

# Case Study: Utilities Achieve Savings on Wireless Telecom through Collaborative Sourcing Initiative

*Taking advantage of Pantellos' unique vantage point as an independent marketplace for the utility industry, customers have reported realized first-cost savings of approximately 10 percent on wireless telecom services by aggregating their requirements.*



## Opportunity

Realizing an opportunity to benefit from Pantellos' unique position in the energy industry, several utility customers expressed a desire to form a joint sourcing initiative for wireless telecom services. They recognized that Pantellos could gather the requirements of multiple utilities to source current and future subscriber lines, and play a pivotal role in helping secure volume pricing discounts for its customers.

## Solution

Each utility provided Pantellos with detailed spend information, current service providers and current subscriber lines. Working together, the companies established their requirements and determined that they needed a nationwide provider, that switching costs should be minimal and that ease of implementation was crucial.

Pantellos developed a comprehensive and confidential Request For Proposal on behalf of the utilities and distributed it among a number of supplier candidates. After reviewing the proposals, a primary supplier was selected and a contract was negotiated that provided a multi-tiered discount structure based on the number of subscriber lines.

Furthermore, to reduce switching costs and to make implementation seamless, a utility-specific extranet ordering site is being created to facilitate the activation of new lines, help migrate current lines, and enable the purchase of new equipment.

## Results

All participating buyers were able to negotiate a single set of contract terms and conditions with the supplier. By sourcing collaboratively, the utility participants were able to eliminate activation fees, significantly reduce off-contract spend, centralize management and administer the contract. As a result, they have reported realized first-cost savings of approximately 10 percent. Additionally, the supplier was able to further extend its reach into the utility and energy sectors.

## Solution Overview

*Pantellos is able to leverage its unique position within the utility industry to aggregate the requirements of multiple buying organizations into a single sourcing event, enabling customers to benefit from volume pricing discounts.*

### For More Information:

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