Background

IWG (formerly known as Regus) is the world’s largest provider of flexible workspace solutions. Their extensive network includes nearly 3000 business centers spanning almost 900 cities across 120 countries.

Managing a modern technology environment can be a complex enterprise, with ever-changing trends, needs and a multitude of services providers. Understanding these trends while optimizing contract terms and rates are key to avoid overpaying for services. When dealing with various telecom providers, having the right solution, insights and market knowledge can increase negotiating power and lead to real cost savings.

When they first began a Telecom Expense Management (TEM) program, IWG manually managed the program in-house. They created a small team of three auditors responsible for reviewing invoices, issuing billing disputes and matching charges back to contract terms. However, IWG’s rapid growth soon became too much for their in-house team to manage.

Challenges

In 2005, IWG decided to enlist the help of their first outsourced TEM solution. While the solution helped with online order processing, billing auditing and their Accounts Payable feed, numerous billing errors were discovered while using inventory data to negotiate contracts. In 2009, they decided to change vendors to a second TEM solution. With this vendor, IWG maintained online processing and provider-audited invoices. However, inventory errors were frequent, impacting billing disputes, cost avoidance and recoveries. To get the results they wanted, they knew they needed a better solution.

How IWG approached reducing telecom spend with phenomenal results year-over-year

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<tr>
<th>Technology Environment</th>
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<td>120</td>
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<td>Countries</td>
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<td>3,000</td>
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<td>Business Centers</td>
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Solution

Scalability, inventory management and billing errors ultimately drove IWG to select Calero-MDSL. Before, auditing was a manual and tedious process and billing errors were often missed and left uncorrected. With paper invoices and billing auditing only occurring twice a year, Calero-MDSL began the work of modernizing the invoice process. We managed and processed invoices against negotiated contracts, looking for abnormalities and rebuilding inventory. All invoices were converted to a digital format, making them more easily tracked and searched.

IWG began to use Calero-MDSL’s portal to process 100% of orders, including new orders, change orders and disconnect requests. Calero-MDSL audits invoices and matches them to the approved inventory, then sends the Accounts Payable feed to the IWG AP team. Leveraging a centralized online IT invoice database gives multiple departments access to the most current inventory details and costs.

Results

IWG received a number of benefits, including improved invoice and Accounts Payable accuracy, as well as accurate inventory details for contract negotiations and renegotiations. This allowed them to hold vendors accountable for billing errors and follow-ups until rates were corrected and credits received. Calero-MDSL also enabled accurate reporting of inventory types, quantities and expenses for negotiations, helping them determine their true cost savings. IWG was able to recover $1.6 million in credits and improve their inventory accuracy.

IWG also achieved big savings by transitioning from a traditional PRI voice service to an SIP platform where concurrent call paths are used and shared between offices. Having accurate inventory details gave project managers visibility into current services, providers, and account details, critical to coordinate DID porting and terminating old voice services. This led to a successful migration in less than a year for the majority of offices.

Having the right solution, necessary insights and market knowledge can greatly increase negotiation power when working with different telecom providers. To achieve optimum cost savings, it’s important to be proficient in both managing contracts and maintaining inventory. IWG was able to reduce their overall expenses through contract renegotiations and improved disputes, as well as through SIP and ISP migrations.

Calero-MDSL: By the Numbers

- $22B+ Annual technology spend under management
- 3000+ Clients with the largest, most complex global technology environments
- 100+ Countries deployed
- 3M+ Mobile devices