

## *Avotus Produces Big Savings for Leading Supermarket Operator*

### Executive Overview

Delhaize America is a leading supermarket operator with over 1,500 stores in 16 states in the eastern United States. Delhaize America is able to target the needs and requirements of specific markets, customize its product and service offerings, and maintain strong brand recognition through its Food Lion, Hannaford Bros., Sweetbay, Bottom Dollar, Bloom, Reids and Harveys banners, each of which has a distinct strategy and a well-established brand image. Delhaize America employs approximately 104,000 full-time and part-time associates. Recently, its two main supermarket chain banners, Hannaford and Food Lion, collaborated on a telecommunications and data online reverse auction project using an Avotus ICM Intelli-Sourcing process and expertise.

### **Intelli-Sourcing Success Highlights**

**Company:** Delhaize America

**Auctioned services:** Dial-up and dedicated Internet, frame relay, IP VPN, ISDN, SONET, voice, toll free and conferencing, MPLS catalog

**Auction results:** \$5.2M savings, representing 14% of pre-auction spend

**Auction duration:** 10 days

### Business Need

Customer services that required negotiation included dial up and dedicated Internet, frame relay, IP VPN, ISDN, SONET, voice, toll free and conferencing.

### Background

Delhaize had already begun the negotiation process with its incumbent carriers to obtain more favorable rates, but decided to pursue the automated ICM Intelli-Sourcing to drive further savings. An eight-member team from Hannaford and Food Lion was formed that included an IT/telecommunications buyer, contract manager, sourcing manager and network and telecommunications management members. The team requested MPLS catalog pricing at various port speeds, as well as frame pricing, and added a technology change clause in its request for bids.

The Delhaize and Avotus teams developed 422 T&C questions to be addressed during the auction and 208 specific bid items.

## Sourcing Process

AT&T, Broadwing, Genesys Conferencing, Global Crossing, InterCall, iPass, NetWolves, Sprint and Verizon participated in the 10-day Avotus Intelli-Sourcing. The participating companies submitted 95 bids covering all or part of the 208 bid items and all of the relevant questions. The bids, answers and references were scored against the pre-established weighting system to arrive at overall and service-level rankings.

Commenting on the process, Pam Grant, IT Telecommunications Buyer said, "We feel the process was successful. Avotus handled most of the details and saved a fair amount of time."

## Sourcing Results

The auction delivered an additional 15.3% savings over what the Delhaize team had already negotiated with its incumbents. During the auction process, maximum savings of 79.3% were obtained for Conferencing, 52.6% for Voice, 6.7% for Frame Relay and 64.7% for IP VPN.

Delhaize decided to stay with its incumbents for the majority of the business, taking advantage of the additional savings delivered by the auction. The company changed vendors for Conferencing and Remote Access in order to substantially reduce their expenditure in these areas.

## 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](http://www.avotus.com).