

MULTINATIONAL OIL AND GAS COMPANY



TELECOM AUDIT SERVICES SUCCESS STORIES

Enabling savings through building trust. In addition to upgrades and improvements to their global network, this company received savings in excess of \$2.5 million since the last audit report, well up from the initial \$300 thousand.

TELECOM ENVIRONMENT

24 Countries

900+ Locations

70+ Vendors

\$64M+ Spend

EXECUTIVE SUMMARY

MDSL was engaged by a global \$300 billion plus oil and gas company with 70,000 employees in over 20 countries to help them reduce telecom costs by examining all assets and agreements to find overbillings, services no longer in use, and other errors that would contribute to unnecessary spending. This initial project achieved \$300 thousand in savings for the client.

These excellent initial results encouraged the client to extend the project for another year and expand it to include all departments for the client's domestic procurement team as well as the European and Asia/Pacific teams. One of their biggest questions was why their own people missed what MDSL found.

CHALLENGES

The initial project included a 12-page exception list of contracts and services that MDSL could not approach or contact. It is not unusual in large companies for there to be sensitivities to certain relationships, so this wasn't surprising. However, the limiting of sites, suppliers, and services that could be examined also limited the results that could be achieved.

Recognizing the excellent early results achieved during the pilot project, the client felt far more confident in trusting MDSL and removed the restrictions allowing comprehensive examination of resources and services in all locations. MDSL was able to seek cost reduction and expense elimination opportunities throughout the entire enterprise.



SOLUTION

Starting with a thorough review of each contract and the related network itself, MDSL identified and obtained best rates once they had determined that the services involved were still needed and in active use. Where appropriate, upgrades and changes to take advantage of new technologies and programs were recommended. Once a course of action for each contract involved in each network was determined, MDSL assisted with procurement of each contract on behalf of the client.

In more remote locations, it is more difficult to obtain the benchmarking data required for complete analysis. The project team was able to depend upon the expertise and experience of local MDSL personnel with each client's local contacts where necessary.

Most of the carriers and other suppliers used by the client were already familiar with MDSL and knew in advance that they were dealing with very knowledgeable negotiators who worked with local staff fully familiar with standards in their region. This encouraged them to shortcut much of the process and get right to the most advantageous terms, conditions, and rates.

This approach to the project led to refunds, cancellation of contracts no longer in use but still being paid for, and adjustments to the most preferable programs with the lowest possible rates.

RESULTS

MDSL benchmarked contracts across EMEA, APAC, and North America. We identified areas of savings and better terms that could be negotiated. After meeting with the client for approval, we rebid their contracts with a subset of defined vendors and worked those new terms through final signature.

We instituted a formal inventory audit process, executed globally. This process continues in a methodical fashion to ensure services are cataloged and identified, leading to removal of ones no longer needed. We continued to monitor usage over a three-month span to identify any unused services, following up low or no use items with responsive validation.

In addition to all the upgrades and improvements to their global network, the client enjoyed savings in excess of \$2.5 million since the last report, well up from the initial \$300 thousand.

Recognizing the clear value of engaging an external resource to augment their own teams, the client also made staff changes, assigning more appropriate activities to their own people that increase productivity and profitability as well as employee and customer satisfaction.



Reach out for more information:

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