



CGN has tools and expertise to help our clients identify and develop strategic partners to ensure sustainability in the long run

**Focus Area #
Supplier
Rationalization**

Client – Leading Passive Telecom Infrastructure Company

Duration – 4 months

Business Challenge

- Client’s key challenge was to consolidate the service providers and change their current engagement model to offer wider services at low cost

CGN Approach

- CGN used a standardized process of capturing functional requirements, evaluated the current supply base on their KPI’s and floated RFP to identify potential partners
- Created an execution plan for inducting new suppliers and empower existing partners with new contracts
- Developed a zero based costing calculator to benchmark internal costing for each circle to bring cost down

Project Objectives

- Identify the non performing suppliers, rationalize service provider base & provide program management support
- Provide inputs to management regarding renegotiation of existing contracts to have no or minimum cost impact

Results

- Optimized the number of service providers from 57 to 30
- New service providers were brought into the system to offer wider range of services like integrated maintenance expert and turnkey solution providers
- Brought down cost by 8% for existing contracts, with no price increase for next three years

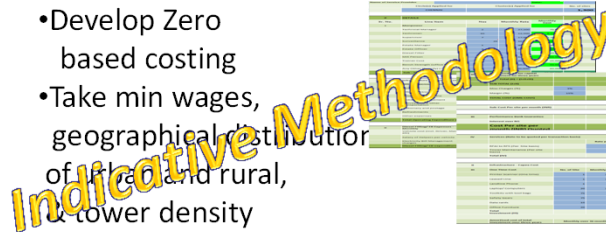


- Management objective to reduce cost and find new service providers

Year	Service Providers	Avg Sites / OME	% OMEs managing 80% Spend
2010	57	1888	50%
2011	45-50	2200-2500	30-40%
2012	30-35	3000-3500	20-25%

10 Key Suppliers

- Develop Zero based costing
- Take min wages, geographical distribution of Urban and rural, & lower density



- Rationalize suppliers based on performance parameters