



# Vendor Contract Management Case Study

# Overview

**Major North American Telecommunication company was looking to implement a Vendor Contract Management system to manage their sizeable spend in interconnection.**

**Note: Please contact us to receive complete case study.**



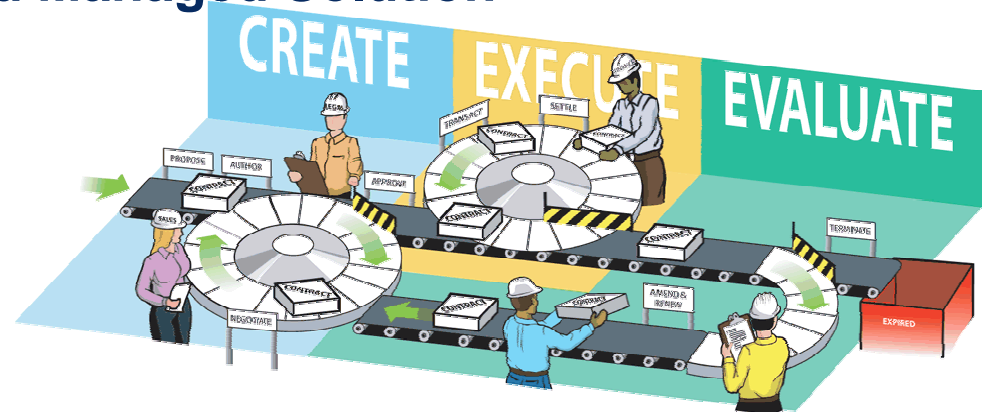
# Business Challenge

- **Paper and email intensive contract management & procurement process**
- **Involved 500+ sales, business office and procurement persons**
- **300+ vendors with total yearly off-net spend of \$1.2 Billion**
- **Only 10% of spend cross referenced to ordering, provisioning or billing systems.**
- **1.2 % disputes (Industry norm is 5-7%)**
- **\$20 - \$60 Million short fall (Revenue and Cost)**
- **Pervasive cultural barriers - Can't do, fear of job loss and not developed here attitudes**
- **Little or no financial insight**

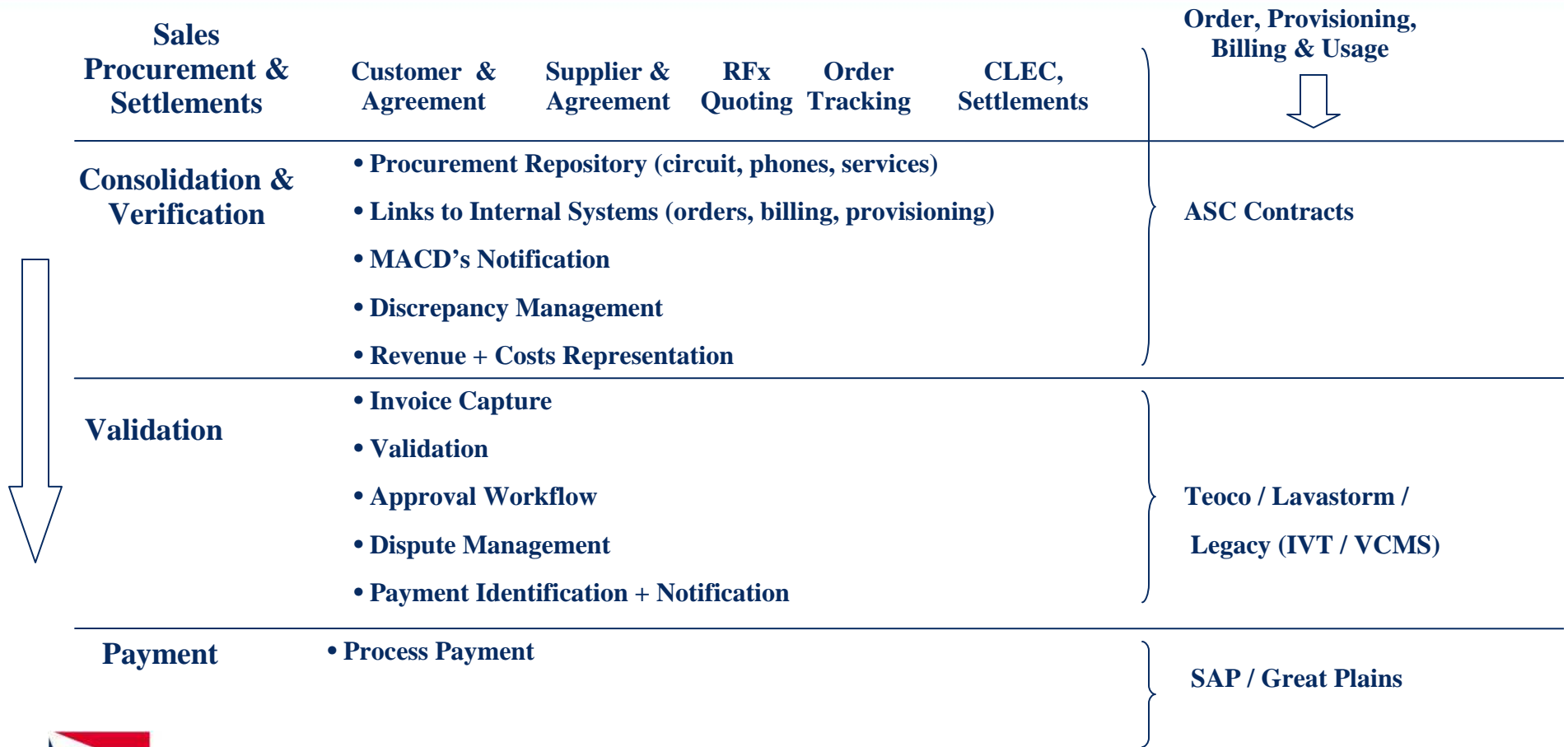


# Solution Timeline (90 Days)

- Identify key stake holders (e.g. Product Manager Wholesale, Business Office, Carrier Relations, Finance, Network Cost Management, etc).
- Gather requirements
- Build Prototype and Field Trial
- Refine prototype based on Field Trial
- Performed Data Cleanup
- Deploy ASC Hosted and Managed Solution



# Solution Architecture



# Benefits

**Reduced costs, maximized revenue, mitigate risk in a substantiate environment**

- **Initial deployment cross referenced 80% of off-net spend (vs. original 10%)**
- **Manage Vendor obligations and commitments (agreements, quotes, rates, etc)**
- **Mechanized Request for Quote process**
- **Consolidated 5 distinct systems into one integrated solution**
- **Enforce business rules (e.g. sourcing from only approved vendors)**
- **Support verification historical cleanup and reduce errors in new mode of operation (status, match, lookup & link)**
- **Enhanced compliance (e.g. accrual un-invoiced supplier charges)**
- **Provide data visibility (e.g. support fact-based supplier negotiations, network optimization, etc)**
- **Obtained the highest satisfaction/morale in Supply Services organization**



# Return on Investment

**8 Months after initial deployment to manage \$550 Million yearly spend**

- **\$75 Million spend reduction (10-15% reduction in spend)**
- **\$24 Million in unbilled or under billed COGS**
- **\$1.5 Million in yearly head count reduction**
- **Across the board volume discounts immediately recognized (11% with Sprint)**
- **Substantial process improvements from mechanized request to quotes and order processing.**
- **Payback under 30 days**

*"ASC went the extra mile in ensuring our success. This project was recognized as the single main contributor of OPEX savings in the company"*

**Frederic Cantin, (Director Carrier Sourcing)**

