

# Avotus Clears the Pipeline for Refineries' Communication Services

## Avotus Advantages

**RFP and Auction completed in 100 days**

**Negotiated savings of over \$12 million USD**

**"Hands-off" expense management with Avotus Elite**

One of the world's largest refiners and resellers of petroleum products has exploration sites, refineries, and over 10,000 gas stations throughout North and South America. Keeping all of these sites in constant contact was costing the company \$40 million USD a year for communications services.

Depending on 60+ carriers to provide these services, the company felt it insurmountable to contact, solicit & receive bids, analyze, check references, assess, and award contracts for each of its 1,250 individual services. Unfortunately, to realize any significant savings on their telecommunications spend, the company would have to renegotiate its contracts.

The company decided that Avotus e-Procurement, an online reverse auction process customized for communications purchases, was the solution to their problem. By utilizing this solution, the company would be able to achieve significant savings in record time and with far fewer headaches. The Avotus WebAuction™ allowed the company to define the specifications for each of their services and solicit vendors of their choice to bid on those contracts.

The Avotus WebAuction allowed competing vendors (in real-time) to witness where their pricing stood, as well as their ranking (0-100%) in compliance of the company's service specifications. The electronic RFP and WebAuction were completed in 100 days. The time savings alone represented a cost-savings the company would never have been able to attain. In addition, because the contracts were negotiated so quickly, those savings are implemented sooner. This resulted in greater near-term savings for the company.

In terms of contract pricing, the company was able to negotiate for savings in excess of \$12 million USD. While this customer was now able to reap huge contract savings, they still had concerns about the accuracy of their inventory. Due to several consolidations and an out-of-date database, the customer knew the invoices for their 20,000 inventory elements were riddled with errors. Thanks to Avotus' overall Telecom Expense Management philosophy, the customer selected Avotus to provide its Expense Management solution via completely outsourced value added managed service.

Under the Avotus Elite service, Avotus took over full responsibility for processing communications invoices, managing inventory, and submitting orders for new equipment and services to the carriers. Overall, Avotus will be responsible for reconciling \$25 million annually in communications spending.

