



PAG

CASE  
STUDY

Private Equity Firm

## Customer Overview:

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- **A leading Private Equity Firm engaged Profit Advisory Group to strategically source the Wire line Services.**
- **Spend volume:** \$14 billion in assets under management.
- Project included 26 operating companies.
  - 1 Company served as the pilot
- Approximate spend of \$40,000,000

## Key Challenges & Objectives:

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- Challenges included **extensive data collection effort** of a large spend with multiple services.
- Key objective was to **reduce cost and gain greater control** of the wire line.
- Additional objectives included achieving more favorable terms and conditions through a strategic sourcing and optimization effort. Creating a single Private Equity wide agreement with a single major provider.

# Profit Advisory Group Solution:

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- **Extensive Data collection** using standard Profit Advisory Group Data Collection processes. Questionnaires were created and sent out to operation companies to gain insight into the current conditions.
- Profit Advisory Group entered into direct negotiation with the vendor of choice to create a “Group Offer.”
- **Two projects were created** to focus on the different category areas for saving opportunities.
- **Phase One** focused on generating an inventory of services and creating a road map of future services. Phase two focused on getting the best terms and conditions with the vendor including discounts promotions and incentives.
- Using Profit Advisory Group’s proven 3 phased optimization process we were able to identify billing errors, waste and purchase maximization opportunities in the current user population. Through extensive analysis of the billing data we developed an accurate user profile for each of the vendors and from there created a successful Strategy to right size the plans.

- PAG negotiated with the chosen vendor to create a portfolio-wide agreement resulting in single pricing for all Operating Companies.
- Profit Advisory Group insured that the vendor had proper language for on boarding of new companies, as well as ensuring that any existing companies that leave the portfolio could keep the rates until the contract expires.

## Results:

**Client was able to reduce the current spend by USD \$6.87 Million annually.** This was achieved by optimizing solutions, eliminating waste and securing a new PE wide agreement.

**The operating Companies were able to collectively gain more favorable terms as a group.**



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