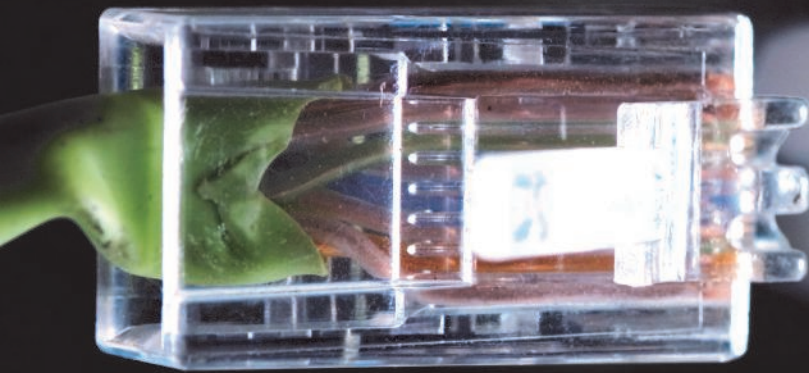


# Benchmarking Services





## Our Benchmark Databases Provide a Unique Perspective on the Telecommunications Market

- **We know the real-time market rate.** Our consultants are constantly engaged in the negotiation of deals covering all segments of the enterprise market. This deal flow is key to maintaining accurate and forward-looking information about current market rates and terms.
- **We develop negotiation targets based on our client's leverage.** We evaluate our clients' contractual flexibility and negotiation leverage in order to determine accurate and realistic targets for supplier negotiations. We neither exaggerate what you should be able to overachieve, nor play down your savings potential so that achieved savings beat expectations.
- **Without disclosing confidential information, we provide detailed, meaningful and usable benchmark data to our clients.** The pricing market comparisons that we provide give the specific range of unit pricing available at the leading edge of the market for the services and regions/countries included in the benchmark project.
- **We can benchmark the vast majority of services that you use.** The breadth of our experience and the sourcing projects we work on means that there are very few U.S. and global telecom services for which we do not have up-to-date benchmark data. From global MPLS networks, to long distance voice services, to SIP Trunking, to U.S. and global wireless services, to domestic and global conferencing to complex managed services. We even have a custom benchmarking methodology for telecom outsourcings.

Our benchmarks are based on market leading contracts and RFP offers that we have negotiated on behalf of, or in conjunction with, our clients. We intimately understand the dynamics and nuances of these deals which enables us to accurately and comprehensively determine the pricing available at the leading edge of the market for large corporate customers. We do not rely on second hand information gleaned as part of processing customer invoices for telecom contracts that we had no role in negotiating, or from customer surveys carried out by market analysts. Our benchmarks are obtained from the front-line of telecom deal negotiations for large companies, represent negotiated pricing solicited in highly competitive conditions and provide the very latest, cutting edge pricing and deal intelligence.

Taking advantage of annual (or mid-term) rate reviews is a critical component of the lifecycle management of telecom contracts. TC2's benchmarking expertise empowers clients to maximize the results of the annual rate review opportunity they negotiated hard to win. Such reviews are only as good as the latest information on specific network services. Because we can demonstrate market rate movements as they occur – exactly when carriers are attempting to hide them – your rate review will result in immediate savings and continue building leverage for your next full competitive procurement.

## How We Execute Benchmarkings

We conduct benchmarking projects using a three-step approach: (1) build the baseline demand set of the client's telecommunications services; (2) complete a benchmark assessment (pricing as well as key commercial terms) of these services against the market and; (3) develop sourcing strategies to deliver market leading pricing.

### Phase 1 – Baseline

In Phase 1, we obtain the client's carrier usage and service inventory information (supplier CD ROM data, commitment tracking reports, on-line portal data; paper invoices, contracts, and other supplier billing documents), and then review the data to evaluate current costs. Typical parameters for the demand set are circuit information (speed, type, mileage, location), port speeds, MPLS CoS details, rate-specific (interstate, intrastate, international, calling card, advanced 800 features, conferencing volumes, switched digital, DA) usage information, data equipment inventories (e.g., routers, LAN switches, firewalls, wireless access points), voice equipment inventories (e.g., PBX, voicemail, IPT and call center equipment) and other in-scope services and infrastructure.

TC2 then reviews this baseline data and the supplier agreements in order to determine total current costs and key business terms (such as revenue commitments and minimum payment periods). The baseline data is also organized into a detailed Total Cost of Ownership (TCO) Model, which establishes the baseline costs of the Client's services and is used by TC2 in the subsequent project Phases. TC2 provides the Client with a list of data requirements when we begin the project, and strives to efficiently use any data that the Client has already developed.

### Phase 2 - Benchmark

The baseline information from Phase 1 forms the foundation for the benchmarking phase. We compare a client's pricing and the key commercial terms (e.g., revenue commitments) to contracts of similar size and scope. Pricing comparisons are broken down by service and region/country, as applicable, and are based on the detailed and specific pricing information contained in our benchmark databases.

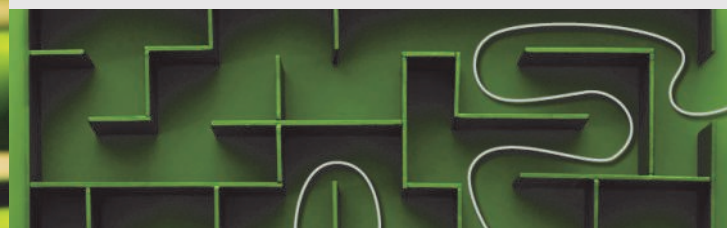


## Interested in What LB3 and TC2 have to Say?

LB3 and TC2 assist enterprise customers with network service and IT procurements, benchmarking, compliance management, regulatory issues and disputes. Learn more about industry developments and the challenges facing enterprise users:



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Our benchmark database is sourced from the many competitive procurements in which we are involved for telecommunications services. It comprises current negotiated pricing solicited in highly competitive conditions, giving an accurate and current view of what is achievable at the leading edge of the market.

TC2 consultants do not share confidential information from other contracts, but we do leverage our knowledge of business transactions taken as a whole to determine where our clients should target their pricing, and the key commercial terms relative to the current market.

### Phase 3 – Strategy

In Phase 3, we develop and propose sourcing strategies focused on achieving market leading pricing. The strategies take account of the results of the benchmarking analysis, the client's business needs, the state of the current telecommunications marketplace and any constraints discovered in the course of the benchmarking process. We collaborate with the client to refine the sourcing strategy as required.

### Project Deliverable

The deliverable from this work is a Baseline Benchmark Strategy Report that summarizes the Baseline, presents the Benchmark analysis and details the potential sourcing strategies that are developed. We supply our deliverables in management-oriented presentation documents. Detailed analysis and supporting material is developed and available to support our recommendations.

Once the Baseline Benchmark Strategy Report has been reviewed with the Client at the end of Phase 3, we stand ready to support the Client in the implementation of the selected sourcing strategy, usually through negotiations with its incumbent supplier(s) and/or the development of an RFP.