

## *Major Insurance Company Ensures 21st Century Procurement Practices*

### Executive Overview

This major US insurance and financial services company had implemented a network consisting of frame relay connections, Asynchronous Transfer Mode (ATM) with DSL backup to 200 sites, internet connections, as well as traditional toll free and long-distance calling to serve its clients and employees.

### Business Need

The Enterprise Networking and Voice teams at the company were faced with a time-bound challenge. All of their current communications contracts were scheduled to lapse in early 2007. As per a corporate mandate, they had to re-evaluate all contracts with the company's major inter-exchange vendors every three years by going through a Request for Proposal (RFP) process. Further, given the cost of their existing voice and data contracts, the company needed to have new contracts ready for approval at their Board of Trustees meeting in November 2006.

### Background

The members of the Enterprise Networking and Voice team worked with Avotus to develop and refine the questions that would be presented to the selected vendors during the online RFP process and auction. A set of 604 questions were developed, which would allow the vendors to respond to specific issues that concerned the customer. The questions were thereafter assigned weights to provide the bidders with critical information about the importance of particular T&Cs. A total set of 421 bid items were developed for voice, data, audio conferencing and calling card services. According to the Voice Technology Manager on this project, "We found that Avotus was a strong advocate for us, and we had a true partner in the RFP development process."

### Auction Process

Once all of the preparation work was completed, the sourcing event commenced and included 13 carriers invited by the customer to participate. Intelli-Sourcing ran for 11 business days. During the auction, the Enterprise Networking and Voice team observed the vendors lowering their bids in an attempt to win a better share of the business.

#### **Success Highlights**

Completed the entire RFP and sourcing project in half the time that is normally required

Expedited the evaluations and comparisons of the responses, revealing the clear leaders for price, SLAs and T&Cs

Enabled the company to upgrade to state-of-the-art MPLS technology for their data network, as a result of the very positive pricing and terms achieved

During this time, the vendors also competed against each other to continually offer better terms and SLAs.

An Avotus “Web Auctioneer” worked with the customer and the vendors throughout the process. One of the major functions of the Web Auctioneer was to encourage the vendors to maximize bidder participation. At completion of the auction period, the results including possible award scenarios were delivered to the customer by the Avotus Intelli-Sourcing auction team. Thereafter, Avotus assisted the customer as they analyzed the results and “sliced and diced” the information to perform direct comparisons between the vendor offers. The customer could easily see the rankings to determine best of breed for specific categories and the responses to particular questions.

### Auction Results

Initially, this major insurance company was interested in just replacing its current ATM/Frasi network with an MPLS solution in a like-for-like configuration. After analyzing the MPLS pricing, which was very favorable, the customer abandoned their initial plans and decided to go to an Enhanced MPLS-based network plan.

The customer’s Enterprise Networking and Voice team completed their entire RFP and sourcing project in half the time required to complete their previous manual process. In addition to the entire process being done more quickly, the automated process expedited the evaluations and comparisons of the responses. As per the Voice Technology Manager, “Using the results of the auction, it was easy to determine the clear leaders for price, SLAs and T&Cs.”

The customer met their schedule and delivered the contracts ready-to-sign to their Board of Trustees in time for the November board meeting. Additionally, as a result of the very positive pricing and terms they obtained during the auction, the company decided to move to state-of-the-art MPLS technology for its data network.

### 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).