



U.S. Cellular Cuts Cost of Strategic IT Spending



With more than six million customers, U.S. Cellular is a growing alternative to the wireless industry's larger national providers. The carrier decided to upgrade several critical systems that were inhibiting its ability to capitalize on the stunning growth of smartphones in the industry. When it chose to invest in a new Business Support System (BSS) suite and Operational Support System (OSS) – a make-or-break investment – the carrier decided they needed a spend management partner to help them define a sound system selection strategy and ensure fair market pricing and optimal contract terms.

Case Study: U.S. Cellular

The Challenge:

- U.S. Cellular lacked the pricing and benchmarking visibility needed to execute a major IT purchase effectively
- The company's Board demanded objective confirmation that USCC was receiving fair market pricing and terms for this nine-figure investment in hardware, software and professional services
- Many large ERP projects fail; USCC needed to structure multi-year vendor contracts that would mitigate risk, define accountability and lay the foundation for a successful IT partnership

- Conducted Fair Market Value analysis and negotiations to yield eight-figure savings
- Coordinated and guided more than 75 internal and vendor personnel through comprehensive benchmarking and negotiation process over a four-month period
- Provided detailed market data and vendor insight on the hardware, software and services proposed
- Uncovered substantial shortcomings in vendors' proposals and terms, then remedied through the SOW tuning and negotiation process

A Need for Added Insight

U.S. Cellular's critical ERP modules in its BSS and OSS solutions had become outdated. The ramifications weren't just technological; the situation was limiting the company's ability to offer new features and customized marketing programs and service plans to customers.

The company had conducted an extensive needs assessment, RFP and conference room pilot process to identify the top two solution providers and systems integrators for their requirements. Despite the extensive time and resources invested into the purchasing process, the Board and management felt that this type of large, once-a-decade purchase required even more due diligence and benchmarking.

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Real experts.
Real data.
Real savings.

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Mitigating Risk, Maximizing Spend

U.S. Cellular knew the insight they required wasn't available in-house. They needed specific pricing and vendor expertise backed by real market data. They turned to NPI to perform thorough benchmarking and vendor analysis, and provide strategic advisory services on how best to structure a multi-year transaction that would mitigate risk, maximize flexibility, define accountability and assure they were paying Fair Market Value on all hardware, software and services involved.

With a project charter in place, NPI coordinated more than 75 internal and vendor personnel who were committed to defining the purchase over a four-month period. NPI provided the contracting strategy and detailed market data on the hardware, software and services proposed by each vendor. NPI provided "Negotiation Briefing Books" to each executive on the negotiation team that included recommended approaches, objection handling responses and targets for key pricing and terms.

NPI Delivers Millions in Savings

The result of NPI's efforts exceeded U.S. Cellular's expectations. NPI's Fair Market Value data drove eight-figure savings in hardware and software costs alone. Cost reductions were also realized in other areas of the BSS and OSS purchase.

NPI also uncovered material shortcomings in the vendors' proposals and terms that would have been missed had the collective USCC/vendor team not gone through the NPI process. These were remedied up front, making it easier for everyone to assure a successful project outcome. Vendor contracts were optimized, clarified and strengthened; laying the solid foundation for a healthy, mutually-beneficial vendor relationship as well as long-term savings.

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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