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Cloud Case Study: When Changing Providers Can Be Good

Deciding not to renew a cloud telephony services contract can be tough, but careful planning can lead to big rewards.

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We have been working with a healthcare financial services client for a couple of years now. In early 2019, the client approached us to see if we could explain why its hosted cloud telephony services bill was 30% higher than allotted for in the budget. This single question led to a journey that would significantly alter the organization's telephony environment.

This client has multiple locations across several cities. The cloud services provider billed monthly for a bundle comprising desktop telephone rentals, DID numbers, and Internet services. After thoroughly reviewing the invoices, we had a clear answer to the client's initial question as to why its invoices were 30% higher than the budget. We determined the main reason was that the cloud service provider's quote had not include taxes, fees, and surcharges that came along with the telephony solution. By validating the inventory and returning unused items, we were able to reduce the budget shortfall by 20%.

During the course of the review, we uncovered other issues affecting the client's experience:

- Chronic service outages; in many cases, these were "carrier related"

- No direct carrier relationship, putting the client at the mercy of the cloud provider for service resolution
- Numerous user complaints about poor voice quality and dropped calls
- No active account manager assigned by the cloud service provider
- 18 months of a three-year services contract remained. Previous leadership had signed the contract, and the client had no historical data of the transaction on file except for a two-page signed purchase agreement

Once we defined these issues, our goal was to improve the relationship between our client and its cloud service provider. First, we identified the account manager, and then scheduled weekly status calls to work through the list of unresolved issues. This effort led to immediate improvement in how the cloud service provider handled service outages, with the account manager able to loop in key team players to focus on problem resolution.

Next, we researched all the terms and conditions associated with the existing contract. In the two-page purchase agreement, we found a URL that led to all the terms outlined. We learned that the agreement had 100% termination charges, which made leaving midterm cost prohibitive.

From the service-level agreement (SLA) we found embedded in the website, we determined that the client could claim service credits for outages. However, the SLA specified that the client needed to document and submit claims within 24 hours of the outage, which the client hadn't known to do.

With terms of the SLA now known and service-related issues manageable, the relationship improved quite a bit. Still, the client was left unsatisfied with the cloud service provider. So, the next step was to establish how the client could end the relationship once the contract expired.

Ending a cloud service provider relationship can be difficult, disruptive, and expensive, and you need a plan in place before considering such a divorce. So, we worked with the client to develop an exit strategy.

How do you formulate an exit strategy? First, we created an 18-month plan to change cloud service providers. The more time given to this process, the better.

The plan allowed time to interview end users on likes/dislikes/desired features, telephone usage patterns, etc. We engaged with key stakeholders, and uncovered important information during these sessions. We not only learned more about phone utilization, but also discovered a lot of ghost IT in use to solve departmental collaboration needs. With no standard collaboration tool in place, different groups were using Slack, Microsoft Teams, Google Hangouts, Cisco Webex, LogMeIn GoToMeeting, and Zoom to communicate internally and with external clients. Ironically, we uncovered that the cloud telephony services offering included a full UC feature set that the client had never been trained to use, yet was paying for monthly.

With all of this information, we developed a request for proposal for a new telephony solution. Interestingly, the client wanted to look not only at another cloud option, but also a premises-based solution, to see if bringing the telephone system back in house would be better than continued use of cloud services. As independent consultants with experience in the telecom industry, we were able to identify several possible bidder candidates based on the requirements. We received seven proposals: five cloud-based solutions and two premises-based solutions. We evaluated each proposal based on specific decision criteria, and placed two bidders on our short list. Each of these bidders presented its proposal to the executive team. After several meetings, the client selected a finalist, and contract negotiations began.

The client selected a cloud-based UC solution but purchased its phones. The solution included a direct contractual relationship with the Internet service providers, a full UC feature set, and white-glove installation. As a bonus, the solution cost 30% less than the current solution *including* taxes, fees, and surcharges!

Prior to deployment, the provider assessed its solution across the client's LAN infrastructure and created a separate virtual LAN for VoIP. Then, the provider began collecting specific user and DID data and placed orders for new Internet circuits, plus a back-up circuit, at each location. The client deployed an SD-WAN device at each location for load sharing, overflow, and back up.

The client and service provider conducted weekly status meetings to monitor implementation progress. Each user attended live training sessions on the features of the solution. When the time came for cutover, the provider ported telephone numbers to the new solution. The first day of service was quiet and problem free, just as expected.

Per terms of the original vendor contract, the client sent a written termination notice. This set the disconnection date to 30 days after the new system installation to provide overlap of services, just in case.

After the cutover the team assessed the overall project to measure the accomplishments and if the goals of the project were fulfilled. The goals of improving service performance, vendor relationship, and the deployment of standardized collaboration tools were met with huge success. The end users raved about how the new solution was problem free, easy to use, and accessible from anywhere. The mobile nature of the cloud-based solution came in very handy one week later when the country experienced the first stages of the coronavirus pandemic. The client was able to send employees home to work, and the operation did not skip a beat! They were able to place and receive calls, receive voice mail messages, and conduct video calls seamlessly. Nine months later, most of the staff are still working from home.

In the end, the improvements made validated the decision to change providers. By listening to end users, including company goals, and identifying contract details, the client experienced a big win!

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