

Electrical Manufacturer Switches On to Telecom Savings

Avotus Advantages

Saved \$5.8 million on annual telecom costs

Managed bidding between 15 carriers

Auction completed in 2 weeks

With nine different divisions producing thousands of electrical products and tools, this customer has a variety of communications services supporting its manufacturing plants and sales offices. In addition, as a public company, this customer is always keeping an eye on profits and enhancing shareholder value.

Spending over \$11 million USD per year on communications, the customer was looking to revise its contract terms and achieve significant savings using Avotus ICM e-Procurement, the online reverse auction solution designed to support the unique requirements of communications.

Avotus worked with the customer to run a WebAuction™ for all of their communications services, including international long distance, local access, conferencing, and data networks. Avotus built the auction which included over 444 specific pricing and contractual questions and invited 15 different carriers to bid for these services. The carriers bid against one another, eventually driving down the cost of services by 51%. Unlike traditional paper-based RFP and procurement processes which often take months, the auction was completed in two weeks.

After recognizing the success of their first auction, the customer considered putting their wireless contract out to bid. Despite already having very favorable pricing with their current wireless carrier, the customer sought more favorable contract terms, especially pay-as-you-go pricing.

Avotus built another auction exclusively for wireless services with 224 questions surrounding 34 different bid items. Over a period of 11 business days, carriers submitted bids. As the auction progressed, the customer realized that their standard bucket pool plans would offer better terms than a pay-as-you-go contract. Though the customer elected not to pursue their desired contract structure, they were still able to obtain an additional 20% savings on their standard contract.

