

CUSTOMER 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+.

KEY CHALLENGES & 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.

PROFIT 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.
- Worked with vendors to insure new services were billing correctly and validate cancellations of old circuits.
- Led new solution implementation, working closely along side of management.

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.

