

A Telecom Case Study – City of Cleveland

“Because Cleveland’s telecom service entailed over 6,300 lines and over 1,400 cell phones, the task of analyzing the entire system was a daunting one. The hundreds of thousands of dollars in savings that CCA’s analysis produced for the City were impressive and most welcome.”



BACKGROUND

Located on the shores of Lake Erie (the nation’s “North Coast”), the City of Cleveland is a great place to live, work and play. Fortune magazine ranked The Greater Cleveland Area as one of the 10 best centers for business in North America, and Partners for Livable Communities named Cleveland one of four “most livable cities” in the U.S.

Cleveland also boasts diverse neighborhoods and trendy downtown living, short and sweet

commute times, topped off with a friendly and warm community spirit.

GOALS

The goals established for the Cost Control Associates (CCA) Team were to review the records for both the City’s telecommunication and energy bills to:

- ✓ Identify and obtain all refunds that might be due the city for erroneous billing.
- ✓ Help put in place any cost savings that might be available through rate and other reductions.

CONSTRAINTS

A major constraint on the review process was the large number of accounts in use by the City - 454 accounts with 6,341 lines and 534 circuits. In addition, the City had 1,444 cell phones billed. Since the City’s detailed line and circuit inventory records were incomplete, extensive verifications had to be carried out to create detailed inventory records.

A second constraint on the review process was the decentralized management of telecom costs. With the exception of cell phones, each department had the responsibility for its own telephone costs. The fact that there was no one “go-to person” for questions on phone usage and costs often delayed the review process and decision-making.

A third constraint on the review process was the fact that Cleveland had no funds allocated to pay a consulting firm to undertake this sizable project, and very few personnel who could expend time to support the process.

SOLUTIONS

CCA’s Cost Recovery and Reduction™ program produced maximum results by utilizing its team of seasoned professional analysts to review all telecom accounts. CCA created its own databases and relied on its vast telecom industry knowledge and relationships to affect savings.

In addition, since CCA works on a contingency basis, the company’s fees were funded from the refunds and savings CCA produced.

RESULTS

CCA’s Review and Analysis Project proved to be extremely successful. Not only were substantial over-billings discovered in the local telecom company’s billings, but also the creation of detailed inventory records resulted in the targeting of hundreds of lines, circuits, and cell phones for elimination.

The CCA Cost Recovery and Reduction™ program produced \$468,807 in refunds and \$657,803 in annual telecom and energy cost reductions for the City of Cleveland. That is a combined savings of over \$1.1 million.

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