

Clearview Engagement Abstract



Client Name: La Quinta

Industry: Hospitality

Client Description

La Quinta is one of the largest owner/operators of select service hotels in the United States. La Quinta has committed to an aggressive strategic growth plan, increasing the number of hotels it owns, as well as expanding geographic distribution of the La Quinta brand.

Situation Assessment

La Quinta asked that Clearview to perform an independent scorecard assessment of their current outsourcing relationship. Clearview's sourcing advisory practice conducted the engagement.

How Clearview Helped

Utilizing a database of industry observations of outsourcing relationships as points of reference, Clearview compared the La Quinta contract, charges and service levels to industry observations. The Clearview database of observations contains information about contracts, charges and service levels that have been negotiated in competitive procurement processes. In addition, Clearview maintains deal profiles and information concerning current staffing levels and salaries. The findings of the report were summarized in a graphical scorecard format similar to the design of the Clearview Service Level dashboard product named MySLA. The following areas of the La Quinta outsourcing relationship were analyzed and contrasted against the industry observations:

- Contract provisions (master services agreement and service agreements) including: term of the agreement, termination for convenience provisions, Performance standards, service level credit processing, invoicing and charges approach, and La Quinta responsibilities.
- Financial comparison including: per server per month charges, supplemental personnel charges, termination for convenience charges, and additional services charges;
- Service Level Comparison including: those service levels in place and currently reported at La Quinta, plus those service levels available in the La Quinta contract but not reported contrasted against those service levels we typically find in similar contracts. Our analysis of service levels also addressed a comparison of the actual service level metrics or thresholds, the period of measurement, and the format of the associated service level attainment reports.