IMPACT STORY

This telco saw more than $1 million in annualized savings through a focused effort in auditing spend at their third party colocation facilities

Agility Solutions partnered with a telecommunications company headquartered in Littleton, Colorado that primarily provided businesses with internet access, data networking, IP-based virtual private networks, and network security services.

Challenge

Prior to the acquisition of the company by Level 3 in 2014, the Carrier Cost Management team at this telco oversaw leased colocation spend at carrier hotels and sites all over the United States. Accuracy of costs incurred had long been an issue for this department.

"I knew there were discrepancies in what we were being billed and what was really being used on site, but we didn't have the time or resources to send people across the country to hunt down these billing errors that I knew existed. It required boots on the ground to identify and verify the opportunities. We were spending millions of dollars a month on leased colo services with no real audit being done," says the main stakeholder that engaged Agility. The company field technicians were also too siloed from other departments to recognize cost savings opportunities when they were going about their day to day jobs.

"We knew there were savings opportunities out there, but we were struggling to figure out how to properly audit the physical aspect."

AgilitySolutions®

Partnership

The organization had been searching for a partner to help with these physical audits and began conversations with Agility. "Let's face it," says the main stakeholder, "There was just too much out there to look at for one group. This is why working with Agility Solutions was so valuable to us."

Their goal was to be able to physically validate vendor colocation charges and obtain accurate inventory information for the company. They were able to accomplish this by utilizing Agility as a partner to travel to 12 cities and review spend with 14 different vendors at 43 leased colocation sites.

"They would go into a space, identify our rack or cage, and verify the power, space and cross connects being billed and used. If they found an issue, Agility would help us create the disconnect orders and disputes, which would then be filed with the vendor."

The Agility team worked closely with the carrier relations team for submission and monitoring of these savings opportunities. Not to be overlooked, Agility also took care of data management which meant maintaining all of the audit and inventory information and managing orders with the vendors. This freed up the resources in this department to work on their own savings targets with minimal disruption.

* *

"Let's face it. There was just too much out there to look at for one group. This is why working with Agility Solutions was so valuable to us."

Successes

For the organization, working with Agility Solutions felt like more than a typical vendor-client relationship. "They didn't treat our working relationship as just a revenue stream for themselves," the main stakeholder said, "It felt like a true partnership. The Agility team was very inquisitive and very bright. They wouldn't let something go if it looked even the least bit suspicious and were real bulldogs when it came to finding disparities with vendors."

The project began in January of 2013, ran through 2014 and covered the majority of the company's third party colo spend. The project generated $1.2 million in annualized cost savings, plus an additional $400,000 in dispute credits received from the vendors. Furthermore, Agility was able to provide assurance through the audits that $6 million of the annualized spend reviewed was accurate.

In addition to cost savings and assurance, the project with Agility served as a catalyst for the organization to reexamine some of their processes. The main stakeholder went to a few sites with the Agility team and while he was there, he saw that simply educating the field technicians on the way that their work had a bottom line impact went a long way in preventing future unnecessary expenditures. Ultimately, the company developed a new process within the access cost management department for how to properly order, inventory, disconnect, and cancel services.

Initially, the company was looking for a third party to deliver extra manpower to audit their leased colocation sites. By partnering with Agility Solutions, they were able to successfully execute the audits, understand process issues and create a tremendous impact to the organization's bottom line.

"They didn't treat our working relationship as just a revenue stream for themselves.. it felt like a true partnership."

$1.2M annualized savings

$400K dispute credits received