Sakon + advocate™

## Sakon Transformation Series™:

Leading Hospital Network Untangles TEM, Achieves 8-Figure Cost Savings with Advocate and Sakon

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When a major healthcare system found its telecom expense management (TEM) system couldn't keep pace with the needs of its growing network of hospitals and affiliated clinics and doctors' offices – and in fact was holding it back – it turned to IT consultancy, Advocate, who in turn teamed with Sakon to mount a stunning transformation.

Now, with a new system providing 20:20 inventory visibility across thousands of accounts, this hospital network is smoothly onboarding new acquisitions, positioned to cost-effectively de-commission hospitals it has sold, negotiating better contracts with its top communications providers, and managing the day-to-day lifecycle of communications needs and costs across its enterprise with aplomb.

## Featured App: Sourcing and Transformation

Enables organizations to obtain the lowest cost on network services and provides the tools to evaluate the ROI of network transformation initiatives.

- Manage vendor contracts and amendments

- Harness your data to drive down costs

- Generate demand sets to support vendor pricing process

- Evaluate network transformation proposals and monitor the ROI of each project

### Second time's the charm

After an unsuccessful engagement with a top TEM provider, this major healthcare network had had enough and tasked leading IT consultant Advocate to make a change and make it stick. Advocate selected Sakon for the fix and began the critical process of building out the hospital network's inventory.

While many TEM providers sell clients on invoice processing, invoicing without inventory visibility is an expensive and frustrating road to nowhere. This healthcare network proved it. After initial projections had forecast $63 million in annual network spend, the hospital operator found its actual costs closer to $80 million across hundreds of hospitals, doctors' offices, and clinics. It had no visibility into what the circuits at each of its facilities comprised yet alone the contracted rate for those circuits, making audits difficult, reporting next to impossible, and managing network costs and upgrades ad hoc at best. The prior TEM's lack of capabilities was not only costing the firm money, it was eroding trust in the organization.

Advocate and Sakon set to work. Tapping the Sakon platform's Synkronize™ Engine (*see Synkronize diagram*), the Advocate/Sakon team conducted an exhaustive inventory build, establishing ›

the Sakon platform as the **system of record** for the entire communications ecosystem at the healthcare network. The team accomplished this in two phases, bringing in over 3,000 accounts, while at the same time establishing new processes and best practices that would facilitate on-boarding new hospitals as they were acquired and off-boarding others as they were sold.

## The Inventory Advantage

As inventory visibility at the hospital group flourished, network lifecycle management practices dramatically improved and savings mounted. Because the prior system could not allocate charges at the inventory level, a dedicated internal team at corporate had to pore over 75-100 large invoices each month to try to piece together accurate chargebacks. Not only was this a time-consuming process, but manually allocating taxes and surcharges was next to impossible given the dynamic environment and

changes to circuits. Prior to Advocate and Sakon, it was not uncommon for smaller hospitals in the network to be paying as much in taxes and surcharges as for their circuit.

The new system fixed that. Not only was each entity in the network now charged accurately, but the resulting visibility cleared the way for meaningful reporting and cost analysis, which enabled data-driven decision making. When corporate lacked inventory visibility, resolving questions about network infrastructure costs required multiple touchpoints with carriers and took a lot of time. In the interim, individual hospitals were ordering new services on their own. But what if PRIs were a better solution than POTS and/or trunk services, or MPLS was better contractually than MetroE or ASE networks? Before Advocate and Sakon, no one knew. Now corporate has easy access to the answers and can drive the right investments for the company. ❯

## Part inventory. Part engine. All brains.

Sakon's Synkronize engine brings together in one place all of the scattered, disparate elements of your global IT infrastructure, normalizes them, and makes them easy to manage – and transform.



### Unifies
Links source data and transaction data from network and mobile service providers, as well as HR and location information, then unifies it with service, logistics and operations desks.

### Organizes
Organizes, cleanses and normalizes information across geographies, carries and currencies.

### Connects
Using secure, open APIs, connects the data to purpose-built applications and a global network of help partners to coordinate actions and provide visibility across systems.

### Verifies
Applies the industry's only proven and effective three-way match to compare assets, contracts and actual costs to drive out waste.

Visibility is also enabling other forms of centralized decision making. Now the healthcare network can ensure all its entities are on the correct contracts. The result? As everyone in the network has moved to the correct contracts, volume discounts have increased, driving savings. And, using the Sakon platform, Advocate has effectively taken this up a notch, helping the hospital network negotiate new contracts with its top carriers, using its newfound information advantage to drive over **$10 million in annual contract savings**.

## The Multiplier Effect: True Communications Lifecycle Management

Of course, Advocate and Sakon deliver more than inventory visibility. That key building block is the touchstone for an array of other capabilities and managed services the companies are providing the healthcare system, including invoice processing and payment (**nearly $3 million has been saved to date** through identification of errors and speeding on-time payments), invoice consolidation (the teams have worked closely with the network's key carriers to cut the number of invoices in half) and, as a next big step, centralized procurement and provisioning.

In the end, however, this is not just about optimizing individual capabilities, it's about managing the telecom lifecycle, a process made so much more nimble, precise and streamlined by the platform and people behind it. In a telling example, after Advocate and Sakon had implemented the new system and gotten the Phase I hospitals into it, the group was able to take an outlier, an earlier acquisition of more than 40 hospitals that had not yet been integrated, and bring them into steady state in just 90 days – a testament to the team's backend process rigor and the platform's streamlined automation. Additionally, by normalizing and centralizing telecom expenses through the Advocate/Sakon solution and Accounting's general ledger, the healthcare provider has successfully identified a potential $20 million of additional telecom spend to be brought into the system.

By working well together, both with each other and, in particular, with the client, Advocate and Sakon turned what had been a source of friction, frustration, and waste into a source of pride at the healthcare system, one driving process improvement, 8-figure savings, and smart, centralized control over a strategic asset at the heart of its operations – the communications network.

### Contact Information
1 (800) 601-1641
info@sakon.com

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1 (678) 987-5900
sales@advocateinsiders.com