



# Telecommunications Inventory, Assessment, and Optimization

Service Offering Description

A large, abstract graphic composed of overlapping, semi-transparent blue and grey rectangular blocks with a grid pattern. The blocks are arranged in a way that creates a sense of depth and perspective, resembling a stylized architectural structure or a data visualization element.

2008

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# Telecommunications Inventory, Assessment, and Optimization

## SERVICE DESCRIPTION

The Telecommunications Inventory, Assessment, and Optimization (“Assessment”) service delivers a comprehensive analysis of current telecommunications services, contracts and spend, which can be used to reduce costs, procure telecommunications services, plan for network and wireless optimization, and serve as a basis for pending network technology migrations or transformations. Any wireless and wireline communications services are in scope of this service offering. Advocate Networks has performed this service for over 200 enterprise and service provider Clients.

### GOALS

The Telecommunications Service Inventory, Assessment and Optimization Service is designed to:

- 1) Create a comprehensive inventory of all telecom, network and wireless communications in-use at the enterprise or service provider client,
- 2) Assess and audit all contract, billing and inventory terms and identify variances,
- 3) Benchmark rate, terms and conditions versus industry Best-in-Class as defined by Advocate Networks proprietary methodology,
- 4) Assist the network manager in evaluating network platforms and managed services available from leading network service providers,
- 5) Determine the best available options for telecom procurement and/or negotiations,
- 6) Identify short- and long-term costs savings opportunities,
- 7) Present an Enterprise Telecommunications Management Plan, and
- 8) Evaluate the feasibility and potential ROI of an Enterprise Telecom Expense Management system.

## BACKGROUND

Advocate Networks consultants have lead and managed telecommunications assessment projects to assist businesses in a wide range of industries. Enterprise businesses and service providers concerned with cost reduction and cost avoidance understand that telecommunications costs are one of the largest line items in a budget, frequently second

behind personnel costs. Cost reduction and avoidance initiatives begin with knowledge. Critical decisions cannot be made without constructing a telecommunications inventory and spend baseline of the enterprises' carrier services.

Since the deregulation of the telecommunications industry in the 1980's, and further changes resulting from the Telecommunications Act of 1996, enterprises have been faced with a bewildering array of vendors, products and regulations, and endless variations in product pricing structures. Since the inception of carrier competition, enterprises have been drawn into the world of "you get what you negotiate." Informed enterprises maximize their negotiations leveraged through competitive knowledge. Because an enterprise can usually only see what the carriers want to show them, the best way to secure knowledge of competitive market rates is via independent benchmarking.

Once armed with this knowledge, both the current state and the goal, executives can make informed decisions on how best to optimize and source its vital telecommunications services to both reduce and avoid costs, and still maintain necessary vendor relationships for critical infrastructure needs.

Similarly, telecommunications services are often foundational to IT services delivered to the Business. New enterprise applications, teleworking, M&A activity, expansion of remote offices, consolidation of facilities, and services transformations in general often depend upon well planned and well engineered modifications to the communications network. Any effort to address bandwidth capacity, application latency, technology migrations, call/traffic routing, and so on will require detailed analysis of existing telecommunications inventory and spend.

Organizations that are trying to get a better handle on the management of their telecommunications assets need to consider the long term, sustainable processes necessary to maintain a mature level of telecommunications management. This is often beyond the resource capabilities of the organization. An organization in this situation can benefit from the expertise and experience available through Advocate Networks.

## **PROCESS**

Advocate Networks has developed a comprehensive methodology to perform the Telecommunications Services Inventory, Assessment and Optimization for each Client. Prior to the completion of an authorized Statement of Work, Advocate Networks works closely with the Client to determine the scope, time-line, deliverables, inputs needed, depth of analysis, classes of services and service providers included, as well as the Client geography.

### **SCOPE DEFINITION**

The definition of the project's scope is critical to successful execution of the project. The differences between a "high level" and a "detailed" assessment need to be discussed and finalized, as well as a clear understanding and

commitment to historic information that will be used as input data for subsequent analysis. Input data defines the size and complexity of the analysis that will be conducted. In general, factors that drive complexity include the number of Client offices, data center and call center locations, number and type of network systems, number of service providers, annual expenditure by service provider and class of service, and a profile of application usage or traffic characteristics that define the use of the telecommunications services by the Business.

## **DATA COLLECTION**

A variety of historic data is collected from the Client to build a profile of telecom information, which is then used to conduct the subsequent analysis. Collection of historic data from the Client may include:

- One to three month's telecom invoices for all classes of service in scope
- Accounts Payable report for most recent 12 months
- Copies of active contracts, including amendments and schedules
- Current list of site locations with addresses
- Network diagrams and key applications in use over the network
- Letter of Agency for access to Client's records from the carriers
- Carrier account team contact information for all carriers in scope for the project
- Client personnel contact information, for those individuals responsible for producing the historic data
- List of any billing disputes previously identified
- Description of any planned network changes
- Traffic studies (optional)

## **TELECOMMUNICATIONS BOOK OF BUSINESS**

The Advocate Networks consultant examines the collected data and assembles a comprehensive telecom services inventory list using data from billing records, Accounts Payable records, Customer Service Records, inventory discovery findings, network analysis, network diagrams, and company location lists. This creates a comprehensive telecommunications inventory called a Book of Business (BoB). The BoB has been designed by Advocate Networks, and is customized for each Client's specific Telecommunications profile. The Telecommunications Book of Business is the foundational data source for subsequent analysis and application of Advocate Networks' intellectual property.

## **ASSESSMENT**

The collected data undergoes synthesis and analysis by Advocate Networks' consultants to discern patterns and groupings. Incomplete or inconsistent billing information is researched, refined, and normalized into useable data. The Telecommunications Book of Business provides a representation of the Client's inventory and telecom profile, and can be categorized by any included data category such as class of service, carrier, and cost. A detailed Book of Business can provide categorization to the individual circuit and call type level, including specific rate identifiers and cost elements. Technical and operational metrics from the network inventory are analyzed to identify optimization findings. Network diagrams and application traffic data present a view of the Client's network topology and utility. A wireless analysis includes metrics specific to mobile device use, including device counts, breakage, overage and feature charges, and zero use devices which are key metrics that drive wireless optimization opportunities. The consulting team's industry and technical expertise are applied to realize a compelling story of telecom spend and cost savings opportunities, as well as to offer strategic perspectives for the benefit of the Business.

## **RESULTS AND RECOMMENDATIONS**

The output of the analysis is a custom executive summary of findings, observations, and recommendations which is tailored to the specific Client requirements and scope of work. The primary deliverable is the Project Report, which contains comprehensive supporting explanation of the data collection and analysis conducted, as well as lists, charts, graphs, and tables. The detailed Book of Business may also be included in the Project Report. The Project Report serves as Enterprise Telecommunications Management Plan for the Client.

## **DELIVERABLES**

The Project Report is the primary deliverable resulting from this engagement, and provides a management plan to the Client. It can include the following results:

- Inventory and spend Summary
- Analysis and Reports
- Rate and Term verifications
- SLA Analysis
- Benchmark Analysis
- Contract time-line, terms summary and findings with ratings and recommendations
- Optimization findings
- Audit findings
- Physical site inspection findings
- TEM System recommendations
- Next Steps and time-line

In addition to the Project Report, Advocate Networks consultants will conduct presentations and discussions of the findings with an open dialogue to elaborate on the findings, recommendations, and management plan.

## RESOURCES

Advocate Networks employs consultants with deep industry expertise and who are thought leaders in their field. The project team typically consists of the following roles:

- Senior Consultant and Project Manager- The lead technical and business consultant, providing project oversight and leadership, also acting as the primary point of contact for the Client.
- Consultant- Responsible for thought leadership, results analysis, verification of quality, and production of final deliverable. The individuals are selected for best fit with the Client's business and composition of the project.
- Analyst- Responsible for categorization and cataloging of telecom billing records
- Executive Sponsor- High-level owner of the Client relationship, and typically an Advocate Networks principal.

A collaborative relationship with the Client is necessary to realize maximum value from the engagement. In addition to the Advocate Networks team of consultants, the Client should identify a Project Owner as the primary Point-of-Contact and decision maker, and a Project Principal who will be the point of contact for data gathering and any necessary clarifications of information. The Client should also ensure reasonable access to other staff for interviews or Q/A as required for successful delivery of the project.

## Differentiators

Advocate Networks' offering is unique in the marketplace. Some of the factors that uniquely distinguish or otherwise serve to make our offering attractive are:

- Strong references and track record. Advocate Networks has a reputation for quality, competency, delivery, and value
- Focus on mid-market Clients
- Intellectual Property
  - Knowledge of contemporary market pricing for telecom services
  - Knowledge of the application and use of telecommunications services
  - Knowledge of the carriers and third parties involved in the delivery and support of telecommunications services
  - Experience in delivery of this service across numerous verticals

Cost competitive pricing, based on Time and Materials, with an option for gain-share in select cases.

## CASE STUDIES

Advocate Networks has performed over 200 telecommunications assessment and audit projects. A list of selective projects is provided below:

### **Ceridian**

Ceridian is a business process outsourcing company ([www.ceridian.com](http://www.ceridian.com)) specializing in Human Resource Solutions; provides payroll processing, tax filing, benefits administration, and other human resources services to more than 110,000 employers (and their 25 million employees), mainly in the US but also in Canada and the UK. Ceridian's other business unit, Comdata, issues and processes payments for credit, debit, and stored value cards (gift cards and employee expense cards), primarily for companies in the trucking and retail industries. Advocate Networks was selected to perform an Inventory, Audit, and Benchmark of enterprise-wide wireline and wireless services totaling over \$20M annually, and provide a strategic roadmap of recommendations. This resulted in an initial \$5M+ annual savings opportunity.

### **INVESCO (NYSE: IVZ)**

Invesco is a leading 401K and Mutual Fund Management Firm. Advocate Networks created a communications strategy and roadmap for INVESCO, and then assisted with implementation. Advocate Networks completed a corporate-wide inventory and requirements compilation for the basis for a strategic sourcing event. Advocate Networks then facilitated the RFP resulting in over \$5,000,000 in annualized savings.

### **Arcapita**

Arcapita is a \$3 billion international private equity company. Advocate Networks inventoried, assessed and optimized all communications services (wireline and wireless) for 11 portfolio companies including Loehmann's, Church's Chicken, AMPAD, Smart Document Solutions, Yakima, Caribou Coffee, Cirrus, TLC Healthcare and LeeBoy. Advocate Networks then lead a competitive procurement process that resulted in significant financial savings.

### **Synovus Financial Corporation (NYSE: SNV)**

A financial services company ([www.synovus.com](http://www.synovus.com)) with more than \$32 billion in assets; 113 years old with headquarters in Columbus, Georgia; includes 400 banks in Georgia, Florida, Alabama, Tennessee and South Carolina; an 80.8 percent share of TSYS, a global leader in electronic payments; selected to provide an expert analysis and audit of a enterprise wide area network bandwidth upgrade; derived a 400% bandwidth increase for a 1% increase in monthly reoccurring charges; selected to inventory and audit local voice, long distance, Internet and data services at 350 locations; resulted in \$3 million annual savings.

### **Arris International, Inc. (NASDAQ: ARRS)**

A global communications technology company ([www.arrisi.com](http://www.arrisi.com)) specializing in the design and engineering of broadband local access networks; Arris is a leading developer, manufacturer and supplier of optical transmission, cable telephony and Internet access, outside plant construction and maintenance equipment for cable system operators; inventoried and audited voice and data services,

performed benchmark, and re-negotiated new agreements with Tier 1 service provider resulting in favorable elimination of a \$750,000 billing dispute and \$1.2 million annual cost reduction.

**WellStar Health System**

The largest not-for-profit healthcare system in Georgia, operating five hospitals and serving metro-Atlanta; Inventory and audited all telecommunications services; identified and implemented over \$925,000 in annual cost savings.

**Maritz Inc.**

Maritz Inc. is the world's largest source of integrated performance improvement, travel, and marketing research services with 5,700 employees in 42 countries. Headquartered in St. Louis, Missouri, Maritz also has key offices in the United Kingdom, France, Germany and Spain. In fiscal year 2003 Maritz grew to \$1.44 billion in revenues; engaged to inventory, optimize, audit and lead the procurement process for all local, long distance, data, Internet and wireless services resulting in a \$3 million annual cost reduction.

**MACTEC, Inc.**

A \$500 Million, full-service geotechnical, environmental, and facilities engineering company with over 100 offices in the United States ([www.mactec.com](http://www.mactec.com)); developed and managed an RFP process to select a new long distance, data and Internet access service provider; negotiated best-in-class carrier services agreement with annual savings over \$500,000; started in July 2003 and completed in August 2003.

**Sodexo USA (NYSE: SDX)**

A \$5 billion food and facilities management services company ([www.sodexhousa.com](http://www.sodexhousa.com)) in North America; offering a full range of outsourcing solutions to the corporate, healthcare, and education markets, including food services, housekeeping, grounds keeping, plant operations and maintenance, and integrated facilities management; selected to audit and reconfigure local, long distance, Internet and cellular services in the Campus Services division; identified and implemented 30% recurring monthly savings.

**VHA Georgia, Inc.**

62 hospital association in Georgia ([www.vha.com](http://www.vha.com)) and member of the national hospital association; provides in-hospital medical services throughout Georgia; designed and implemented a long distance voice services program to reduce expenses by over \$500,000 annually; audited local voice and data services at member hospitals, and implemented a \$2.1 million annual costs savings.

**Arnall Golden Gregory, LLP**

A large Atlanta-based law firm, AGG ([www.agg.com](http://www.agg.com)) counsels clients across a broad range of industries including biotechnology, e-commerce, food & drug, healthcare, real estate, telecommunications, and venture capital; the firm addresses the legal and business challenges of every client type as well, from multinational companies to individuals; Audited telecom expenses and reconfigured local, long distance and data services to provide a \$200,000 annual savings.

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