



Vendor Contract Management Case Study

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Overview

Major North American Telecommunication company was looking to implement a Vendor Contract Management system to manage their sizeable spend in interconnection.

Note: Please contact us to receive complete case study.



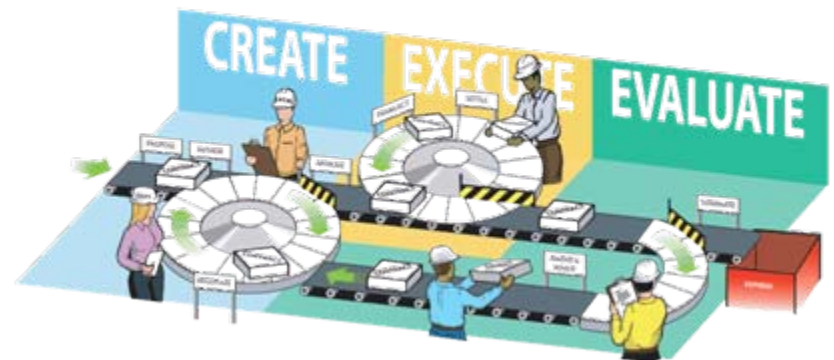
Business Challenge

- **Paper and email intensive contract management & procurement process**
- **Involved 500+ sales, business office and procurement persons**
- **300+ vendors with total yearly off-net spend of \$1.2 Billion**
- **Only 10% of spend cross referenced to ordering, provisioning or billing systems.**
- **1.2 % disputes (Industry norm is 5-7%)**
- **\$20 - \$60 Million short fall (Revenue and Cost)**
- **Pervasive cultural barriers - Can't do, fear of job loss and not developed here attitudes**
- **Little or no financial insight**

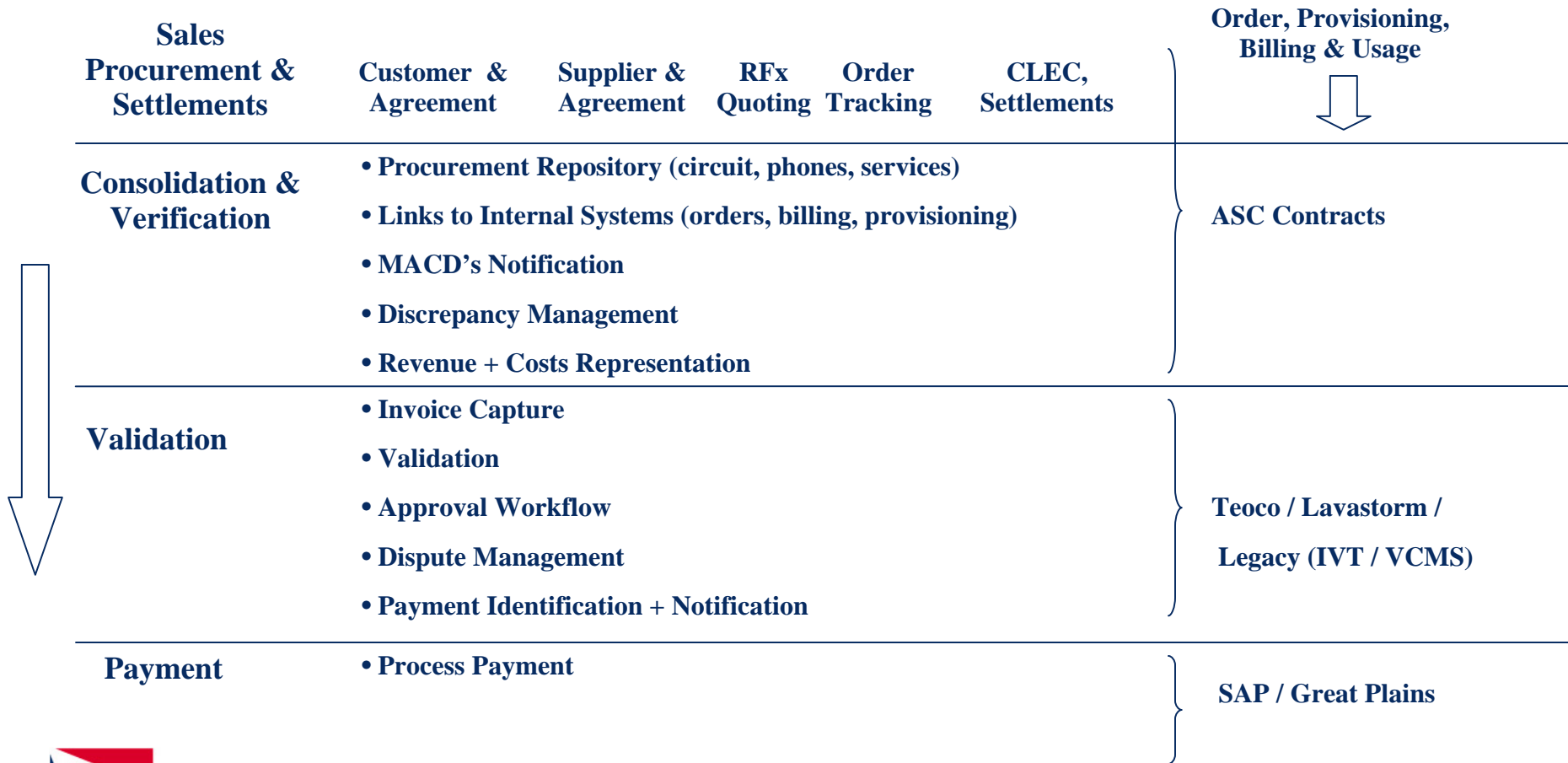


Solution Timeline (90 Days)

- Identified key stake holders (e.g. Product Manager Wholesale, Business Office, Carrier Relations, Finance, Network Cost Management, etc).
- Gathered requirements
- Built Prototype and Field Trial
- Refined prototype based on Field Trial
- Performed Data Cleanup
- Deployed ASC Hosted and Managed Solution



Solution Architecture



Benefits

Reduced costs, maximized revenue, mitigated risk in a substantiated, verifiable environment

- **Initial deployment cross referenced 80% of off-net spend (vs. original 10%)**
- **Managed Vendor obligations and commitments (agreements, quotes, rates, etc)**
- **Mechanized Request for Quote process**
- **Consolidated 5 distinct systems into one integrated solution**
- **Enforced business rules (e.g. sourcing from only approved vendors)**
- **Supported verification historical cleanup and reduce errors in new mode of operation (status, match, lookup & link)**
- **Enhanced compliance (e.g. accrual un-invoiced supplier charges)**
- **Provided data visibility (e.g. support fact-based supplier negotiations, network optimization, etc)**
- **Obtained the highest satisfaction/morale in Supply Services organization**



Return on Investment

8 Months after initial deployment to manage \$550 Million yearly spend

- \$75 Million spend reduction (10-15% reduction in spend)
- \$24 Million in unbilled or under billed COGS
- \$1.5 Million in yearly head count reduction
- Across the board volume discounts immediately recognized (11% with Sprint)
- Substantial process improvements from mechanized request to quotes and order processing.
- Payback under 30 days

"ASC went the extra mile in ensuring our success. This project was recognized as the single main contributor of OPEX savings in the company"

Frederic Cantin, (Director Carrier Sourcing)

