



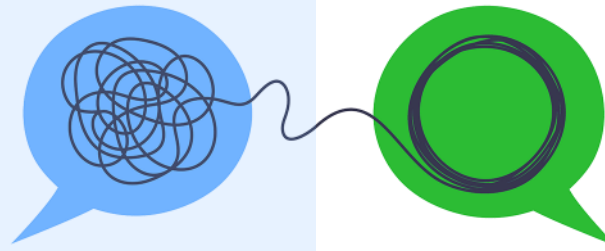
Contract Compliance and Optimization Services

Presented by TC2's IT Cost Management Practice



Billing errors and cost inefficiencies keep growing.

- New platforms and tools, increased granularity and detail and the availability of electronic data for the vast majority of network and related IT services have not reduced billing errors
- In fact, billing errors and challenges to effectively optimize services consumption are increasing due to:
 - Back office and account team downsizing
 - Proliferation of new and complex products
- TEM services are far better at making sure bills are paid than making sure bills are correct
- Ever increasing time pressures on internal resources pushes housekeeping to the bottom of the to-do list



TC2's CCO solution keeps you a step ahead.

- ▶ **We perform a forensic one-time inspection of billing data**
 - We maximize the identification of billing errors and missing contractual benefits
 - We seek and present opportunities to optimize your use of telecom services
- ▶ **We deploy best in class IT services experts**
 - We know exactly what to look for – where billing errors commonly arise and the most fertile sources of optimization opportunities
 - We understand the nuances of network services bills that others overlook
 - E.g., application of regulatory charges, technology-specific surcharges and miscellaneous charges
- ▶ **We meet challenges with a rigor that leverages the “Big Four” accounting firm experience of our practice leads**

Our Approach to Contract Compliance and Optimization

Contract Compliance

Performing a forensic inspection of billing data to identify services being charged at prices higher than your contracted rates

- Collecting and reviewing supplier invoice data
- Confirming accuracy of billed charges against underlying contracts
- Calculating value of any potential claims including estimated regulatory fees and surcharges

Optimization

Actively seeking and presenting opportunities for you to optimize use of its network services, such as:

- Duplicate invoicing / disconnects not executed
- Stranded elements (e.g., access without ports)
- Services not ordered under contract
- Billing at sites that have closed
- Legacy services billing that are no longer used

Execution and Recovery

Working with you and your suppliers to recover overbillings and implement optimization opportunities

- Documenting refund amounts and filing approved claims
- Responding to questions and negotiating recoveries
- Providing monthly claims status tracking and reporting





Contract Compliance and Optimization

Data Gathering and Timeline

1 Data Gathering

1. Copies of contracts and amendments
2. Access to in-scope supplier billing portals or TEM portal if you use TEM services
3. Site list that includes open sites, recently closed sites and any third-party partner sites
4. List of any open disputes in flight with suppliers

2 Compliance and Optimization Analysis

- With the data you provide in hand, we conduct our forensic inspection
- Your involvement steps down to weekly status calls and as-needed communications
- This phase generally takes 6-8 weeks

3 Execution and Recovery

- As our analysis proceeds, we begin discussions with your in-scope suppliers to recover credits and money you are owed
- Your involvement slows to bi-weekly status calls and as-needed communications
- This phase generally takes 6-8 months, depending on supplier responsiveness

Compliance & Optimization: 6-8 weeks

Execution & Recovery: 6-8 months



Contract Compliance and Optimization Successes

Notable Finds

- **\$2,200,000/year** in savings related to disconnection of unused dedicated access ring
- **\$2,000,000/year** in savings related to supplier not disconnecting lower speed circuits when circuits were upgraded to higher speeds
- **\$1,700,000/year** in savings related to services billing at sites that were divested
- **\$1,600,000/year** in BRI services billing which were not in use and hadn't been for years
- **\$1,500,000/year** in services billing at closed sites
- **\$1,000,000/year** in savings for legacy voice services not disconnected when company migrated to VOIP
- **\$600,000** one-time credit for 4 circuits billing on 2 separate accounts from same supplier

Real Life Savings

\$6,000,000

Fortune 100 Global Manufacturing company – errors & optimizations

\$2,000,000

Fortune 100 Global Chemical company – billing errors

\$3,800,000

Fortune 100 US Retail Chain - billing errors

\$1,700,000

Fortune 100 Global Manufacturing company – billing errors

\$1,200,000

Fortune 100 Global Pharmaceutical company – billing errors & optimizations

\$1,500,000

Fortune 500 US Transport company – billing errors

\$2,000,000

Fortune 100 Global Technology Company – billing errors

TC2 CCO FAQ

I have a TEM. We shouldn't have any billing issues.

TEMs typically only identify rudimentary issues; we regularly perform our CCO services for clients that also have a TEM and we still save significant money for those clients.

Do I have to report the errors to my supplier?

For each instance for which TC2 identifies a billing overcharge, TC2 will calculate the amount of the overcharge claim back to the point of origination of the error, including estimated taxes and regulatory fees. TC2 will document the refunds due from each supplier including account number, basis of the claim, contract or service guide reference, and estimated taxes and surcharges associated with overcharges. TC2 will then provide a report to each supplier, respond to any supplier questions, and negotiate with the suppliers if necessary.

What if I disagree with your optimization recommendations?

You are under no obligation to adopt any Optimization recommendations that you do not wish to implement. Our contingent fee is only charged based on Optimization recommendations that are actually implemented.

What work will I need to do to support the review?

There is not a significant burden on you and your team. Once you've provided access to your supplier contracts, billing data and some other readily available information that is useful for the work, your involvement will be largely participating in meetings to review our work and recommendations and supporting us in our interactions with your suppliers to recover billing errors and implement optimizations that you have approved.

How do you review billing errors with us?

Any errors or suspicious amounts identified by TC2 will be reviewed with you and prior to submitting to the supplier. Only after that internal review will we present the errors to the supplier.

What about optimizations?

For each Optimization opportunity, TC2 will specify what needs to be done to implement the Optimization, such as writing a service order or seeking a contract amendment to achieve the identified savings. If preferred, TC2 will lead all communications with suppliers to implement the Optimization opportunities you've approved, e.g., providing your suppliers with instructions of the services to be modified or issuing service disconnects.

I've already identified some billing issues. Can I exclude them from TC2's review?

If you have specific in-flight billing disputes underway that you wish to exclude from the scope of TC2's Contract Compliance and Optimization review, you can provide the list of such in flight billing disputes to TC2 prior to the start of the project. Such in-flight billing disputes are therefore clearly excluded from the scope of TC2's work and contingent fees.

Meet TC2's CCO experts.

TC2's CCO practice deploys specialists with many years experience in the analysis of telecom bills and services

Our experts know exactly what to look for — where billing errors commonly arise and the most fertile sources of optimization opportunities.

We understand the nuances of telecom bills that other auditors overlook — e.g., application of regulatory charges, technology-specific surcharges and miscellaneous telecom charges.



Tune in to our [podcast channel](#) to hear our experts' guidance on reviewing and optimizing your supplier invoices:

- [How to Drive Cost Savings from Your Network Spend](#)
- [Billing Terms that Improve Your Bottom Line Part 1](#)
- [Billing Terms that Improve Your Bottom Line Part 2](#)



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Contract Compliance and Optimization

Sample Statement of Work

Summary Statement of Work

- TC2 will perform a Contract Compliance and Optimization review of your telecommunications and network services spend
- Contract Compliance involves performing a detailed and comprehensive inspection of billing data to identify services being charged incorrectly, e.g.:
 - Comparison of billed rates against correct contract rates
 - Review of services by address to identify services billed at sites that may have closed
- The Optimization review actively seeks and presents opportunities for you to tactically optimize use (and the cost) of your network services, such as:
 - Identification of services that are typically no longer in use based on architecture (BRIs/PRIs, Centrex, TDM voice and features, etc.)
 - Duplicate invoicing / disconnects not executed
 - Stranded elements (e.g., access without ports)
 - Services not ordered under contract
- Once the Contract Compliance and Optimization review is complete, TC2 will work with you and your suppliers to recover overbillings and implement optimization opportunities
- On an on-going basis during the project, TC2 will provide reports detailing Contract Compliance and Optimization findings
 - The management-oriented reports begin with a general overview of the services TC2 investigated, followed by detailed information about the specific findings

