



NPI Uncovers Major Telecom Savings in Unlikely Places

Community banks are uniquely positioned to compete very effectively with national banks on the depth and personalization of their services. But when it comes to managing the costs of doing business, they have to be especially diligent. One area of spending that is increasing across the banking sector is telecom – fueled not only by IT requirements, but also by the rapid adoption of mobile banking. Community banks can't afford to overpay in this accelerating spend category.

This was the case for one large community bank with a mission to cut telecom expenses while still providing each of its nearly 250 branches with world-class voice and data services. With NPI's help, they were able to find cost leakages in the unlikeliest of places, leading to savings of more than 75 percent for some telecom purchases.



Case Study: Large Community Bank

The Challenge:

- Growing community bank faced skyrocketing telecom costs
- Lacked the resources to uncover overspending across a large and decentralized network of branches

- Benchmarked telecom carrier and vendor pricing for regional- and branch-specific purchases and offerings
- Identified savings ranging from 7 to 77 percent on MPLS, T1 (PRI) and MIS services
- In instances where pricing was found to be above fair market value, NPI yielded an average savings of 27 percent per purchase

Community Bank Reins in Telecom Spending

As one of the largest and oldest community banks in the country, this institution has witnessed the transformation that technology – telecom, in particular – has brought to the banking industry. They've also seen telecom costs skyrocket over the last decade as they have expanded to nearly 250 branches across multiple regions.

Eager to get telecom spending under control, the community bank embarked on a mission to find areas of overspending across its communications infrastructure. Highly motivated to find cost leakages, the institution decided to call in expert reinforcements who could analyze and benchmark every facet of their telecom spend.

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“Most companies expect to find telecom overspending in innovation areas like the data center. What they don’t realize is that they are probably paying too much for more mundane services, like local voice and data. It’s these slow, persistent cost leakages that erode a company’s overall IT and telecom budget.”

Jon Winsett
CEO, NPI

NPI Finds Cost Leakages in the Mundane

Backed by more than a decade of vendor and carrier pricing intelligence and an understanding of the bank’s unique telecom needs, NPI confirmed that overspending wasn’t occurring in typical areas such as new data center and network purchases. Instead, it was happening in less obvious areas – such as MPLS and T1 (PRI) services.

After analyzing the bank’s primary telecom carrier’s pricing (AT&T), NPI found that these services were overpriced anywhere from 7 to 77 percent, depending on the branch location. NPI worked with the institution’s sourcing professionals to secure fair market value pricing that will yield savings both immediately and over the long term.

Better Pricing, Greater Leverage Leads to Telecom Sourcing Excellence

NPI continues to benchmark telecom investments for the institution – ranging from bank-wide purchases with Cisco to branch-specific buys with Verizon. Those found to be outside of fair market value are corrected, and to date the result has been an average savings of 27 percent. Through NPI’s guidance, the institution is leveraging its buying power with all of its major carriers and vendors to secure best-in-class pricing and optimized contract terms and conditions.

About NPI

NPI is an IT sourcing consulting company that helps enterprises identify and eliminate overspending on IT purchases, accelerate purchasing cycles and align internal buying teams. We deliver transaction-level price benchmark analysis, license and service optimization advice, and vendor-specific negotiation intel that enables IT buying teams to drive measurable savings. NPI analyzes billions of dollars in spend each year for clients spanning all industries that invest heavily in IT. For more information, visit www.npifinancial.com.



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