

Validation of the Business Case for a Major Software Development Initiative at a Midwestern LEC

BUSINESS CHALLENGE

The client, a leading Midwest communications service provider with over 30,000 employees that provides data, Internet, video and voice services in the US and internationally, was about to roll out its new VPN product to the marketplace. As new products are introduced into the existing operations of a carrier, investments in software development, process and employee training need to be considered. The service provider thought that this new product rollout would require a major investment in software development for automated service activation, and it needed to decide whether the return on this investment would warrant the cost.

The challenge was to validate the business case for this major new software development investment, and to determine if it would save time and money in the service delivery process of the new product.

THE VERTEK SOLUTION

Vertek's Business Process Outsourcing (BPO) team first baselined the client's existing processes, OSS key performance indicators and metrics. Using the baseline intelligence and associated metrics, Vertek conducted a time and motion study and created a simulation model that was to be used during the process analysis. Using the model, Vertek created and evaluated the what-if scenarios, analyzed the results and produced several recommendations regarding stated goals. Vertek also provided valuable insight into other areas of potential improvement.

Vertek ran three months' worth of new product order data through the model analysis they created to validate the client's business case. By creating key control points and measuring and monitoring key metrics Vertek was able to construct and assess the business case for this major investment.



NET RESULT

Because Vertek has focused exclusively on the telecommunications industry for the past 20 years, it was able to get the project up and running quickly and complete the project within 30 days. Vertek's analysis and recommendations clearly showed that the software development solution the client was considering would not deliver upon the stated objectives and therefore was not worth the investment. This saved the client millions of dollars of capital expenditure on this product.

Additional benefits from the engagement included:

- Findings that the client's end-to-end service delivery interval exceeded norms based on process and industry best practices by over one week
- Process recommendations that could recover as many as 10 days in the end-to-end service delivery interval
- Recommendations that could reclaim over \$4 million in annualized revenue
- Identification of additional revenue loss due to process inefficiencies of greater than \$6 million on an annualized basis

There are many consulting companies that sell process improvement services, but because of Vertek's experience in the telecommunications domain it was able to deliver credible results in an expedited fashion. And because Vertek is an independent company, it was able to act as a vendor neutral party with no further interest than to model and validate a defined business case.

