

Global Energy Company Exceeds Target Telecom and IT Savings of \$2M by \$700K

Tangoe Provides Immediate Cost Savings Through IT Expense Management Solution

Background

Unless you're directly in the trenches with IT teams, it's tough to imagine the challenges of IT asset and expense management. This serious obstacle can have a significant impact across an entire organization. Case in point: A large multinational gas and energy company was forced to review their finances in all areas of the organization as the price of oil dropped. Telecom and IT expenses were identified as two areas with room for improvement.

The company decided to seek out a Technology Expense Management provider that shared their philosophy of finding savings and fostering business growth through new progressive methodologies and innovative technology.

The new Technology Expense Management provider needed to be able to produce a smooth transition without incurring supplementary disruptive costs. The project needed to drive \$2M in additional savings.

Driving New Savings Strategically

Tangoe first conducted a detailed recovery audit plan for the company in 2014. The recovery audit involved a painstaking process of looking for monies owed to the energy company

Key Pain Points

- Need for seamless transition to new Technology Expense Management provider
- Dropping price of oil
- Target savings of \$2M
- Out of date inventory and complex ITEM environment

The Overarching Solution

Tangoe Technology Expense Management

Outcomes

- Up-to-date inventory foundation
- Baseline for comparison of carrier invoices and actual inventory
- Identification of \$2.7M in potential savings within the first 90 days
- Identification and correction of incorrect surcharges at \$40,000 per month for several years
- Removal of out-of-use inventory



and their subsidiaries (other than tax refunds) from unknown or undiscovered sources such as vendors and federal, state, and municipal entities or authorities and obtaining those owed payments.

Impressed with the results, the energy company engaged Tangoe to manage their wireline services as well as develop an inventory foundation service through Tangoe's Strategic Consulting Services. The inventory foundation helped create a baseline for comparing the incoming invoices from the carriers with what the energy company actually has in use. This baseline also keeps the inventory up-to-date by accurately reflecting any changes to the inventory.

The Tangoe Solution

A Foundation Project Yields Rapid Success

The initial agreement required that the inventory foundation project exclude spend exceeding \$35M and limit analysis to 32,000 active circuits. Tangoe's Strategic Consulting team analyzed telecom consumption of 3,700 service sites operated by the energy company and identified \$2.7M in potential savings within the first 90 days. Though the analysis did not include the energy company's approximately 10,000 gas stations, the Strategic Consulting team delivered relevant data to these third-party sites' franchisees and subcontractors.

The energy company had offices in several states that used telecom lines regularly. Their numerous remote drilling sites frequently installed telecom assets, yet when these areas were closed, the phone

Tangoe's Strategic Consulting team analyzed telecom consumption of 3,700 service sites operated by the energy company and immediately identified \$2.7M in potential savings within the first 90 days.





Case Study: Global Energy Company

lines often remained active. When Tangoe audited the phone lines for 41 vendors at remote drilling locations, they discovered several carriers were still billing for old services at rack rates. Many of the drilling sites had been closed or retired.

In most cases, these legacy services were still connected and working even though new technology had been installed. The energy company was reluctant to remove the legacy services in the past and required sign off. These carriers applied long distance overage charges and incorrect application of surcharges at the staggering amount of \$40,000 per month for several years.

Key Solution Points

- Exceeded target cost savings (\$2M) by \$700K
- Generation of cost savings through removal of out-of-use inventory
- Seamless transition to new Technology Expense Management provider
- Simplified TEM environment to reflect in-use and up-to-date inventory

Immediate Cost Savings Meet Long-term Optimization of IT Assets and Expenses

Tangoe performed enhanced savings initiatives with numerous carriers to build an up-to-date inventory by location, removing inventory that was no longer in use. Doing so generated immediate cost savings and paved the way for future cost analysis and optimization of the energy company's other IT assets and expenses.

The proper Technology Expense Management strategic consulting services addressed a range of IT expense and asset issues to help the organization quickly achieve results with minimal disruption and maximum ROI.



Visit us at www.tangoe.com or call 844.484.5041.

tangoe

About Tangoe

Tangoe helps its customers grow their bottom line. Leading global brands rely on Tangoe to increase productivity, reduce costs, and drive predictable results. The company's technology solutions are the global expense management and mobility services standards for the world's greatest brands who believe, like us, people work smarter when technology works for them. Learn how technology can make you work smarter at www.tangoe.com.