## Case Study: Telecom Infrastructure Optimization (TIO) – 829 Sites

**Client:** Nation's Top 3 Integrated Healthcare Company

**Needs:** Greater Control of Spend; Savings & Efficiency Gains

### Situational Analysis:

Our Client's organizational structure necessitated a great diversity of location types (hospitals, call centers, clinics, offices, out-patient facilities, insurance processing locations, etc.) In total, they were 800+ individual locations nationally and represented an annual telecom spend of $226 million. They sought out OptiCOMM consulting expertise with the goal of gaining control over their runaway telecom spend and needing to uncover dramatic cost savings and efficiency improvements nationally.

With the tremendous growth from mergers and acquisitions, our Client's operational complexities were easily outpacing the ability to cost-efficiently manage their expanding telecom needs. Due to constant change, there was no accurate database of the company's entire telecom asset inventory, making telecom spend decisions error-prone and costly. Service duplication, unnecessary expenditures and rampant inefficiencies existed. The infrastructure was overbuilt to try to meet the bandwidth needs of the new patient records software coming online. New technologies were being migrated into the infrastructure, while the older outdated technologies were left in place and still an ongoing expense item.

Contributing to the chaos was the sheer national scope of 800+ locations with varying telecom service needs. The wide geographic expanse also resulted in having over 50 different carrier contracts in place simultaneously, with many Local Exchange Carriers and multiple national carrier contracts. Aside from the mind-boggling array of services and assets, the Client's in-house telecom management decision-making was made more complex through their highly decentralized purchasing capability.

The rapid growth and existing complexities exhibited ideal conditions for tremendous opportunity by OptiCOMM for meaningful savings and optimization solutions. Consolidation and renegotiation of the carrier/vendor service contracts could be also achieved and reap much lower costs. Proper transition of new technology and old technology removal could be expertly managed with minimal downtime. A fully verified and corrected inventory of telecom assets would finally provide the client with a solid foundation for improved decision-making of future needs. Restoring the balance of the core telecom management areas of Inventory, Billing, and Change Management was of critical importance.

A Telecom Infrastructure Optimization (TIO) project was agreed upon with our Client to provide the maximum benefit in recovering immense savings potential and substantial optimization improvements. Additionally, this project would also provide the Client with an accurate database of telecom assets/services to effectively manage going forward. Contract Negotiation and Carrier Transition services from OptiCOMM were also included within this TIO project to help accomplish significant savings recovery and gain efficiencies across a large scale.

On-site audits at individual locations were deemed essential to the overall goal, due to the great expanse of telecom assets across the company and diversity at individual locations. A total of 829 separate Client locations were to be audited nationally, including sites in Alaska and Hawaii.

## Findings:

Extensive and intricate travel planning was required to send OptiCOMM consulting staff to all 829 locations in the most cost-effective and timely manner.
OptiCOMM teams physically inspected and inventoried all telecom assets at each location for creation of a new inventory database.

Observations, facts, and photographs regarding all identified telecom assets were recorded for the Client's benefit in the CEK manual. Additionally, notations of any safety/environmental/security hazards observed during on-site visits were reviewed with the client swiftly, with any appropriate action left up to the Client.

Data gathering included comprehensive collection of all telecom records, including electronic bills pulled from carrier portals plus 1000's of hard copy bills. CSRs were requested for tens of thousands of lines and circuits from the 50+ carriers. Carrier and maintenance contracts were pulled for analysis and service consolidation evaluation. Traffic studies were ordered, run, and analyzed for efficiency improvements and determining actual needs.

Recommendations were submitted for prompt Client approval via a secure portal in the OptiWARE in-house management software system. Savings were maximized by a considerably shorter timeframe, as solutions were found, raised, and approved throughout the project duration, rather than waiting till the end to review and approve all solutions at once.

## Solutions:

A comprehensive, accurate, and up-to-date populated database of Client's telecom assets was created for much improved, go-forward management.

Carrier/Vendor Service Consolidation and Contract Renegotiation expertise from OptiCOMM provided substantial opportunity to optimize service, improve efficiency, and lower costs.

Project Management expertise was provided by our consulting staff for the successful migration to a new MPLS network, conferencing services, and toll-free routing- all with minimal downtime.

Billing corrections and work orders for service/asset removal were issued to vendors by the OptiCOMM teams. Proper tracking detail and estimated time schedules for commencement of revised/corrected billing and removal of services/assets were given to our Client's internal telecom team.

**Overall Impact:**

- In total, over 2,000 discrete OptiCOMM recommendations for savings and optimization were surfaced for client approval. Our Client approved 97% of all recommendations.
- Overall network performance was fully optimized.
- An $8 million savings solution, by itself, was identified for incorrectly charged taxes on vendor billing.
- The Project Duration to complete a review of all 829 sites took 13 months
- **Annual savings to our Client: $26.0 million (11.5% of annual spend)**