

“How a leading multinational Financial Services Company achieved over 45% Reductions in Telecom costs”

Brief on the Client – RBC Financial Group (Caribbean)

Royal Bank of Canada (RBC), a globally recognized multinational financial services company, and the 2nd largest bank in Canada, also owns and operates RBC Financial Group (Caribbean). RBC has had branches in the Caribbean, initially in Trinidad, since 1910, culminating in an acquisition of the Royal Bank of Trinidad & Tobago (RBTT) in 2007, in the amount of \$2.2 billion. RBC (Caribbean), headquartered in Trinidad, is now one of the largest financial services companies in the entire region, operating over 127 branches across 17 countries, with 7,000+ employees, and over 1.7 million clients.

RBC Caribbean offers a full suite of financial services, including personal and commercial banking, wealth management, corporate and investment banking, insurance and trust and asset management services to a wide range of clients, including individuals, small businesses, general commercial entities, regional and multi-national corporations and governments.

The Challenge

RBC (Caribbean) was exploring the possibilities of reducing its significant telecommunications costs in the Caribbean region. The spend was enough that they were contemplating ways to optimize costs, while minimizing risks, during both implementation and post-implementation phases of the projects.

There were essentially 2 main thrusts for this project:

1. RBC was contemplating a larger, more broadly focused project which would include all telecommunications services (voice, toll, data, data centres, main offices, branch offices and kiosks) within the region.
2. To begin the cost reduction process, RBC wanted to start by initiating the Voice Toll Replacement Project in Trinidad & Tobago.

The intent was to begin with a small, well defined, narrowly focused project and then potentially continue with the optimization/cost reduction of the entire telecommunications portfolio across the Caribbean.

The Objectives

RBC wanted to pursue telecommunications ‘value for money’ spending reviews of all telecom services, across the Caribbean. The intention was to achieve this via a thorough analysis of current telecommunications spending, by portfolio. At that point, they would be able to review a roadmap of future projects (work packages) that, when executed, would result in low risk cost savings.

They started off with a Voice Toll Replacement project for services in Trinidad & Tobago, which generated significant cost savings for that business unit. Looking to leverage the success from this initiative, RBC (Caribbean) sought to replicate similar cost-savings projects across the rest of their business units throughout the Caribbean, which would include all telecommunications services (voice, toll, data, data centres, main offices, branch offices and kiosks).

ITE's Solution

A team of Senior Advisors were engaged from ITE's talent pool, and work commenced, from both onsite and remote locations, allowing RBC (Caribbean) to reap the benefits of a globally dispersed project team. A cadence of onsite meetings was supported by meticulous project management, allowing for all proposed solutions to be delivered according to agreed upon timelines.

ITE's overall project framework was as follows:

1. Project Initiation and Data Request Template Development
2. Completion of Data Request Template
3. Data Analysis
4. Roadmap of Potential Future Projects

With the above framework in place, ITE's proposed solution was then broken down into 2 main projects:

1. **The Voice Toll Replacement Project for RBCs's Trinidad & Tobago operations** addressed the immediate need to begin the cost reduction process. ITE Services, working jointly with RBC procurement and telecoms personnel, oversaw an RFP project that specifically was targeted at the Voice Toll costs for Trinidad & Tobago (Voice Toll Replacement Project T&T).

This involved gathering current facilities and spending information from the telecommunications Service Providers and the internal RBC staff, to create a Technical Specification of Services (TSS), which was critical to the RFP process. Multiple suppliers responded to the RFP, which was narrowed down to a shortlist of 2, from which the successful bidder was selected.

2. **The RBC Caribbean Telecom Spend Analysis and Opportunities Roadmap Project** addressed the need to consider all telecommunications services in all RBC (Caribbean) territories. ITE Services proposed analysing the current telecommunications spending, by portfolio and then recommending a roadmap of future projects (work packages) that when executed, will result in low risk cost savings for RBC. ITE Services provided end-to-end management of all aspects of this project, which was outlined in the above 4-step framework.

Results

Over 45% cost reductions were realized in the Trinidad & Tobago operations, while the operations in the Bahamas achieved upward of 25% in similar reductions.

Both projects were hugely successful, not only from the perspective of tangible cost savings, but also from being completed within the agreed upon timelines and schedules, and with minimal to no service interruptions.

RBC Caribbean Telecom Spend Analysis and Opportunities Roadmap Project resulted in the generation of the Opportunities roadmap, along with the associated estimated cost savings and timelines. RBC has taken the roadmap and leveraged it to negotiate cost savings with their telecommunications Service Providers.

A further benefit was achieved as the roadmap highlighted an early opportunity, the Bahamas Voice Toll Project, which was developed and executed as a part of the Roadmap project. The Bahamas Voice Toll Project followed a similar structure and process as the Voice Toll Replacement Project T&T, which again resulted in significant cost savings of 25%, although the timeline was extended due to Service Provider requests.