



## **Resource Communications' Active Contract/Active Service Management System**

Resource Communications, with support from Cerylion Corporation, has created a further expansion of the single point of contact value proposition to include Active Contract Management and Active Service Management capabilities. The Active Contract/Active Service Management System is designed to provide Resource clients (You) with an interactive system that will monitor and measure actual contract and service fulfillment results versus planned contract and service requirements.. Based upon a set of analytics and rules within the system, as well as from a continuous assessment of data supplied by Resource Communications CRM Web Tools and contracted carriers, the expanded CRM System will *pro-actively* make recommendations to renew, upgrade or change existing contract terms, or to make new contract arrangements based on the need for new services or alternate carriers. Unlike alternate approaches that seek to audit historical results to recapture costs from service charging mistakes or from inappropriate service delivery, the Active Contract/Active Service Management System will analyze current contracts, current contract utilization and current carrier service offerings to reduce or eliminate those costs *before they are incurred*.

The Active Contract/Active Service Management System operates on an *instance-optimized* basis. This means that for each function or service provided within the system, it will operate at the smallest level of business granularity. Based on proprietary methods, data and technology from Resource and Cerylion, all data capture and computations, as well as all analysis, recommendation or action taken can be made

- Per Customer,
- Per Customer location,
- Per voice or data service,
- Per transactional or billing period,

As well as:

- Per Carrier,
- Per Carrier Service area,
- Per Carrier voice or data service,
- Per Carrier-leased Customer Premise Equipment (CPE)
- Per Carrier transactional or billing period,

and for any permutation or combination of the above. The result is that while multiple contracts and services are often entered into on a company-wide total contract value basis, the Active Contract/Active Service Management System insures that each individual store or office location is optimized for the *best possible service* at the *best comparative cost* given current contracts, available

services and competitive market rates. The Active Contract/Active Service Management System operates continuously throughout the entire contract lifecycle, not just at the start of the contract. The Active Contract/Active Service Management System operates across all of the contracts and services in force, providing a *unified view of all contracts and services*, including local and long distance voice services, WAN data services and associated leased equipment. As your business evolves, and as carrier services are changed, the Active Contract/Active Service Management System will continuously measure actual and forecasted results versus current contract terms and newly available services. For each element of your company's usage, all 'Adds, Changes, Moves or Deletes' automatically become part of the system analysis. As carrier services are employed, services are constantly compared to contracted service-level agreements, and cost recovery opportunities resulting from service deviations or outages are individually identified and tracked to enable you to reduce service costs and actively measure service quality. Across the lifecycle of each of your company's contracts, the Active Contract/Active Service Management System will continuously verify the original "best fit" and alert you to alternate, more optimal choices as they become available or as your business's needs evolve.

### **Active Contract Management**

The goal of the Active Contract Management System is to continuously monitor actual service usage and billing versus a broad and detailed knowledge of contract terms already imported into the Resource CRM Tool, and constantly optimize telecomm costs with the minimum amount of effort on the part of your company.

- **Active Billing Resolution** will operate by taking the current period billing data from carrier systems and apply contract rules to drive two key function points.
  - OK to pay?

This function will support the Accounts Payable function. By providing an independent and automated analysis of current billings, manual efforts to collate bills by carrier and validate correct billings per a valid contract are greatly reduced, resulting in reduced processing costs and higher availability of personnel for more critical tasks.
  - Error Stop!

Unlike alternative approaches that audit historical billing data to identify improper charges and seek reimbursements after the fact, the goal here is to capture errors in process and to eliminate those costs before they are incurred. The system will track errors that result from:

    - Incorrect billing of contracted services
    - Incorrect billing of leased equipment
    - Incorrect billing of adds/changes/moves/deletes

Since the system operates at a fine level of business granularity, billable items that sometimes fall through the cracks are trapped immediately. In each case, the system performs its analysis by location, by service, by carrier and by time period.

The system will send “alerts” by email to designated users, and also make those alerts Web-accessible. Both you and the carrier are notified immediately for each instance of a problem, and the carrier is afforded an opportunity to pro-actively resolve the problem without the need for a separate complaint from the customer. In this way, Resource Communications satisfies your need to reduce operational and administrative costs, and the carrier is able to pro-actively improve customer service.

The system will track errors on an individual basis through to final resolution. For the user, resolution will include corrected billing and credits as needed. The system will also provide summary error reporting as needed, at the same levels of granularity as discussed above.

- **Active Contract Scorecard**

The Active Contract Scorecard provides management with a workspace for comparative financial analysis. The Contract Scorecard provides for very fine-grained analysis of telecomm costs and contract terms across the boundaries of various carriers, carrier services and carrier geographies. By providing this unified view of all current contracts and current costs, you will realize two major benefits:

1. The manual efforts required collecting and collating data across multiple contracts, service and geographies causes current period analysis to become impractical. Budgeting and forecasting is done on a best efforts basis, and relies on historical data that often does not reflect actual current or future costs. The Contract Scorecard provides this framework within the overall system and utilizes the same data captured as part of the Active Billing Resolution function. Administrative and financial analysis costs are greatly reduced, quality and accuracy of the information is greatly improved, and the results are available in a timely fashion, not months or quarters after the affected period.
2. New types of information and analysis becomes available that was previously lost in the complexity of multiple contracts, service types and geographies. For example,
  - Comparative costs per office or store location, East coast vs. West coast
  - Comparative costs of like services, carrier A vs. B, or vs. market rates
  - Comparative costs by service volumes
  - [Optional] User-defined analysis, such as cost as a % of revenue per office.
  - Reporting on costs or cost savings generated by changes in service over time versus the baseline assessment established by Resource Communications and your company

- **Active Contract Forecasting**

For many of the same reasons described above, contracts and contract terms are generally analyzed only at the point of a new procurement event, meaning new contracts or contract renewals. Changes in carrier costs and contract terms, and changes in specific customer requirements between procurement events are not optimized for the changing landscape – ‘just give us more of the same.’ Over time, the “best fit” of carriers and contracts degrades, and

opportunities for cost savings are lost. The broader the range of services used and the degree to which the customer is subjected to the complexity of multiple carriers and contracts, the more serious this problem becomes.

The Active Contract Forecasting function seeks to continuously measure actual and forecasted results versus current contract terms and newly available services *within the contract lifecycle*, and will proactively optimize to the current “best fit”, thereby capturing cost savings that would otherwise be lost over time.

The Active Contract Forecasting function relies on three sources of data:

1. Current and historical data from the Active Billing Resolution function.
2. Currently provisioned services by your company location updated by all adds/changes/moves/deletes implemented during the contract period.
3. Contract rates and terms by service/by carrier (both current and alternate) as maintained in the Resource Communications database.

## **RESULTS:**

The Active Contract Forecasting function will provide analysis and alerts within the current contract periods to identify:

1. Under utilized contracts that may result in customer penalties,
2. Over utilized contracts that provide opportunities for cost savings,
3. Alternate services given the effect of in-term adds/changes/moves/deletes,
4. In-term insertion of new carriers and new services to establish new benchmarks and on-going analysis, as described above.
5. Acquisition of new companies can be “scrubbed” through the system to assess how the acquisition’s current contracts stack up against your legacy contracts. Savings assessments can be pre-determined.

In all cases, the system will provide forecasts, analysis and alerts at the appropriate level of business granularity, i.e., by business unit, by geography, by carrier, etc. In this way, cost savings and cost avoidance opportunities that would otherwise be lost in the grossed-up and complex nature of the various contracts will become immediately apparent to the appropriate business manager, at a point when *cost reduction opportunities can still be captured*.

## **Active Service Management**

Similar to the Contract Management System, the goal of the Active Service Management System is to continuously monitor actual service usage and billing versus a broad and detailed knowledge of carrier service availability and customer service-level agreements (SLA’s) in order to constantly optimize telecomm services and operational costs with the minimum amount of administrative effort on your part.

The Active Service Management function relies on several sources of data. The first two have already been captured by the Contract Management system:

1. Current and historical data from the Active Billing Resolution function.
2. Currently provisioned services by customer location updated by all adds/changes/moves/deletes implemented during the contract period

The various carriers provide these data elements to Resource Communications:

3. New carrier service availability by geography
4. New carrier service promotions with qualifications
5. Network performance data is supplied by carriers and Resource's 24x7 Network Management Services

By leveraging the information captured from the Contract Management system, the broad market data collected from the carriers, and the customer-specific network performance data, the Active Service Management system transforms the complex array of carrier services and service level agreements into a measurable, manageable and actionable business system.

The Active Service Management System will provide the following major functions:

- **Active Service Scorecard**

The Active Service Scorecard provides management with a workspace for comparative service analysis. The Service Scorecard provides for very fine-grained analysis of telecomm services and SLA's across the boundaries of various carriers, carrier services and carrier geographies. By providing this unified view of all current services, Resource Communication customers realize several major benefits:

- Analysis and reporting of quantitative service metrics across many carriers, services and geographies
- Exception reporting to flag over- or under-utilization of services versus historical and/or planned usage
- Exception reporting to flag inappropriate or unauthorized usage
- Qualitative analysis and reporting based on Resources Communications business rules applied to specific network service data
- Active "alerts" are directed to your company-designated personnel and Resource system managers to ensure timely action.
- All alerts are tracked to closure using system functions similar to those applied in the Active Billing Resolution function.

- **Active SLA**

Carriers typically provide Service Level Agreements, or SLA's, which in essence operate as guarantees of service delivery to an agreed upon level, and compensation to the customer in the event of significant service deviations. Yet when service failures do occur, all parties scramble to

restore service and the affected business operations, and no single party is responsible for tracking service failures with respect to the SLA, generating service credit requests as appropriate, and tracking those service credits to final resolution.

The Active SLA automatically captures network data, compares network events to SLA's, and generates service credit requests, all without human intervention. Service credits are routed and tracked within the system, and are managed through to final closure.

The system will send "alerts" to designated or authorized users, and will also make those alerts Web-accessible. Both you and the carrier are notified immediately for each instance of a service variance, and the carrier is afforded an opportunity to pro-actively respond without the need for a separate effort from the customer. By taking the otherwise passive SLA and making it part of an active and operational process, Resource Communications

- Enables you to reduce operational and administrative costs, and
- Allows the carrier is able to pro-actively improve customer service.

The system will also provide summary error reporting as needed, at the same levels of granularity as discussed above. These reports will contribute to the Service Scorecard, above, and will provide useful carrier evaluation data at contract negotiation time (Numbers of outages, number of SLA credit requests, number of SLA credits authorized and paid, etc.).

- **Active Service Mapping**

Changes in the customer's telecomm service requirements are based on changes in the core business. New markets, new locations, increases or decreases in business volume all serve to change the demand profile of any given customer. Likewise, carriers are constantly changing services and making technology upgrades to provide better or less costly service, or to reach new market areas. Each of these carrier service changes is often followed with changes in pricing and availability of demand creation promotions. Through a continuous process of mapping customer usage by location versus carrier service availability by location, Active Service Mapping creates the opportunity to acquire the best service at the least cost as quickly as possible.

Unlike a more passive approach to assess or reassess customer requirements at the point that a new contract is signed or renewed, the Active Service Mapping function uses any change event to proactively reassess the customer's demand profile and match it with the best mix of carriers and services. Since the system operates on actual and forecasted service usage, the system *reveals opportunities as quickly as possible* based on

- Changes in carrier service availability by specific location
- Visibility to new carrier service promotions
- Visibility to both Tier 1 and Tier 2 providers
- Changes in customer service locations (adds, moves, etc.)
- Changes in customer service volumes (upgrades, etc.)
- Revised market analysis

- **Active Service Provisioning**

Adds/moves/changes/deletes have long been the most troublesome part of telecomm management. The basic process requires hands-on knowledge and intensive project management. In recent years this has become more complex based on the wide range of services required, and even more complex based on the many carriers used by any given customer and the wide range of provisioning requirements demanded by each carrier.

Active Service Provisioning takes an interactive wizard-based approach to solve this complexity and turns the myriad of provisioning decisions into a 'fill-in-the-blank' experience. The Active Service Provisioning system will generate appropriate provisioning requests based on your company's needs, the most appropriate mix of available services and carrier contracts in place.

Provisioning wizards are based on the actual business case at hand. For example, the Provisioning wizard can:

- Add/move/change/delete a single user
- Add/move/change/delete a workgroup, store or office location
- Add/move/change/delete to facilitate network upgrades
- Add/move/change/delete to change carriers or carrier services, locally or on a company-wide basis

When coupled with the optimized opportunities presented by the Active Service Mapping capability, Active Service Provisioning quickly and easily operationalizes those choices, and eliminates the complex, costly and error-prone process that threatens the economic value of closely and actively managing your company's portfolio of telecom services.

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The purpose of this document is to provide an overview of functions within the Active Contract/Active Service Management System, and to illustrate a phased approach to implementation.

Throughout each of the following proposed phases, Resource will seek to provide those functions or services that provide the highest value at the earliest point in time, and provide more complex or less valuable services at later stages of implementation.

Likewise, this document demonstrates the utilization of the capabilities, resources and industry knowledge of Resource Communications, Cerylion, and current or potential carrier partners in order to create the highest value and most rapid time to implementation with the least possible impact on your company's operations.

System phases are outlined as follows:

Phase I [Initial Implementation] will implement the basic Active Contract/Active Service Management framework and capabilities. The major work effort during this phase will require the acquisition and assessment of the specific company carrier services as currently contracted and implemented. The company delivery or deployment plan will be based on a hosted services model provided by Resource and Cerylion, and made available to your company via secure Internet access.

Phase II [General Availability] will expand the Active Contract/Active Service Management offering to support multiple company users, as well as to expand the Active Contract/Active Service Management capabilities offered as part of Phase I. Your company-specific analytics and reporting can be implemented at this stage, and any required user training or support will be made broadly available.

Phase III [Ongoing Operations and Support] will provide remaining features and functions as described. Additional company-specific requirements will be implemented on an as-needed basis. Resource will provide operational and analytic support to your company in order to ensure a full implementation and realization of the Active Contract/Active Service Management system on an ongoing basis. Resource will maintain specific carrier service(s), service availability and service promotion databases on a continuing basis for all Tier 1 and Tier 2 providers managed on your behalf. Active service provisioning will also be implemented at this stage. Resource will also maintain a general market database made up of anonymous carrier services and terms to support comparative market analytics.