

Utility Goes Wireless With Avotus e-Procurement

Avotus Advantages

Saved 35% on annual wireless telecom costs

Obtained "pay as you go" contract terms

Auction completed in 10 days

Providing 4.2 million customers with power in the southeastern United States, this utility requires a variety of telecommunication services to help keep power flowing. Customer call centers, operations at 14 power plants, hundreds of substations, and thousands of employees meant this utility was spending \$3.2 million dollars per year on telecom. As a quasi-public utility with government mandated profit levels, any reduced cost would strongly help their financial picture.

One major concern for the utility was their wireless charges. With hundreds of linemen and field techs carrying wireless phones, costs for devices and their usage was a major impact on overall spending. In addition to making field employees more effective, wireless communications were critical for coordinating repairs or for use in emergency situations. Unfortunately, the customer's current wireless provider had a *defacto* monopoly on their "push to talk" feature.

The customer turned to Avotus to help them source better contracts and pricing from wireless carriers in the southeast. Avotus analyzed the utility's current infrastructure and contracts, inputting the data to our best-in-class database. This database holds information on every auction run, allowing Avotus to see what types of contract terms and pricing should be expected for the service at auction. Avotus was able to predict an 11.7% savings on the wireless service for this customer.

More than just saving money, the customer was seeking better contract terms and higher service level agreements. One of those terms included a stipulation for a "pay as you go" plan to simplify management, charge back, and to avoid paying for unused minutes.

Avotus invited several Tier 1 carriers to participate in the auction. Over the course of 10 days, 26 bids were placed on the wireless contract. Upon close of the auction, the results were even more favorable than Avotus had predicted:

- The utility recognized a savings of 35% from the *incumbent* carrier
- The carrier agreed to the utility's "pay as you go" terms
- The carrier also agreed to a pure Cost per Minute billing system rather than fixed monthly charges and minutes

