CASE STUDY CS-01

The £250 Million Retention

How a deteriorating relationship with one of the UK's most valuable outsourcing clients was rebuilt, and a five-year, £250 million contract renewal secured

Barclays Bank · Communisis Group Strategic Partnerships · 2004–2007

£250M	5 Years	FTSE 100	Financial Services
CONTRACT VALUE	CONTRACT TERM	CLIENT PROFILE	SECTOR

CASE SUMMARY

Client	Barclays Bank
Context	Communisis Group Strategic Partnerships (GSP)
Period	2004 – 2007
Sector	Financial Services / Strategic Account Management / Outsourcing
Contract at Risk	£50 million per year print and document services contract
Challenge	Relationship deterioration, operational leakage, executive trust erosion
NHA Approach	Systematic relationship repair; single point of accountability for all complaints and escalations
Outcome	Five-year, £250 million contract renewal secured without competitive tender

THE SITUATION

A contract that defined a company's market position, and was beginning to fracture

Communisis Group Strategic Partnerships held the print services contract for Barclays Bank. Running at approximately £50 million per year, it was one of the most significant outsourcing engagements in the UK financial services sector. At the scale and profile of Barclays, it was the kind of contract that defined a supplier's standing in the market. Winning it had been a major commercial achievement. Losing it would not simply have been a revenue loss; it would have been a statement about Communisis's ability to sustain a client relationship at the highest level.

By the time Paul Foster joined Communisis GSP in 2004, the relationship was exhibiting the pressure that large, long-running outsourcing contracts tend to accumulate when they are not actively managed at the right level. The symptoms were not dramatic in isolation — they rarely are. There was operational leakage: service failures that were individually containable but collectively corrosive. There were complaints from Barclays staff that were not being resolved quickly enough, or at the level of seniority those complaints warranted. And there was a subtler and more serious problem.

The senior Barclays executives who had originally championed the Communisis appointment — the individuals whose professional judgement had been staked on the success of that decision — were becoming uncomfortable. Not publicly. Not yet in the language of procurement review or competitive re-tender. But visibly, to someone paying close attention to the dynamics of the relationship.

A contract of this size, at a client of this profile, showing signs of relationship stress is not something that goes unnoticed by the market. Competitors were undoubtedly aware.

There is no evidence that Barclays had initiated a formal competitive review. But the conditions in which such a review becomes likely were present. A competitor with sufficient market intelligence and the right relationships within Barclays did not need to win a pitch. They needed only to wait.

THE DIAGNOSIS

Where the real commercial risk actually lived

The conventional response to a contract under competitive threat is to focus on the commercial defence — the pricing, the specification, the terms, the relationship at executive level. Paul's assessment of the Barclays situation was that this response, while not wrong, missed the most important dimension of the problem.

The contract was not at risk because a competitor had a superior proposition. Print services at this scale and complexity are not won or lost primarily on specification or price in a renewal context. The switching costs are significant, the institutional knowledge held by the incumbent is valuable, and the disruption of a change at this scale is something sophisticated procurement organisations seek to avoid if they can justify continuity.

The contract was at risk for a different reason: the internal political conditions that sustained it were deteriorating. The executives who had backed Communisis needed that decision to continue looking like the right one. Every unresolved complaint, every piece of operational leakage, every escalation that circled without resolution made their position fractionally more difficult to defend. A competitor did not need to build a better mousetrap. They needed the internal advocates for Communisis to run out of reasons to keep advocating.

The contract was not being lost on price or specification. It was being lost on trust — and specifically on the internal political credibility of the people who had put their professional reputation behind the Communisis appointment.

THE APPROACH

Becoming the most reliable person in the room

Paul was the sole sales and business development resource within Communisis GSP's Barclays account team, a team of approximately 40 people, the balance of whom were operational delivery staff. The team's primary function was the execution of the contract: the production, management, and distribution of print and document services for the bank. Paul's function was the management and development of the commercial relationship.

His approach was systematic and direct. He attended every operational meeting with Barclays — not as an observer, but as the person who took personal ownership of every complaint, every unresolved issue, and every escalation that was raised. When a problem was identified in a meeting, Paul did not route it back through the Communisis account structure. He took it, pursued it, and returned with a resolution.

The effect was cumulative. Word spread through the Barclays organisation — at operational level first, and then at the senior levels that mattered commercially — that Paul Foster was the person who got things resolved. The informal network of trust that formed around that reputation began to change the character of the relationship.

In a relationship of this size and sensitivity, the ability to resolve problems faster and more reliably than anyone else is the most valuable commercial asset available. It creates the kind of institutional trust that a competitor cannot replicate with a pitch document.

THE OUTCOME

A five-year, £250 million renewal, without a competitive tender

Barclays Bank signed a new five-year contract with Communisis GSP. At £50 million per year, the total contract value was £250 million, placing it among the most significant outsourcing renewals in UK financial services at that time. The renewal was secured without a competitive pitch. Barclays had no motivation to go to market: the operational relationship had been stabilised and improved, the internal advocates had been given the evidence they needed, and the commercial case for continuity had been reinforced by a demonstrably improved client experience.

Paul Foster was a key contributor to that outcome. As the sole business development resource within an otherwise operational account team, it was Paul who had translated an accurate commercial diagnosis into a sustained, practical intervention at the level where the relationship lived.

WHAT COLLEAGUES AND CLIENTS SAID

“Paul has a good knowledge of the print environment and how to apply this to the bigger picture requirements of a group such as Barclays. He applies good lateral thinking, shows a very high level of commitment to delivery and always delivers and responds on time and to brief.”

Howard Biggs, Commitment Manager, Barclays plc

“Shows great empathy with the customer, has the ability to quickly understand the issues and propose actions to mitigate. Paul has greatly improved the perception of Communisis amongst Barclays personnel and can take a great deal of credit for the way he has succeeded in encouraging the various areas of Communisis to work together and deliver better results.”

Alan Copping, Contract Management, Barclays plc

“His professionalism is second to none. Excellent with customers, he has a natural ability to reach people and assure them that he will deliver on any commitments. His enthusiasm is infectious and motivates others to strive towards the best possible solution for all.”

Karina Dixon, Head of Production, Barclays Account, Communisis plc

“Paul is a self-motivated, client-focused team player, with good commercial sense and excellent product and market knowledge.”

Denise Moran, Managing Director, Communisis Group Strategic Partnerships (GSP)

WHAT THIS DEMONSTRATES

Reading where the real commercial risk sits

The Barclays engagement illustrates a principle that recurs across major account relationships of every kind: the most significant commercial risks in a long-running client relationship are rarely the ones that appear most prominently in account reviews.

NHA brings this diagnostic capability to every engagement — the ability to read where commercial risk actually lives, to distinguish the visible symptom from the underlying cause, and to identify the intervention that addresses the cause rather than the symptom. In a major account context, that diagnosis is frequently the difference between a contract retained and a contract lost.

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