



## **XL TELECOM CASE STUDY 1 AUTOMOTIVE COMPANY, UK**

### **Introduction**

In this, our first case study, we take a look at an analysis and audit that we have undertaken for a client in the automotive industry in the UK.

This client has its Headquarters in Berkshire with 110 branches across the UK. They were operating a telephony switch at the headquarters site and then single and multiple BT PSTN lines at all of their branches. Most branches had between 7 and 10 phone lines with a couple of larger London area branches with more than 50 lines operating through no less than 7 separate telephone systems. There were about 35 separate bills which were being sent all over the place, often to addresses that no longer existed along with 14 separate BT Onebills which were being sent to the client's offshore back office supplier payment processing centre. They also had some indirect access and CPS services with another operator spread across 45 accounts.

### **Phase I - Analysis**

The first task was to get details of all the lines that BT were actually billing across the entire organisation and get them in to a single database. Our client provided us with a letter of authority to talk to BT on its' behalf and BT were only too happy that this was all going to be sorted out. Once all the line information was added to the database, we were able to associate lines against branches (with cost codes) and then against function, i.e. voice line, fax line, alarm line etc... There were 981 PSTN lines across the 110 branches and a further 45 PSTN lines and 5 ISDN 30 circuits in the headquarters. We presented the analysis with details of the lines which we believed were perhaps unnecessarily still installed and suggested that there were probably as many as 194 of those 981 branch lines that were redundant. Our client agreed to move to Phase II. This analysis was charged at a fixed rate agreed with the client in advance.

### **Phase II – Physical Audit**

The physical audit is an actual visit to every branch, where every phone line is checked and a call made from each to confirm the number and this is marked in the database along with the correct use e.g. fax, front desk, back desk, manager's office, alarm etc... This also helps us to see which lines that are being billed, are not being used, or should have been ceased some time previously.

This audit provides an absolutely invaluable inventory for any business as well as allowing us to confirm exactly what needs to be disconnected and changed. For our automotive client visiting all 110 branches across England, Wales, Scotland and Northern Ireland took 29 days. The costs of the Phase I analysis are then deducted from the cost of the physical audit, so Phase I is free of charge if Phase II is undertaken. As our client had more than 15 branches we agreed a fixed rate per branch for the audit which included travel and accommodation for the auditor. Our client agreed to move to Phase III.

### **Phase III – Review & Action**

For this particular client we recommended that they move on to a particular BT service which gave them free calls across all of their fixed lines anywhere in the UK and provided them with the ability call between all extensions on an internal dialling plan – this reduced their line rental by 26%. We also confirmed that this could be linked to the headquarters telephone system to allow on-net calls between all branches and headquarters. During the last 10 months of 2009 this has saved them in excess of £44,000 (29%) on internal phone calls between the headquarters and branches. We also recommended that they move all of their lines to a single BT Onebill with cost centering and ceased 188 lines in total, saving a further £39K per annum.

We also suggested that the business move away from using geographic numbers as its branches and used non-geographic 0844 numbers for the branches and an 0800 number for its sale.

Our client accepted the recommendations and we implemented all of the above solutions. During the work we were also able to get back an additional £24K of incorrectly charged line rentals from BT for lines that were requested for cease many years previously and had been forgotten. The 0844 numbers have provided an additional revenue stream in to the business and the 0800 sales number has assisted in a 6% overall sales increase for 2009.

We agreed a fixed cost with our client for undertaking phase IV and migrated all of their existing 0800 numbers to a provider that we have been working with since 2003 and provided new 0844 numbers and put all of their old 0870 and geographic numbers on appropriate changed number announcements, this driving calls to the correct channels for the business, saving them on advertising and reporting costs.

### **Phase IV – onward management**

As with many of our clients, this client wanted us to continue to manage their lines and bills with BT to ensure that their savings continued and that they were aware of new services and money saving opportunities. We have just completed an integration of their mobile phones in to the solution so that they now enjoy free calls between their fixed phones and mobiles, both ways which is projected to make an additional overall saving on their annual mobile spend of around 33% and on their fixed lines bill about 41%, as the calls to all business mobiles are free of charge.

## **Summary**

Great savings can be made through all of the Phases, but a full audit and analysis, plus putting our recommendations in to action and then managing them certainly has paid off for this client.