

Project Overview:

- ✓ One of the nation's leading healthcare systems (approximately \$6.0 billion in consolidated revenue) engaged Profit Advisory Group (PAG) to perform an audit of their complete telecommunications spend.
- ✓ Annual telecom spend: \$18.0 million
- ✓ Locations impacted: 350+

Client Objectives

- ✓ Reduce costs.
- ✓ Obtain new, best-in-class contract terms and conditions.
- ✓ Develop improved strategic sourcing metrics. Gain buy-in from critical internal stakeholder groups.
- ✓ Develop request for proposal (RFP) and complete contract negotiations.

PAG Methodology and Approach

- ✓ Applied PAG's proprietary data gathering and analysis process to yield spend-inventory for audit and prepare for the scoping of the spend to be sourced.
- ✓ Developed two potential pathways for client IT leadership consideration.
 - ✓ Pathway 1. Replicate the current configuration with an optimized solution.
 - ✓ Pathway 2. Move to a new converged network technology solution (voice and data).
- ✓ Selected Pathway 2, developed the new solution and fully vetted it with management.
- ✓ Developed a comprehensive telecom inventory to determine need and use of all services.
- ✓ Developed contract strategy to allow for the transition from current technology to the new technology without price increases.
- ✓ Corrected pricing to be in line with the current contracts.
- ✓ Cancelled all unused services.
- ✓ Secured new agreements and negotiated new terms with the primary and secondary vendors.
- ✓ Led new solution implementation, working closely along side of management.
- ✓ Worked with vendors to insure new services were billing correctly and validate cancellations of old circuits.



Project Results:

- ✓ Reduced annual spend by 18.0 percent
 - ✓ \$1.9 million in signing bonuses.
 - ✓ \$16.3 gross five-year savings before upgrades.
 - ✓ \$12.4 million in net savings over new five-year agreement.
- ✓ Increased bandwidth by over 50.0 percent.
- ✓ Consolidated five network vendors to two primary vendors.
- ✓ Improved technology for all services at all locations.
- ✓ Improved the staff environment.
- ✓ Created a better patient experience.