Leader in healthcare and life science saves over $400,000 while reducing telecom expenses by 38%.

How historical audits, a centralized ordering system, and inventory management helped a global giant gain control over their telecom and mobile spending.

INDUSTRY: HEALTHCARE AND LIFE SCIENCE | ORGANIZATION: GLOBAL LEADER IN PHARMACEUTICALS, CONSUMER HEALTH, AND LIFE SCIENCE

About the Company

The company is a global leader in pharmaceuticals, consumer health, and life science specializing in developing innovative products and finding solutions to some of the major challenges of our time. They have over 100,000 employees, spanning 87 countries, with annual revenue over €48 billion dollars.

Overview

As a long-time host and load customer, the company had built up an internal team around Tangoe's platform to process, audit, and manage their own invoices. As the company grew, the volume and complexity of the invoices increased with confusing and complex contracts, interdependencies of services, and disparate regulations. The size of their company meant their accounts payable (AP) team was processing a high-volume of invoices but had minimal time, resources, and subject matter expertise within the organization to audit the invoices. They were paying for services that were no longer being used, unit cost and calculations were inaccurate, and late payments were increasing spend.

Adding to the company's challenge was a decentralized ordering system, leading to complex inventory with limited visibility. Decentralized procurement was inefficient and risky as each office or division had the purchasing power to order inventory at their own discretion. This led to a host of issues including: opportunities lost for bulk purchasing and negotiating better terms; limited resources to evaluate suppliers, consolidate orders, and negotiate better deals; disorganized data; and performing a spend analysis was far more difficult as the data was rarely standardized.

Confident that money was being left on the table due to their limited engagement with Tangoe technology, the company asked for help; what they got was so much more.

Approach

As the company began preparing for a large network migration, Tangoe recommended a complete, centralized inventory build to understand what would need to be migrated. This would also give the company visibility into what services were assigned and to who, helping them safeguard against paying for unused or unneeded services while avoiding expense leakage. Assistance was also needed to manage their exploding telecom and mobile spend and design a new and improved workflow for their invoice processing. Audits would also be necessary to ensure that no money was left behind.

01 Challenges

- Limited auditing due to constrained resources and technical knowledge
- Decentralized ordering and network migration challenges due to decentralized inventory
- Acquisition of a large company created need to identify/consolidate spend

02 Solutions

- Moved from host and load to Tangoe managed services
- Centralized inventory and ordering with up-to-date assets and clear visibility
- Historical and ongoing audits to identify billing errors, inactive service lines, and overcharges

03 Results

- Reductions of spend and late fees from telecom/mobile audits and mobile optimizations
- Telecom Expense Management (TEM) protocol expanding globally
- Accurate inventory leveraged for company wide network migration

Managed Services:

Order workflows were revised to enable Tangoe's automation platform to manage orders and validate expenses on an ongoing basis. Maverick spending was minimized, data became clean and up-to-date, and spend analysis became efficient and pain-free.

Historical Audits:

Tangoe performed a thorough historical audit of past invoices discovering misapplied rates, phantom fees, keying errors, and non-standard transactions.

Centralized Inventory:

By integrating inventory records with telecom provisioning and full-service expense management, the accuracy of billing went up and the amount spent on overcharges was drastically reduced.

"91% of our monthly telecom invoices in the USA no longer need human intervention for processing and payment; we continue to recognize this value every day."

- Vendor Manager

Results

$100K
per Quarter

Saved from Tangoe managed services and avoidance of late fees

$700K+
Savings

Recommend savings identified through historical and ongoing audits as well as optimization

38%
Reduction

Reduction in telecom operating expenses

Conclusion

Managing telecom and mobile expenses, as well as identifying and maintaining inventory, for a global juggernaut was fraught with challenges. A network switch made it imperative that the company work with an experienced partner to re-strategize, rebuild, and realign their telecom and mobile invoices and inventory. Tangoe's automation capabilities and historical and ongoing auditing, coupled with extensive knowledge of the telecom and mobile category, allowed the company to focus on their migration and reduce spend by nearly 40%. "These results reflect a well-managed and controlled category of external spend," said their Vendor Manager.

About Tangoe

Tangoe helps nearly half of the Fortune 500 work smarter, save money and be confident by simplifying complex technology processes through automation. The Tangoe Platform is one complete solution that helps customers place technology orders, pay invoices, track inventory and find cost savings for telecom, mobile and cloud – including IoT and 5G. Tangoe manages more than $40 billion in technology expenses across 10 million global technology assets and $2 billion in managed payments. Tangoe is backed by 20 years of industry experience and more than 1,400 technology, product, and service delivery experts who monitor, manage, dispute, and report on the day-to-day operations behind customers' telecom, mobile, and cloud environments. With Tangoe customers have everything needed to confidently manage assets, roll out new programs, and improve the bottom line. To learn more about Tangoe, visit tangoe.com, or visit Tangoe on Twitter, LinkedIn, and Instagram.