

THE ITA CASE STUDY 2 - RETAIL COMPANY, UK

Introduction

In this, our second case study, we take a look at an analysis and audit that we have undertaken for a client in the retail sector in the UK.

This client has its Headquarters in outer London with 185 retail branches spread across England, Scotland and Northern Ireland. They have a variety of telephone systems in their head office connected to a variety of BT line, circuits and a mixture of BT PSTN lines and VoIP phones across their branches. The branches were generally the same size with about 25 extensions at each location. Some locations had moved to IP and some were on PSTN lines with a local PBX. The BT bills were being sent to each local retail branch where they were being scanned & emailed or faxed to the head office (including all of itemised pages). They also had set up carrier pre-select with COLT Telecom who they believed were saving them money against BT's tariff.

Phase I - Analysis

The first task was to get details of all the lines that BT were actually billing across all of the retail branches and head office, distinguishing which were PSTN and which were VoIP lines, and process them in to a single database. There was an added complexity here in that they were using a mixture of geographic 01, non geographic 0870, 0845 and 0800 numbers from 9 separate organisations. Our client provided us with a letter of authority to talk to BT and the other 9 number providers on its' behalf. The Telecoms Manager told us that he has wanted to sort this out for 2 years but just had no idea where to start.

In accordance with our procedures we got all of the line and number information in to a database, associating the lines and numbers not only against branches and internal usage (fax, voice, alarm etc...), but also against providing operator. In total we found almost 3800 PSTN lines, some of which were carrying ADSL over which VoIP was being used. There were also small separate PBX's in 42 of the retail branches. The head office telephone system had 180 lines connected (6 x ISDN30) but there were only ever between 70 and 90 calls ever happening at the same time, even during the peak shopping times of Christmas and during their various sales times. We presented the analysis with details of the lines, numbers and PBX's which we believed were not being used and suggested a cull of over 1100 lines saving just over £57,600 per quarter instantly. Additionally, we suggested removal of ADSL on all of the lines where it was simply being used to enable VoIP and a return to a BT PSTN solution. The client was astounded and agreed instantly to move to on to Phase II. This analysis was charged at rate agreed in advance with our client on a "per retail branch" basis.

Phase II – Physical Audit

The physical audit in this case, was a visit to every retail branch, where every phone line, number and service was identified and checked, with a call being made from each line to confirm the number to ensure correct notation in the database (e.g. fax, front desk, back desk, manager's office). This audit was able to back up and exceed our previous suggested cull of just over 1100 lines to a new suggested cull of 1216 lines, whilst providing an invaluable and accurate inventory for our client. The majority of the clients retail branches were in England and Wales, with 7 in Scotland and 5 in Northern Ireland. The audit took 47 days to complete and cost the client significantly less than the money that they would save on the cull of the original 1100 suggested lines. The costs of the Phase I analysis are then deducted from the cost of the physical audit, so Phase I is free of charge if Phase II is undertaken. As our client had more than 15 branches we had agreed a fixed audit rate per branch of £154 which included travel and accommodation for the auditor. Our client agreed to move to Phase III.

Phase III – Review & Action

Given the geographic diversity of our client's retail branches and the fact that they were already using BT for all of their lines (PSTN and VoIP), we recommended that they remained with BT but that they change to BT Embark, which would further reduce their line rentals and give them free calls between head office and all branches and thus remove the COLT carrier pre-select service, bringing all calls back on to BT. Since doing this, the company has saved in excess of £67,000 on calls in 2008/9 and almost £80,000 on lines rentals. We also recommended that all BT lines were moved to a single BT Onebill with cost centering and that the 1216 lines were ceased. With regards to the 9 providers who managed their geographic, 0800, 0845 and 0870 numbers, we recommended that they ported all of these numbers to one provider and then agreed on a single new number per branch (on an 0844 number) with an IVR to make the caller's life easier with customer care and store finder informational built in, based on where the caller was calling from.

Our client accepted the recommendations and we implemented all of the above solutions. During the work we were also able to get back an additional £16,500 of incorrectly charged line and service rentals by BT, essentially for lines that were still being billed for premises that our client no longer operated from. The 0844 numbers have provided an additional revenue stream of about 2p per minute in to their business with an increased level of customer and staff satisfaction in being able to communicate with the right people.

We agreed a fixed cost with our client for undertaking phase IV and migrated all of their existing numbers to a single provider that we have been working with since 2003 and provided new 0844 numbers and put all of their old 0870, 0845 and geographic numbers on appropriate changed number announcements, this driving calls to the correct channels for the business, saving them on advertising costs and yielding them an inbound call revenue.

Phase IV – onward management

As with many of our clients, this client wanted us to continue to manage their entire telephony service, lines, services and numbers and to deal with all the billing. We have recently provided the client with a number of new services which allow the caller to check by telephone, if items are in stock in a particular branch by keying in the product code and branch code. Where an item is not in stock in the particular store, the system tells them the nearest store to them which has the item and can even order it via telephone for delivery next day.

Summary

Great savings can be made through all of the Phases, but a full audit and analysis, plus putting our recommendations in to action and then managing them certainly has paid off for this client with savings and reclaims close to £200K in the first year.