

Callan Consulting

Covad: TCO Sales Tool Development



“Ed did an excellent job of defining the need by interviewing the primary stakeholders and then developing a TCO Model that exceeded their expectations. In addition, Ed was very professional, flexible, and easy to work with.”

Janeen Fischer, Senior Manager, Wholesale Marketing

Background

Covad is the leading independent provider of DSL services for businesses and consumers. With offerings including DSL Internet access, hosted services and Voice over IP, Covad helps distributed enterprises across the country use the Internet to do business better.

Business problem

In late 2004, the Covad sales team was aggressively marketing DSL data connectivity services to medium-sized and large businesses, often as a replacement for or instead of Frame Relay connections. Unfortunately Covad's partners and sales team found themselves hindered by the lack of tools to describe the total cost of ownership (TCO) comparison of a Covad solution versus a Frame Relay network.

Solution

Covad asked Ed to build a TCO model of Covad-based networks versus Frame Relay solutions, and to write a white paper to describe the comparison. Ed interviewed key managers within Covad and its partners, as well as outside experts on Frame Relay and DSL, and built a complete TCO spreadsheet model capturing both types of solutions.

The model allows the user to easily configure one of a variety of network configurations, and calculates the number of DSL connections for the configuration as well as the number of ports and circuits required in a comparable Frame Relay solution. It is also populated

with typical Frame Relay costs and lets the customer instantly see the projected savings of a DSL-based network over the lifetime of the contract.

Ed also wrote a white paper to describe the model and articulate the key economic differences between DSL-based and Frame Relay network solutions in general.

Results

In early 2005, Ed assisted the Covad marketing and partner teams to roll the tool out to the Covad sales force and its partner organizations. The rollout was met with great excitement in the sales organization and led to further conversations about creating additional sales tools for Covad.