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# Veropath

## Case Study: Scottish Water

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## Veropath cuts national utility organisation's annual telecoms bill by 39%



Our client is a publicly owned national utility organisation which is answerable to the Government and to the individual citizens whom it serves. With 3,700 employees located within six principal offices, as well as more than 100 other smaller locations, our client is responsible for supplying more than 2.3 billion litres of drinking water and removing nearly a billion litres of waste water per day.

In 2003, we were awarded a 12 month contract to assist this organisation in reducing both cost and resource associated with external fixed-line communications, and to provide an ongoing support function for all asset and bill management. This contract also included the potential for a 12 month extension through a competitive bid against the UK's leading network providers.

### Assessment and Benchmarking

Back in 2003, the main challenge was to achieve a significant reduction in the cost and resource requirement associated with our client's telecoms services, whilst also providing an enhanced level of service for its five million strong customer base. In addition, there was also a strong focus on the level of cost reduction which was required in order to meet the regulations and recommendations of the relevant governing bodies.

The company's UK fixed-line telecoms estate consisted of more than 10,000 physical lines into a variety of served and un-served premises. This had previously been operated as three individual estates with multiple network provider agreements in place and as such, at the time of our engagement, a fully detailed telecoms asset register did not exist and so it was impossible to gather truly accurate management information. This presented major challenges each month when it came to allocating spend to internal business cost centres, as well as causing problems when key decisions needed to be made about areas such as the ongoing use of current services and the potential for service improvements.

We first carried out an accurate Assessment of our client's current telecoms estate, which included a complete asset register of all services by line type, cost centre and location. This was followed by a Benchmarking exercise based on the organisation's current fixed-line call profile, for both

fixed and variable costs. At this point, significant weighting was given to its unique service requirements and the associated drivers for cost reduction.

Based on the results of the Benchmarking exercise we were able to rationalise four network providers down to two, which also happened to be the main incumbents, both of which already had physical infrastructure in place throughout the company. We now carry out ongoing Benchmarking activity to ensure that our client's services remain in line with the best possible market rates and service levels at all times.

And five years on, we are still working with the organisation to provide a unique and bespoke service across not only its fixed-line services but also its mobile and data services as well.

## Results

### Reduced cost

The original project resulted in a forecasted cost saving of £330,000, which was equal to 49% of the organisation's variable call spend. A further saving of £101,228, which was equal to 26% of its fixed spend, was also identified - and both of these savings were exceeded within the first 12 months of engagement. We were also instrumental in greatly reducing the overall cost of surplus services to the company, with a year one saving of £150,000. Over the course of the initial two year term we delivered total cost savings in the region of £750,000, including identifying mis-billed charges in excess of £41,152.

### Enhanced service

We were able to greatly improve the service levels received, including increasing service coverage to a 24/7/365 arrangement, with a four hour response time. This brought the service level in line with the organisation's internal SLAs and was achieved at no additional cost.

### Improved reporting

We maintain an accurate asset register of all our client's telecoms services and are therefore able to report against these on a monthly basis, to ensure accuracy of billing from both incumbent providers.

### Increased visibility

The creation of a full asset register has provided the company with a level of accuracy and inventory listings which were not previously possible, and has allowed us to deliver a wide range of monthly management information, including accurate cost allocation across the business, key trend information and mis-billing analysis - as well as identifying key areas where additional savings can be generated.