

Cost Reduction

Case Study

Regional Nonprofit Healthcare System Overcomes Telecom Expense Challenges Saves \$300,000 Annually and Enhances Operational Efficiency

Client

A regional nonprofit healthcare system with more than 8,100 employees, 500 employed providers and physicians, and a medical staff of nearly 800 providing care in 50 locations, serving over 500,000 people as a provider of critical medical services. Over the last five years, the system's net revenues grew from \$930 million in 2015 to \$1.2 billion in 2020.

Challenge

Despite implementing various cost-reduction initiatives, the client's telecom expenses have consistently increased over the years. The team's focus on daily operations and the lack of internal resources have impeded their ability to internally audit telecom lines and expenses.

The sheer volume of accounts and invoices presents the primary challenge. Managing telecom costs effectively has become difficult for the system's tech team due to the large number of employees and multiple locations. As a result, unattended business lines and unnecessary expenses have emerged.

Highlights

- ✓ **Achieved \$330,000 in annual savings**
- ✓ **Enhanced operational efficiency**
- ✓ **Ongoing optimization**

Solution

Utilize SIB's expertise in telecom expense management and Sage Management's comprehensive physical audit to identify opportunities to optimize telecom expenses for phone, internet, and wireless. Next, identify and cancel unnecessary lines, reconfigure data plans based on usage patterns, negotiate reduced rates with major telecom providers, proactively address billing errors, secure credits for the client, and adopt a scale-batch approach for reviewing vendor accounts, identifying savings opportunities, and presenting them to the system's IT team for approval.

Results

SIB's recommendations empowered the client to achieve substantial cost reductions and enhance operational efficiency. Over the last 16 months, SIB identified eight savings opportunities across four vendors, resulting in a total annual savings of \$330,000. SIB actively monitors wireless data usage, ensuring that the client aligns with the correct plan each month to optimize rates and prevent overages or payment for unused services.

Our client provided this reference but wishes to remain anonymous

About SIB

SIB reduces your company's costs by 11-34% in the 15 spend categories we oversee, typically without changing your operations, service levels, or vendors. We leverage data from 500,000+ pricing benchmarks, deep industry expertise in each spend category, and ongoing spend management discipline to find, capture, validate, and sustain savings that dramatically improve your bottom line. [Learn more about SIB and our family of brands](#) with deep expertise and additional services in the categories we oversee.

