



## Energy Conglomerate Partners with NPI to Cut Millions in Telecom Spending, Improve Sourcing



How does a world-class sourcing team perform even better? It's a challenge that one of the largest energy conglomerates successfully overcame with the help of NPI. With more than \$12 million in annual telecom spending, the company has always been meticulous about the way it sources, negotiates and manages carrier and provider relationships. Armed with NPI's program, pricing and contracting advice, the company further reduced telecom costs by \$1.6 million a year.

### Case Study: Energy Conglomerate

#### The Challenge:

- Needed to further reduce telecom costs, wireless and wireline investments
- Lacked visibility into fair market value and terms for major data, voice and wireless contracts
- Unable to mitigate impact of recent carrier price changes
- Needed to retain grandfathered status on pricing and plans secured in prior years, as well as add new plans to address evolving usage profile

- NPI delivered annual savings of \$1.6 million in telecom spending
- Achieved 27 percent reduction in costs
- Expedited vendor contracting and negotiation process through NPI's telecom spend management methodology
- Freed up sourcing bandwidth for other strategic priorities

#### Telecom Complexity Prompts Need for Sourcing Reinforcements

As one of the world's largest energy conglomerates with assets ranging from offshore platforms to natural gas processing plants, the company had seen telecom costs rise steadily over the years. Historically, the company's world-class sourcing team has been very successful at keeping telecom expenditures low. Their sourcing strategy has always included third-party advisory and benchmarking services; in fact, the company first enlisted NPI's telecom spend management expertise in 2008.

Recent changes to carrier pricing, programs and contracting tactics made it much more difficult to control telecom spending. The company realized it needed to retain the favorable pricing and plans secured in 2008, as well as mitigate the cost risks associated with its changing usage profile. Once again, the company sought reinforcements to mitigate the impact of an increasingly complex telecom sourcing environment, and turned to NPI.

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**“There was no low-hanging fruit when we came to the table. Their sourcing team had already found significant savings. The fact that NPI was able to identify and successfully source millions more is a testament to the valuable insight that NPI provides to its telecom clients.”**

**Jon Winsett**  
CEO, NPI

## **Mission – Take Price Optimization to the Next Level**

Through their prior work with NPI, the company had already cut the fat out of their telecom spending. What they needed was analysis and advice that would further optimize the “best available” rates and terms the carriers had already offered, and identify new cost savings opportunities based on changes in the company’s usage profile in an increasingly wireless world. Backed by a proven record of delivering seven-figure savings for enterprise telecom spending, and a risk-free delivery model, NPI came on board with little time to spare. The company was in the midst of several major wireless and wireline contract renegotiations with its largest telecom providers, including Verizon, AT&T and Sprint.

## **Savings that Surpass Expectation**

NPI began work by benchmarking pricing, terms and discounts for all wireless and wireline contracts, and analyzing the company’s current wireless usage environment. Reasonable pricing had already been secured from their data, voice and wireless carriers – but they felt confident additional optimization opportunities existed. NPI identified further discount and rate optimization opportunities that could more than double the savings previously identified by the company.

NPI was enlisted to further manage contract negotiations with Verizon, AT&T and Sprint. The result exceeded expectations by a mile. NPI reduced contract costs by an additional 27 percent, which translated into \$1.6 million in savings annually. Today, the energy conglomerate still engages NPI as a critical part of their telecom expense management team, leaving no stone unturned in the telecom sourcing and vendor management process.

## **About NPI**

*NPI is an IT sourcing consulting company that helps enterprises identify and eliminate overspending on IT purchases, accelerate purchasing cycles and align internal buying teams. We deliver transaction-level price benchmark analysis, license and service optimization advice, and vendor-specific negotiation intel that enables IT buying teams to drive measurable savings. NPI analyzes billions of dollars in spend each year for clients spanning all industries that invest heavily in IT. For more information, visit [www.npifinancial.com](http://www.npifinancial.com).*



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