

Circuit-Cost Reductions

How Anilix reduced circuit costs for an international consulting firm by more than 50%.

Anilix was asked to review all circuits in North and South America and Europe in order to develop a circuit database and provide recommendations to (1) reduce costs and (2) enhance the network. This company spent between \$500K and \$1.5 million annually on approximately 50 unique circuits.

PROCESS

This project included three phases:

Phase I (2 months)

Develop database of all circuits, including contract terms, expiration dates, and gaps in coverage.

Phase II (3 months)

Execute all immediately available actions

- **Disconnect 20 unneeded circuits.** Reduced total annual cost by 19%.
- **Carrier Error:** Disconnect 2 circuits where the carrier failed to complete disconnect orders and continued billing in error. This saved 5% of total annual cost.
- **Billing Error:** Corrected carrier billing on 2 circuits being billed incorrectly. This saved 7% of total annual cost.
- In addition, Anilix recovered all amounts billed from the date of discovering the above errors, back to the statute of limitations.

Phase III (18 months)

Renew or replace circuits as contracts expired

- **Renew 16 circuits** with existing carriers based on multiple competitive bids from other carriers. This reduced the cost of the 16 circuits by 32% and saved 16% of total annual circuit cost.
- **Replace 8 circuits** with circuits from a new carrier based on competitive bids from the existing and other carriers. This reduced the cost of the 8 circuits by 46% and saved 8% of total annual cost.



PHASE II RESULTS

19%

Savings by disconnecting unneeded circuits

5%

Savings in Carrier Error connections

7%

Savings in Carrier Billing Errors

PHASE III RESULTS

16%

Reduction in total annual circuit costs from 16 circuit renewals

8%

Reduction in total annual circuit costs from replacing 8 circuits based on competitive bids

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RESULTS

PHASE II

31%

overall cost reduction

PHASE III

24%

overall cost reduction

One time savings from billing errors equal to cost of

1.4 months

of all circuits or 12% of total costs prior to any Anilix action.

Overall costs were reduced by 55% from the levels achieved prior to Anilix review.

- Unneeded Circuits
- Renewals
- New Circuits
- Rate Errors
- Disconnect Errors

