



## Case Studies | \$18 Billion RBOC

### Context

An \$18 Billion Regional Bell Operating Company (RBOC) that provides telephone service to residential and business customers in a 14 state region of the western United States realized (in late 2002) the necessity of truly understanding the details of how their core business really operates and generates revenue. This RBOC has been providing basic Plain Old Telephone Service, also known as POTS, for the past 100 years and has never had an “end to end” picture and/or business model of that core business. Over the past 100 years, multiple attempts have been made to model and understand pieces of the POTS business, but it has never been modeled in its entirety.

### The Challenge

An executive committee within the \$18 Billion RBOC believed there was over \$200M of hidden cost and lost profitability within their core POTS business. Additionally, when one organization (i.e. Provisioning) initiated a project to save \$10M, other “silo’s” like Billing or Customer Care were impacted negatively by \$20M.. Thus the executive team initiated a task team from the Quality organization who was chartered to lead the effort of identifying over \$200M of EBIDTA gain opportunities within the span of forty-five days. Once the \$200M+ of EBIDTA gains were identified, then analyst teams could be formed to proactively initiate changes in how they conduct operations within the POTS line of business.

### The Solution

BusinessGenetics® received over 70 documents in various forms (Visio, Excel, MS Word, MS PowerPoint) and Co-Formulated them into a set of xBML™ models (WHAT, WHO, WHICH & HOW) within the span of approximately 14 days with multiple consultants assigned to the task. BusinessGenetics® validated the baseline models with Subject Matter Experts from each line of business within POTS (SME’s) during the following 3 weeks.

During the SME validation workshops, a team of BusinessGenetics® consultants were able to identify and consolidate over 109 issues which directly correlated to 72 improvement opportunities for the business. Current “in-flight” initiatives were also mapped into the xBML™ business models which illustrated the following:



1. Duplicate efforts in many business areas trying to address the same or similar problems
2. Millions of dollars were deployed trying to solve pieces of the business that were broken or non functioning

Based on these findings, a 2 day workshop, lead by BusinessGenetics®, was conducted, which included 20 people from the senior leadership staff of the RBOC, with the purpose of identifying \$200M+ in EBIDTA gain (cost reduction or revenue increase) as well as identifying significant increases in customer satisfaction improvement opportunities.

### **The Result**

Through the use of BusinessGenetics® xBML™ language and BCF™ the RBOC identified approximately \$325 Million in EBIDTA gain and over 20 customer satisfaction improvement opportunities. Their plan was to implement those projects that would achieve at least a \$200 Million gain by EOY 2003. Additionally, the RBOC also achieved intangible gains, such as improved cross-organization communication, insight to cross-organizational activities, responsibilities and most importantly the information necessary to effectively conduct POTS.

For more information please contact:

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