

CASE STUDY

Unified Communications & Telecommunication Strategy

CLIENT | SPARQ



ABOUT THE PROJECT

INDUSTRY	Telecoms
SERVICES	Specialist Telco Advisory Design & Project Delivery
SOLUTIONS	Fixed Networks Mobile Networks
DURATION	3 months

THE CLIENT

SPARQ Solutions is a client-focused, cost-effective Information and Communications Technology (ICT) shared service provider, providing services to Queensland's energy suppliers, Energex and Ergon Energy.

SPARQ works with clients to achieve their business goals by developing ICT strategies to enable business change and growth towards their organization's vision. The company was officially launched on 1 July 2004 with the amalgamation of the ICT services of Energex and Ergon and is jointly owned by these two companies.

With headquarters in Brisbane, and offices in Rockhampton, Townsville, Mackay, Maryborough, Cairns, Dalby and Toowoomba, SPARQ employs 400 employees and contractors who are highly skilled in a range of ICT business applications and support services.

THE STRATEGY

SPARQ Solutions provides Information and Communications Technology (ICT) services to Queensland electricity distributors, Energex and Ergon Energy. GQI was engaged by SPARQ Solutions to develop both a Telecommunications Services Strategy and a Unified Communications Strategy. These strategies were developed to guide the planned replacement of the following telecommunication carriage services and communications systems across SPARQ Solutions, Energex and Ergon Energy:

All service covered under the Telecommunications Services Agreement (TSA) including all externally supplied inbound and outbound voice connections, wide area networks and mobile voice and data services.

All communications technologies used by the various businesses, including PABX, video conferencing, instant messaging, presence and collaboration.

The Telecommunications Strategy found that SPARQ Solutions faced several challenges in going to market for a new Telecommunications Services Agreement, mainly due to relatively poor competition in Queensland's fixed and mobile telecommunications markets, especially in rural areas.



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SPARQ's main requirements for their telecommunications services were for them to have suitable coverage and reliability for all of their sites, but to also be at a competitive price. However, the first two requirements tend to drive smaller, lower-cost suppliers out of contention, particularly if a whole-of-business supplier is desired. So in order to obtain the best possible financial outcome SPARQ needed to generate a credible market-competitive force.

In order to do this GQI recommended the construction of a tender that permitted smaller carrier to tender competitively in areas where they are able to do so. This required that SPARQ had to seriously consider the possibility that it may need to engage a greater number of suppliers than it does at present in order to obtain the overall best price.

This was accepted by SPARQ, so GQI developed a suitable tender document for the supply of services representing the bulk of SPARQ's carriage requirements. The key to the tender was that it permitted separate tenders for segments of the businesses (i.e. fixed and mobile split by Energex and Ergon, combined Energex and Ergon). This meant that as a whole of business agreement was not assured that it was not in the big carrier's best interests to bid at premium prices.

This approach proved very successful in driving down the overall cost of telecommunication services for all of the business across all bidders. In the end SPARQ was able to contract with a single supplier for a whole of business agreement with an overall saving of over 10% across all services supplied. In the Unified Communications Strategy, GQI found that various communications media such as telephony, audio-conferencing and videoconferencing were well established across all of the businesses. However, as they had been early adopters of these technologies and that they were generally Cisco based products, they had all be implemented independently of each other as separate solutions and not as a unified communications solution. This meant that it was difficult to cross between systems (i.e. from IM to voice to video etc.) and that the systems were all on separate upgrade paths that added considerable complexity and cost to their support.

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SPARQ's main drivers were that any UC solution must reduce technical risk and operational costs, while at the same time continuing to provide the effective service to all customers. In addition, it was important for SPARQ to be able to better leverage any UC solution to foster even better collaboration between all staff across all businesses. In other words, their communications needed to be truly unified as a single solution and this solution needed to offer the ability for users the flexibility to communicate and collaborate with both internal and external people, no matter where they were in Queensland.

Being an established Cisco user SPARQ understood Cisco's UC capabilities, however they were also an established Microsoft user with Lync's being rolled out across much of Energex and SPARQ, and were interested in both solutions. However, there were several concerns around Microsoft's ability to act as a telephony system as they were still relatively immature as a PABX supplier. This meant that it was difficult to go to market for a complete UC solution as it was not seen as a level playing field at this time.

GQI recommend that in order to meet SPARQ's goals in the short term that should do the following:

- Upgrade and centralize their existing communication systems;
- Upgrade mainly to be focused on telephony and room based video conferencing;
- Maintain Lync on the desktop to co-exist with the Cisco solution;
- Accept some limitations in functionality and duplication of cost.

We went on to also recommend that in the longer term that SPARQ should have a view to go to market for a new solution when Microsoft Lync's maturity matched SPARQ Solutions expectations to offer a competitive offering. This could possibility be an as short a period as two to three years after the interim steps. This will give the unified communications market enough time to mature so that a complete go to market approach will be truly competitive and reflective of SPARQ Solution's corporate strategies. SPARQ accepted all of GQI's recommendations and have proceeded to upgrade and unify its existing Cisco systems.



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