] Their brand and reputation in the market
- [ ] Their compatibility with the company's culture and core values
- [ ] Their fee structure and transparency of costs and rates
- [ ] Their self-delivery versus use of sub-contractors
- [ ] Their risk management and third-party risk management (TPRM) strategy



RESULTS FROM A PREVIOUS CASME POLL

What are the top five criteria for evaluating and selecting professional services providers?



TCO ANALYSIS

The TCO of professional services includes factors such as:



Fees and rates



Volume-based discounts



The use of onshore and offshore resources



Transition costs



On-time delivery and potential delays

TCO ANALYSIS



Risk mitigation

Internal administration costs

Contract management and amendment costs

Hidden costs, such as training and logistics

The turnover/ replacement of key talent by providers

COST MODELS



The remuneration models typically being used for contracting professional services include:

- Application of rate cards
- Fixed fee
- Time and materials (T&M)
- Project-based
- Discounts based on spend volume

COST MODELS

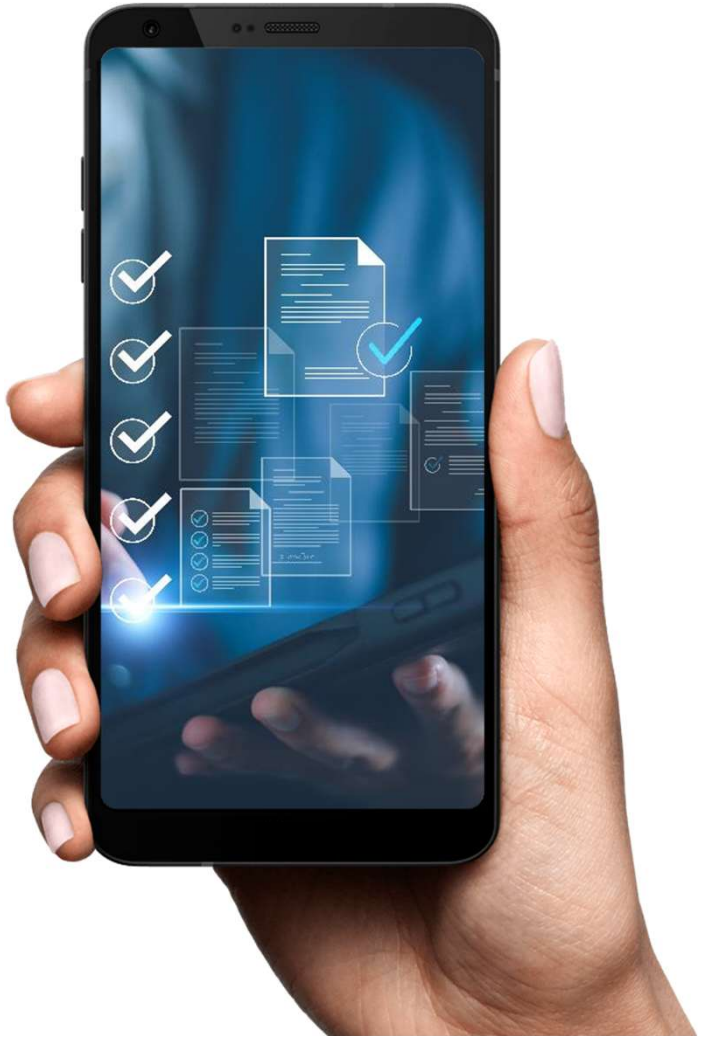


- Retainer-based pricing
- Guaranteed maximum price (GMP)
- Value- and performance based
- Bonus structure based on performance
- Gain-share

POLL #2

What are the top three opportunities for Procurement to provide added value beyond cost savings to professional services stakeholders?

- [ ] Simplifying and standardising procurement processes
- [ ] Educating the stakeholders regarding risk management requirements
- [ ] Ensuring knowledge transfer during projects
- [ ] Establishing a centralised knowledge repository
- [ ] Providing PSLs to encourage the selection of approved providers
- [ ] Monitoring and updating supplier evaluation and selection criteria
- [ ] Developing consistency in managing the professional services category across the business
- [ ] Conducting market research and identifying alternative service providers
- [ ] Collaborating with the stakeholders to develop statements of work (SOWs)
- [ ] Providing spend data and analytics to the stakeholders



CONTRACT CLAUSES: DELIVERY AND FEES

- Scope, deliverables, milestones and acceptance
- Fees, payment terms and agreed expenses
- Service levels and performance measures
- Written approval of scope and fee changes
- Key personnel and subcontractor approval
- Rate reviews, incentives and remedies



CONTRACT CLAUSES: RISK AND OWNERSHIP



- Confidentiality, cyber security and applicable privacy laws
- Ownership and licensing of deliverables and tools
- Approved AI use, data controls and human review
- Liability, indemnities and insurance
- Termination, continuity, knowledge transfer and exit
- Audit rights, applicable laws and agreed sustainability commitments

RISK MANAGEMENT



The key risks and factors that need to be assessed for professional services engagements include:

- Cyber security and applicable privacy laws, including US State requirements and GDPR where relevant
- Operational risk, business disruption and reputational risk
- The protection of confidential information and intellectual property (IP)
- Applicable environmental and employment requirements, alongside agreed sustainability and supplier diversity commitments
- Service providers' access to the company's premises and IT systems, and the necessary controls
- The use of TPRM companies

RISK MANAGEMENT



The service providers' financial and personnel stability

Fraud, bribery and corruption awareness and protection

Compliance with employment laws and the payment of taxes in the countries in which services are delivered

The extension of due diligence to the service providers' subcontractors

Over-reliance on a single large service provider

KPIs

The KPIs that are most effective for evaluating the performance of professional services providers address requirements that include:

- Project management, including compliance with the scope of work/milestones
- Service quality, including fulfilment of the acceptance criteria for the deliverables
- Proactive identification and resolution of issues, and stakeholder satisfaction levels
- Cost and efficiency, including invoice accuracy and processing times
- The use of technology/digital applications to enhance productivity



KPIs



- Proactive communication, collaboration and integration with the stakeholders' teams
- Innovation, identifying and recommending new ideas or solutions
- Providing added value, such as free-of-charge services, industry insights and best practices
- Knowledge transfer to the company and contributing to achieving its strategic objectives
- The achievement of agreed cost savings or cost avoidance targets, and continuous improvement and/or cost reductions during the contract term

PERFORMANCE MANAGEMENT



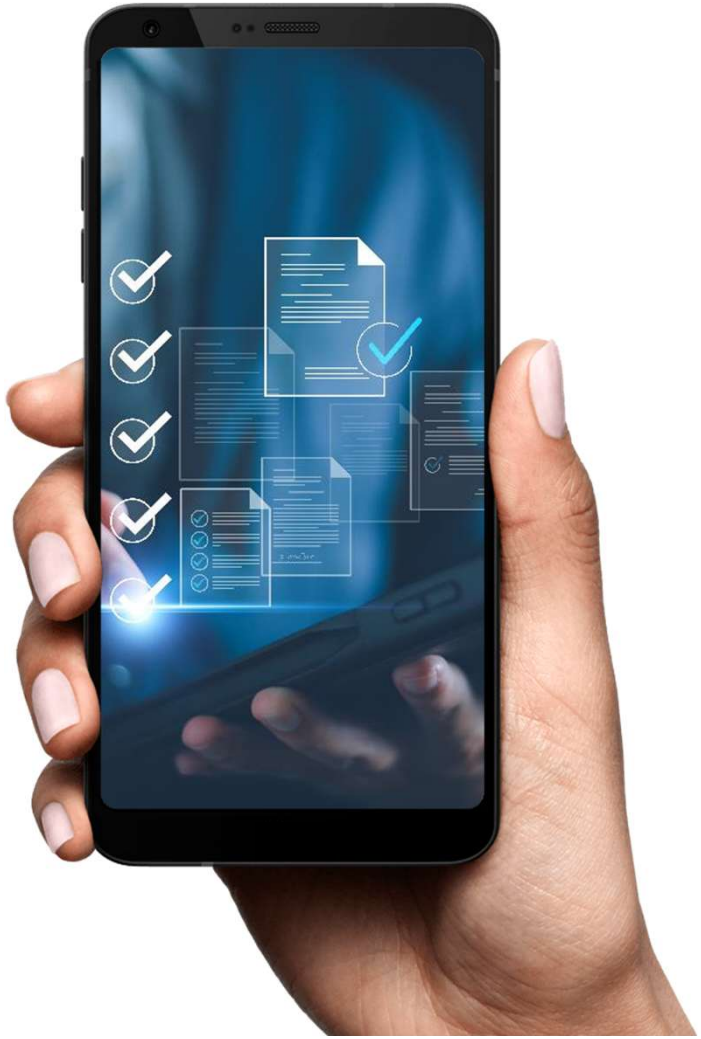
Procurement's role in monitoring and measuring service providers' performance includes:

- Applying KPIs that are focused on service delivery and account management
- Providing performance evaluation scorecards to the stakeholders for completion
- Conducting post-project stakeholder satisfaction and 360° review surveys
- Requesting evaluations from the project managers that include quantitative scores and qualitative comments
- Recording the results of performance evaluations and review meetings in a centralised contract management system

POLL #3

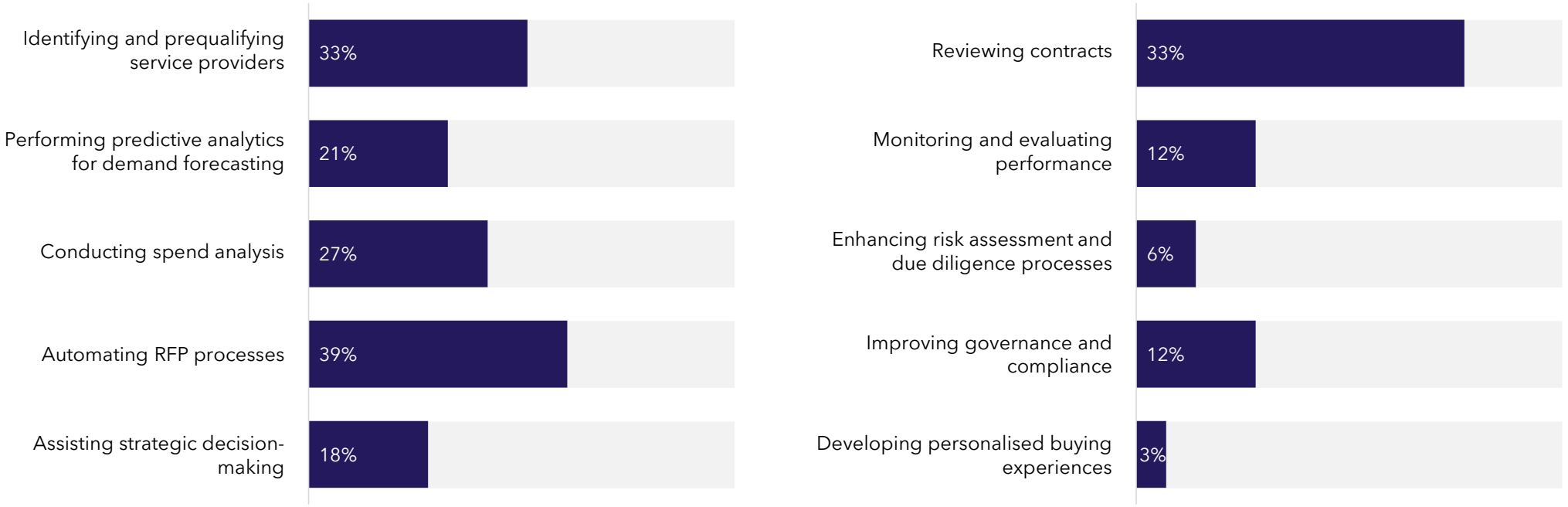
The purposes and processes for which Procurement is using digital/AI applications in the professional services category include: (Please select all that apply)

- [ ] Identifying and prequalifying service providers
- [ ] Performing predictive analytics for demand forecasting
- [ ] Conducting spend analysis
- [ ] Automating RFP processes
- [ ] Assisting strategic decision-making
- [ ] Reviewing contracts
- [ ] Monitoring and evaluating performance
- [ ] Enhancing risk assessment and due diligence processes
- [ ] Improving governance and compliance
- [ ] Developing personal buying experiences



RESULTS FROM A PREVIOUS CASME POLL

The purposes and processes for which Procurement is using digital/AI applications in the professional services category include:



AI IN PROFESSIONAL SERVICES



Agreed AI use and human review



Fees that reflect AI productivity gains



Client data controls and approved tools



Provider accountability for quality and accuracy

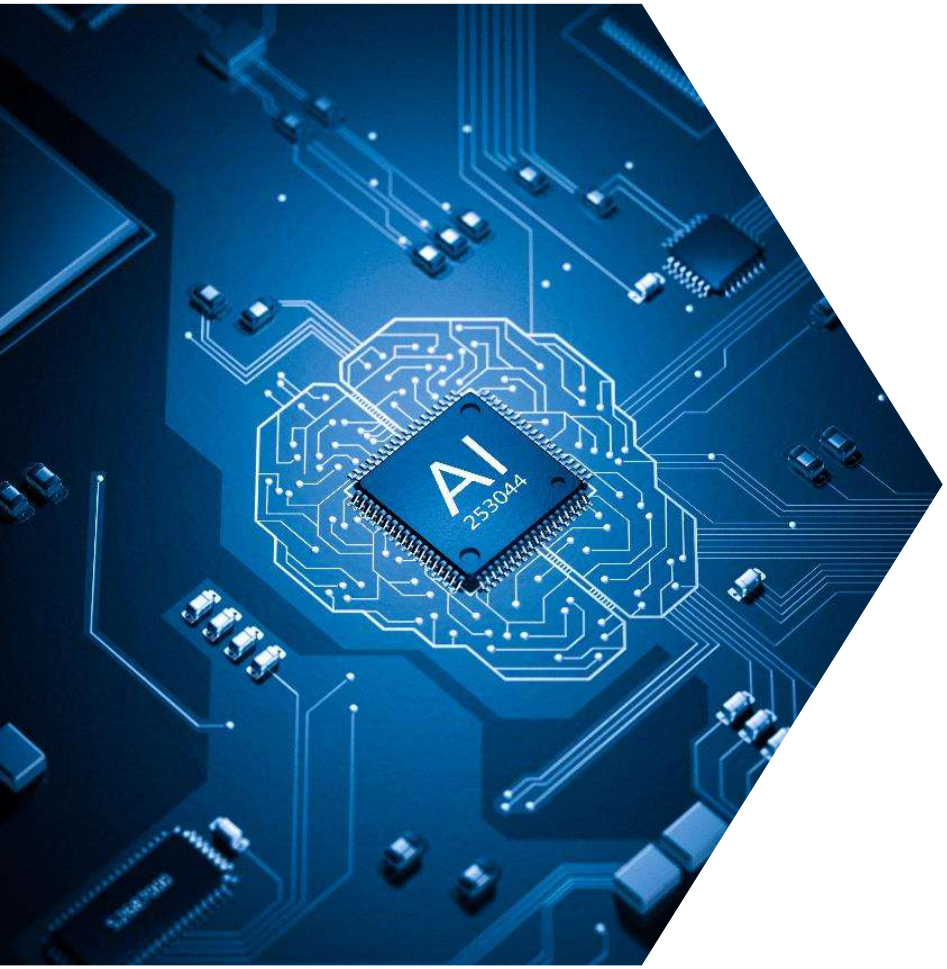


Ownership and permitted use of AI outputs



Measured improvements in cost, speed and quality

TRENDS AND TECHNOLOGY



Increased use of customised digital solutions to enhance business opportunities

Emphasis on customised transformation projects, systems and processes

The expansion of AI, predictive analytics and the availability of real-time data

Improved TPRM visibility and capability

Emphasis on compliance with ESG, DEI, sustainability and scope 3 emissions requirements

TRENDS AND TECHNOLOGY



Continued updates of key emerging technology and digital solutions

Large consultancies using subcontractors to deliver services expertise

Small specialist technology/digital/ DEI companies being acquired by large consultancies

Investment in, and development of, in-house consultancies

The shortage of qualified talent impacting recruitment, retention and management

Increased use of freelancers/ independent talent

TRENDS AND TECHNOLOGY



Efficiency and cost savings being increased through global delivery models

Globalisation of professional services resulting from the adoption of digital and virtual solutions

Increased focus on protecting IP and data privacy and security when AI and/or cloud-based technology are being used

Pricing models changing to outcome- and performance-based models

Providers' technological capabilities becoming a significant factor in the selection process


CASME
casme.com
CASME_Network