

Maximizing Profit Margins Using Complete End-to-End Solution

BUSINESS CHALLENGE

Competitive Local Exchange Carrier (CLEC), New Horizon Communications (NHC), is dedicated to providing exceptional account management and customer service to small and medium-sized business customers nationwide. It provides customers with a multi-carrier platform and a customer interface to real-time repair, provisioning, billing and order management systems—a key differentiator in the marketplace. Hundreds of services from 22 major carriers are conveniently aggregated onto one bill and fully supported by NHC.

In order to achieve its profitability goals by product, customer and sales agent, NHC needs a great deal of information delivered rapidly on how its operating costs and revenues are performing. This allows the service provider to negotiate effectively with its underlying carriers, run an efficient operation and reward its sales force accordingly.

The issues are threefold:

- **FIRST** — carriers provide billing information on a multitude of services in a variety of formats that need to be reconciled to NHC's contractual rates.
- **SECOND** — the compensation of NHC's highly skilled and experienced sales agents must be closely calibrated to profitability as well as sales volume.
- **THIRD** — if an underlying carrier has a new product or service, NHC is committed to providing it quickly to its customers.

New Horizon needed help as it sought to drive profits on the tight margins of its competitive service provider business in which it is



buying services from multiple wholesale providers under negotiated rates and selling highly customized multi-carrier services to its business customers.

The carrier has great relationships with their wholesale partners, but billing problems are inevitable. It is important to make sure that what they have been billed for by their carrier partners is accurate and that they are consequentially billing their customers for everything they should be. Making sure each carrier bill is accurate is not a job that can easily be done, but failing to do it jeopardizes profits.

THE VERTEK SOLUTION

Leveraging Vertek's resources and expertise in a broad range of related fields such as order management, business assurance, data integrity, network migration, quality assurance and process, Vertek's Financial Assurance service provides a complete end-to-end perspective. This managed service enables NHC to understand where the key break points are in expenses, revenues and margins of their customers and products.

NHC uses Vertek's Financial Assurance across all of its carrier partners. The managed service solution addresses NHC's issues at a low, fixed monthly recurring fee, without capital, personnel or integration expenses.

Vertek's Financial Assurance is a managed business assurance solution that utilizes state-of-the-art analytical tools specifically engineered to acquire, validate and reconcile the accuracy of communications service providers' monthly operating costs and billing. It removes the considerable time and resources required to administer and process vendor invoicing and charges internally, and gives NHC access to actionable intelligence affecting its financial performance. The solution is able to find the source of discrepancies that cause unnecessary costs, record fallout, pervasive data integrity issues, missing accounts and uncollected revenues. In addition, it automates existing business rules and highlights upstream issues that can be addressed to enable on-going improvements and efficiencies.

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NHC is able to view an online web-portal that offers a comprehensive list of configurable reports including:

- Vendor Scorecard
- Billing Account Reporting
- Invoice Summary & Detail
- Vendor Usage Charges
- Revenue Assurance Discrepancy & Scorecard Reporting
- Customer Margin Performance
- Vendor Margin Performance
- Carrier Traffic Analysis & Trending
- Vendor Invoice Dispute
- Settlement Tracking

Vertek's Financial Assurance enables NHC to rapidly respond to changing conditions. Its reporting is not just a simple snapshot. For example, Vertek continuously audits and updates dispute information as carrier partners continuously change their systems and service offerings to deliver highly detailed reports. In addition, the solution's dynamic business rule engine enables Vertek to quickly adapt business rule sets to meet changes in service offerings. NHC then is able to much more accurately evaluate and track the profitability of new services, agents, and customers.

NET RESULT

Vertek assists New Horizon Communications in understanding the profitability of a particular product or account. NHC can thus act quickly and intelligently and stay focused on its core business objectives. Vertek's Financial Assurance can also identify "high maintenance customers" who have a large number of trouble calls or credits, and determine which of its sales people are selling least (or most) profitably.

NHC enjoys these key benefits:

- A rapid time to operation and return on investment based on

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a deployment approach, in-house expertise and advanced software functionality

- A comprehensive, cost-effective, long-term solution for cost management, revenue assurance and customer profitability needs
- Efficient business support systems with vendor management, invoice administration, discrepancy resolution, performance tracking and overall process optimization

One additional benefit of the Financial Assurance process is that it also enables New Horizon to negotiate better deals with its wholesale partners. NHC can review margin analysis for a particular product from a particular provider, helping them determine what margins they should expect from other carriers. They can look at the profitability rate for PRIs [primary rate interfaces] with one service provider for example, which helps them negotiate with others.

“For a CLEC of NHC’s size, finding one or two percentage points of revenue is the key to our overall profitability,” said Steve Gibbs, President, New Horizon Communications.

“Vertek right now has the secret sauce that enables us to do this. We have found no one else that can do what they can do in terms of revenue assurance. And for anyone who runs a company like NHC, revenue assurance is at the top of the list.”

ABOUT NEW HORIZON COMMUNICATIONS

New Horizon Communications was founded in 2002 and is a Competitive Local Exchange Carrier (CLEC), specializing in providing exceptional Account Management and Customer Service to small and medium sized business customers nationwide.

NHC maintains wholesale agreements with numerous Carriers, including Verizon, AT&T, and Paetec, creating a unique service model that allows us to bundle multi Carrier solutions onto our state of the art billing platform. These services are then proactively managed and serviced by our knowledgeable Account Managers and Operations Team, who average in excess of ten years experience in the industry. For more information on New Horizons Communications, visit:

www.nhcgrp.com.

