

Bell Company Profile

Bell is Canada's largest communications company, providing consumers with solutions to all their communications needs, including telephone services, wireless communications, high-speed Internet, digital television and voice over IP.

Bell

CARRIER MANAGEMENT SOLUTION:

Linking Vendor Contracts with Customer Agreements Realizes Bell \$185 Million in Savings

As part of a company-wide cost savings program, Bell implemented a new Carrier Management solution that leveraged ASC contract management technology to automate and coordinate:

- Off-Net Rfx, Quoting and Order Tracking
- Vendor management
- Invoice validation

The Carrier Management solution was so successful that Bell was able to realize \$185 million in sustainable cost savings within the first two years of implementation.

Situation

Vendor management for telecom companies is a very complex and typically expensive operation. The industry is unique in that telecoms must negotiate thousands of data service contracts with competitors in order to service their large commercial clients. A significant percentage of operating expenses are tied up in these contracts, making it critical to control and manage the dollars spent. Bell's desire to do just that was hampered by the sheer number of contracts and a lack of process and system integration.

Bell was unsure which vendor contracts were truly required to support their ever-evolving set of corporate customers – and how much money was being wasted as a result.

Goals

When it came to improving Bell's contract management process, sustainability of cost savings was key. Addressing the root of the problem was the only way to ensure the savings would continue. Bell needed to know on an ongoing basis:

- Who they were buying data services from
- What they were buying
- Who, in terms of their corporate customers, they were buying these services for.

If successful, Bell would only acquire and retain data service contracts which were absolutely necessary to support their existing customer agreements. They would also better leverage their buying power to acquire highly competitive agreements in a much more efficient manner.

“Through manual analysis, together we found cost savings in 15% of a small sample of our most expensive circuits. We felt that the sample was representative of Bell's entire off-net circuit base so we realized that the savings were just the tip of the iceberg.”

**Frédéric Cantin
Bell Canada**

Challenges

Achieving this goal would not be easy. The critical vendor, customer and contract data was stored in various legacy systems, none of which interfaced with each other. Plus, important vendor circuit identification data was located in unstructured comment fields, making it impossible to search for contracts efficiently. Employees were spending valuable time and resources making procurement decisions without sufficient access to this information, and were often repeating tasks as a result of incomplete data.

Solution

After Bell hired a large international consulting firm to initiate a company-wide program to generate \$2 billion in savings, vendor management was included as part of this initiative. It was felt that the lack of a synchronized Carrier Management solution was costing Bell dearly, in real dollars spent and in process inefficiencies.

That is when Bell turned to ASC, a recognized Contract Life Cycle Management Company. “ASC had a lot of experience with Bell and they were the ideal company to help us achieve sustainable results” said Frédéric Cantin, Senior Director-Carrier Sourcing at Bell. “Through manual analysis, together we found cost savings in 15% of a small sample of our most expensive circuits. We felt that the sample was representative of Bell's entire off-net circuit base so we realized that the savings were just the tip of the iceberg.”

Frédéric knew however that this was not just a simple case of manually verifying each

contract. Firstly, the manpower to do such a job would be unreasonably large but more importantly, that would be applying a one-time approach to an issue that needed a long-term solution. Frédéric explained, “The standard telecom approach to cost reduction is to manually audit the data, but it's not sustainable because as soon as you plug one hole, another leak starts somewhere else. To attain sustainable results, you need a tool that can enforce the business rules and maintain the key data linkages. We knew we had to do some data reconciliation and we had to link up the contracts but we did not have a road map to show us how to get there. ASC had the industry knowledge to create that road map and get us to where we needed to be.”

Together, Bell and ASC developed a two phase plan, focusing on Bell's international operations first. As part of the Bell Carrier Management Solution (BCMS) implementation, ASC worked with Bell to:

- Develop an online quoting and order management system to be used by all departments involved in the process
- Improve vendor management processes by integrating key data points related to each data service contract and the corporate customers it supported
- Enable efficient and comprehensive validation of vendor invoices.

According to Frédéric, “ASC was the backbone of the solution's success. They supported us throughout the project and were instrumental in delivering a system design that would sustain the benefits by leveraging their experience in telecom Operational Support Systems.”

Phase I: International Vendor Management

Streamlining and Automating the RFQ Process

Bell's Excel-based RFQ process for off-net circuits was inefficient and frustrating for all involved. The request initiated by the sales representative was often returned three or four times before the quote desk had sufficient information to process the request. This resulted in wasted time and made it difficult for Bell's sales reps to provide the quick turnaround their customers expected and deserved.

The new BCMS has been designed to prevent sales reps from submitting an RFQ until all the required fields are completed, eliminating this churn. In addition, drop-down menus containing only Bell-approved options for RFQs eliminate mistakes from occurring. Forced compliance and greatly increased efficiency of quote preparation has been the result.

The quote desk now receives validated quote requests online instead of in a spreadsheet format. Upon review for reasonableness and approval, the RFQ is now automatically submitted to the Data Services Engineering Team for the selection of suppliers.

Completed RFQs automatically return to the quote desk for distribution to vendors. The quote desk can simply export the request into the appropriate format for each vendor.

Upon receipt of vendor pricing, it's easy for the Quote Desk to select the best quote or

even resubmit the request for better pricing. Sales reps are automatically notified by email when their quote request has been completed and can be submitted to the customer. If the quote is selected by the customer, the system allows for automated order creation and tracking. The details are recorded under the client and supplier profiles to allow for accurate tracking of the agreement going forward.

Overhauling Vendor Management

ASC recognized that Bell also had a challenge matching supplier invoice circuit IDs with internal Bell circuit IDs. In order to enable the verification and validation of invoices and optimize the value of the BCMS, ASC had to devise a creative solution.

By automating a series of complex data mining processes, ASC was able to extract the vendor circuit IDs from the "remarks" section of legacy Bell circuit records and match them to the appropriate Bell circuit IDs in a second system, and finally tie them to the relevant Bell customer contracts they supported.

ASC enabled Bell to:

- Cross reference competitors' circuits with their clients' accounts
- Track renewal dates for each circuit,
- Identify areas where circuits could be combined and
- Ensure that agreement auto-renewal dates are not overlooked.

Improving Invoice Validation

Now, as invoices are received from vendors, Bell uses BCMS to cross-reference the details or

“We knew we had to do some data reconciliation and we had to link up the contracts but we did not have a road map to show us how to get there. ASC had the industry knowledge to create that road map and get us to where we needed to be.”

**Frédéric Cantin
Bell Canada**

Bell Carrier Management System Savings

\$185 Million
in just **2 years**

of the invoice with the associated vendor agreement, circuit information and Bell corporate customer contract. Bell now is confident that only valid invoices associated with existing vendor agreements are being paid and any agreements no longer required to support a customer are easily identified and quickly terminated.

Phase II: Domestic Vendor Management

Phase I was such a success that the group then turned their focus to Bell's much larger domestic business to drive further savings. The goal of this phase was to replicate the success of Phase I by enabling Bell's invoice validation team to be able to quickly validate each domestic vendor invoice against the relevant vendor agreement.

Phase II proved to be a much more challenging exercise as vendor and customer data was contained in four different systems that were not integrated and the existing validation processes were not coordinated. Frédéric knew there were anomalies and inconsistencies in those systems and their mandate was to find a way to link them so that they could reconcile the data.

ASC "provided the glue" to connect each system and link each vendor invoice to the customer agreements, while allowing Bell to continue using the same invoice management tools. By consolidating the data in ASC's systems, it could be easily reconciled and eventually Bell's employees simply 'flipped the switch' and it all downloaded to the ASC system and through to Bell's systems.

As Frédéric summarized, "If you have end-to-end accountability for vendor contract management, bringing ASC on board can result in some pretty incredible efficiencies. Without ASC's creativity it would have been close to impossible for us to find information about all our off-net links."

Results

By implementing the new BCMS, Bell achieved its goal of realizing cost savings in the amount of \$185 million over two years, or 5-10% of the entire \$1.2 Billion cost base.

Significant Cost Reductions

With the linking of circuits purchased to circuits sold, ASC provided Bell with accurate data which highlighted opportunities for cost reduction. Bell can now:

- Stop paying for circuits that were being invoiced but were no longer in use, or were operational but not being paid for by a customer.
- Proactively manage contract renewals before they expired.
- Look for opportunities for negotiation of lower rates upon circuit renewal.
- Identify opportunities for consolidation of bandwidth to reduce costs and gain efficiencies, removing idle capacity.
- Determine high traffic areas where they could build their own capacity on-net instead of purchasing from other vendors.

Automation of Quoting Process

It is now much easier for Bell to obtain pricing from multiple vendors which results in more competitive pricing and more business

Bell's Quote Processing Team Reduction



being won. Bell is now proactively managing their existing customers, resulting in improved customer service and revenue retention. With more information, the sales force is better able to communicate with their customers and manage their P/L efficiently on a per customer basis.

Process Efficiencies

Significant cost savings were also realized by Bell through process efficiencies. Employees benefited from a reduction in re-keying, and time spent on manual circuit investigation, disputes, and searching for circuit information. In fact, the quote processing team was reduced from 14 to 5 employees and yet manages higher volumes than ever before.

In the end, Bell achieved their goal of not only generating substantial initial and ongoing savings, but also providing a system that answered those three key questions. Bell now knows with certainty who they are buying from, what they are buying and who they are buying for.

A Few Words of Advice from Frédéric

“In order to achieve significant and sustainable savings, it takes a combination of the right people, the right processes, and the right tools all working together. At Bell, we attacked the root of the problem with our vendor contract management process, which was a lack of data integration and visibility, and brought in the right partner to help us solve it. The results were extraordinary and long lasting. I suspect there are many other companies who would benefit from a similar initiative.”

About ASC

Established in 1997, ASC is a contract management software company that works with businesses to automate their contract, document and form lifecycle management processes. With its flagship product ASC Contracts™, ASC deploys tailored, customer-specific solutions for the secure creation, approval, storage, and monitoring of contracts, documents and forms. Available as either a hosted Software as a Service (SaaS) solution or as an on-premise solution, ASC Contracts improves the processes associated with creating, storing and retrieving a contract as well as keeping track of key dates and milestones helping organizations reduce costs, maximize revenue and minimize the risk of regulatory non-compliance. With over 14 years of providing contract, document and forms management solutions, ASC is an industry expert that works as a true partner to define and create unique solutions. ASC is an ISO 9001:2008 certified company.

For more information on ASC Contracts please visit us at www.ASCcontracts.com or email us at: sales@ascnet.com.

Advanced Software Concepts
235 Terence Matthews Crescent
Suite 200, Ottawa, Ontario
Canada
K2M 2B3

www.ascnet.com

t: 613-599-2087
f: 613-599-5311