

# Insurance company identifies over \$330,000 in incremental savings, increases market coverage by 12%

**CWT AIR SOLUTIONS**  
UNITED STATES

## THE CHALLENGE

A major insurance company with an annual spend of \$22.5 million wanted to add a specific carrier as a preferred supplier but needed to more fully understand the impact of this choice on its overall program. *CWT Solutions Group*® was engaged to validate financial savings and identify other opportunities to optimize the program.

## THE SOLUTION

*CWT Air solutions Group*SM conducted a detailed assessment of the existing program, including: an opportunity analysis to identify current strategy coverage and overlap ratios; benchmarking against like clients; and net effective savings rate (NESR) analysis—a weighted average percentage of all preferred supplier discounts.

The evaluation discovered unmanageable overlap and less-than-optimal savings with the airline the client had planned to add. Having compared savings and overlap for eight different strategies, Carlson Wagonlit Travel recommended adding a low cost carrier and shifting non-preferred volume to preferred carriers, thereby increasing leverage in future negotiations.

## CONTACT

*CWT Air Solutions Group*SM  
Dale Eastlund, Director  
Phone: 763-212-4869  
Email: deastlund@carlsonwagonlit.com  
Web: www.carlsonwagonlit.com/us



## THE RESULT

The best CWT-recommended strategy offered an incremental savings of \$300,000, increasing the NESR an incremental 1.5 percent, and increasing market coverage 11 percent.

While the client has not yet selected its strategy, it has re-engaged *CWT Air Solutions Group* to provide additional sourcing and negotiation assistance.

## FAST FACTS

**Industry:** Insurance

**Scope:** 95% domestic spend; nearly 21,000 annual segments

**Volume:** \$22.5 million

**Results at a glance:**

- Identified incremental savings opportunity over \$330,000
- Increased net effective savings 1.5%
- Increased market coverage 12%