



CUSTOMER OVERVIEW

- A leading national retailer engaged Profit Advisory Group to strategically source their spend for voice, data, wireless, internet and equipment.
- Spend volume: USD 20 million annually on service and USD 18 million in new equipment.
- Project included more than 700 global locations.

KEY CHALLENGES & OBJECTIVES:

- Challenges included extensive data collection effort and achieving buy-in from multiple company stakeholders.
- Current TEM had been in place for years.
- A potential technology upgrade was included in the scope of the project. This included all new equipment throughout the enterprise.
- Project objectives included achieving cost savings and more favorable terms and conditions through a strategic sourcing RFP effort.

PROFIT ADVISORY GROUP SOLUTION:

- Extensive Data collection using Profit Advisory Group Data Collection process and analysis phase preceded the scoping of the spend to be sourced.
- Two proposed strategies were created to focus on the different technology options and were presented to the Client IT/sourcing committee. Project one focused replicating the current set up using an optimized solution; Project two focused on moving to a converged technology solution. Committee decided on the converged solution.
- Phase one: Profit Advisory Group developed a comprehensive RFP which was sent to 7 qualified vendors selected by the IT leadership. Each Vendor was to submit a detailed proposal based on the customer's business requirements, services, and implementation process; Analysis included an evaluation of technical requirements and commercial terms to ensure suppliers are able to meet the customer's needs; Phase one evaluated suppliers on non-price factors; Preliminary pricing was also collected. The IT committee and Profit Advisory Group team scored the responses.
- Phase two; Top 3 vendors were asked to present their solution to the IT/sourcing committee along with final pricing.
- The IT committee and Profit Advisory Group team engaged the top two vendors to set up pilots to test the solutions.

RESULTS:

Client was able to reduce cost by almost 40% by moving away from the current traditional set up to a converged solution. This solution allows the client to use a single access point to deliver local, long distance, MPLS and internet across their enterprise. It allowed the IT staff to upgrade their equipment to give them improved performance with greater flexibility. The new solution consolidated 10 vendors down to 1 primary vendor.

