

Specialty Pharmaceutical Company Formulates Savings with Avotus Intelli-Sourcing

The customer is a specialty pharmaceutical company that develops and markets proprietary medications for the treatment of chronic cardiovascular, metabolic, and respiratory diseases. The company's voice and data infrastructure supports its 1,500+ employee base spanning its headquarters in the northeast to its research facilities in the southeast.

Background

The total telecom costs for voice and data services of the company were \$2.3M over a 36-month period. The company wanted to lower those costs, obtain better terms and conditions, and benefit from best-of-class service level agreements (SLAs). A four-person team from IT and Operations met with Avotus to address those issues. Avotus proposed running Intelli-Sourcing. Services to be included in the Intelli-Sourcing ran the complete gamut from inbound and outbound calls to toll-free features, voice access, and local service. Also included were private line, remote access, Integrated Services Digital Network (ISDN), and dedicated internet access services. In preparation for Intelli-Sourcing, the two companies came up with a set of 284 questions on SLA terms & conditions, which were crucial to the bidding process. These questions were weighted and, through a ranking system, provided insight on what issues were most important to the client company. In addition, a total of 118 bid items were developed. During the sourcing event, 43 bids were committed and 20 references submitted by the bidders. By supplying references, and based on the responses of these references, the bidders were awarded extra credit points toward their question and answer scores.

Sourcing Process

The sourcing event lasted a total of 12 days. Four bidders participated and submitted 12 questions for clarification. Avotus worked with the client to post the answers to the Intelli-Sourcing site for bidders' benefit. The bidders had visibility into how they ranked compared to the other participants, allowing them to adjust their bids to better their score, drive SLA scores up, and push prices down. In addition, Avotus sent daily tips to the bidders on how to improve their scores. During the sourcing event, the company had access to an online pricing histogram, which illuminated dramatic price drops by the suppliers in their valiant efforts to catch up with the lowest bidders.

Avotus Advantages

Industry:
Pharmaceuticals

**Sourced
Services:** Voice,
data, ISDN
services

**Spend before
sourcing:** \$2.3M

Savings: 69.1%

**Sourcing event
duration:** 12 days

Sourcing Results

In order to provide the company with alternatives to the solution strategy employed, Intelli-Sourcing results delivered several savings scenarios based on various bidder combinations, which if implemented could help the company realize savings in the range of 63.6% to 69.1%.

The largest overall savings delivered from the sourcing event over the 36-month contract period was \$1.6M (69.1%). These savings were based on awarding all voice and data services to one incumbent. This carrier had the highest score for the company's most critical question items and had also bid on 100% of the bid items.

About Avotus

Founded in 1981, Avotus is an award-winning provider of intelligent enterprise Call Accounting solutions. Since its inception, Avotus has worked with corporate telecom administrators to help them tackle the challenges associated with managing their complex enterprise communications assets, which increasingly include a growing number of mobile phones, tablets and other smart devices. Avotus serves customers across 41 global destinations, many of which are industry-leading Fortune 2000 customers.

For more information, please visit www.avotus.com.