

Recovery of payments and savings in the case of debt collection agencies

CLIENT: Cycle European SRL
SECTOR: Zdravotnictvo
COST CATEGORIES: Telecommunications



THE CLIENT:

Based in Bucharest, Cycle European SRL offers direct financial and marketing services to help companies recover outstanding debts from individuals or legal entities and improve their cash flow. With over 270 employees, Cycle European SRL is a subsidiary of Cycle Credit, part of the ICAP group and a member of AMCC - the Association of Trade Receivables Management. As a subcontractor for large organizations, public institutions and banks, Cycle Contact Center is dedicated to providing PROt services, focusing on telephone communications.

THE PROJECT:

In this business area, Cycle Contact Center was contracted by 3 different vendors, a national company and two international telephone service providers, one of which did not meet the customer's requirements. Mihail Puiu, partner of Expense Reduction Analysts Romania, was appointed to analyze the category of telecommunications costs in order to optimize consumption, in order to align the level of services provided by all providers and reduce costs. He had to verify that invoices were accurate and achieve greater transparency in this process.

In the first phase, two of the telecommunications service providers were not very happy to review the terms of the contract, which had just been extended for another two years, but were quickly persuaded to renegotiate; the third supplier, on the other hand, although in the contract review phase, was quite reluctant to discuss optimization.

The results of the bidding stage allowed Expense Reduction Analysts to offer the customer four options to choose from, each solution providing a 15% to 19% discount overall and also better terms through renegotiated contracts. Expense Reduction Analysts recommended the option resulting in total savings of 15%, which offered more flexibility and less risk, an option that was finally validated by the client.

The implementation of this solution enabled savings as a result of tariff negotiations and contract optimization.

As invoices were reviewed, Expense Reduction Analysts discovered that a 10% discount on the standard rate, which was specified in the contract, had not been applied and, in addition, one of the vendors had failed to implement the price



offer negotiated two years ago, which generated invoicing errors of approximately EUR 47,000 over this period. Expense Reduction Analysts spent almost 3 months to recover all the amounts owed, but his generated great customer satisfaction.

The client agreed to allow Expense Reduction Analysts to lead discussions and negotiations with vendors, in order to obtain better contractual terms and the envisaged cost reductions. Cycle European SRL was impressed as Expense Reduction Analysts fully understood their business needs and they were very knowledgeable about the telecommunications market.