

**eProcurement
Success Highlights**
Industry: Information & Communication Technology

Auctioned services: Voice & Data

Spend before auction: \$7.1M

Savings: 47.5%

Auction duration: 11 days

Executive overview: A global information and communication technology organization based in Europe, this company is one of the world's leading providers of workspace management services. Working with its partners and clients, the company designs, deploys and manages flexible and innovative end-to-end solutions in order to optimize and increase the productivity of its clients' mobile knowledge workers. The company has a major presence in North America through a Northeastern regional office and several other offices throughout the country. The company's voice and data system is critical for supporting its distributed workforce.

Background: Total costs for data and voice, including inbound, outbound, voice access and calling cards at the company were **\$7.1M over a 24-month period**. With a goal of achieving lower pricing while staying with its primary incumbent voice carrier, the company's five-member team from telecom, finance and purchasing contacted Avotus to run its ICM eProcurement WebAuction™.

This was not the first time the client turned to Avotus for help with a WebAuction. Six months earlier, the companies worked together to implement a similar process for the client's wireless phones, data and pagers. That successful WebAuction projected a savings of **\$1.5M or 50.3% over a 24-month period**. Happy with the results of that first WebAuction, the client again enlisted the help of Avotus for this second auction.

Working with Avotus, the company pulled together a **set of 330 questions**, which were assigned weights by the team. Particular terms and conditions were ranked according to how they were weighed by the group. A **set of bid items – 477 in total** – was also developed that allowed the bidders to iterate on the company's current voice and data services.

Auction process: **Seven suppliers were invited to bid** – one declined. Over the duration of the **11-day Avotus WebAuction**, there were a total of **23 bids** with a flurry of activity coming in at the end of the auction. During the auction process, Avotus provided the company with insight into bidder behavior and worked with the company's team to respond to the bidder's questions. Avotus also sent daily tips to the bidders on how to improve their scores. In addition, it assisted with an argumentative incumbent bidder that initially refused to sign a non-disclosure agreement.

Auction results: The result was another successful WebAuction for the company. **It delivered a 24-month savings of \$3.4M or 47.5% -- higher than the \$3.0M savings that was initially projected by Avotus.** A breakdown of the savings for the 24-month period follows:

Voice	\$1.1M	39.5%
Data	\$2.3M	52.8%
Total	\$3.4M	47.5%

In terms of its incumbent inbound/outbound voice, calling card, and voice access vendor, the auction presented a \$624K savings (21.2%) over that portion of the new contract. For the dedicated Internet access, the incumbent's savings were at 36.2%. However, the incumbent chose not to bid on frame relay, Dedicated Subscriber Line (DSL), dial-up Internet, Integrated Services Digital Network (ISDN) or local private line services.

