

# Superior customer service and provisioning creates the foundation for growth

**Summary:** Access Point, Inc. presented a proposal to provide T-1 Access, Local Services, Conferencing, Internet Faxing and Cabling Services in the 48 contiguous states of the United States for McDonald's Home Office, Field Offices and McOpCo restaurant locations and to its Owner/Operator's businesses separately.

By using the established resources, processes, and service delivery platform, Access Point was uniquely positioned to give McDonald's the best overall value proposition for the buying power of their significant telecommunications purchases.

Access Point, Inc. is a complete business communications provider offering multiple services nationwide. In addition to our well-established Local and Long Distance services, we offer VoIP, Integrated, Internet and Managed Data services. Our mission is to develop one of the most complete portfolios of telecommunications services in the industry and achieve a status as a market leader strongly positioned to serve enterprise, multi-location and other commercial customers. Since inception over a decade ago, we have positioned ourselves to be an alternative for businesses that want superior, personalized attention and responsive customer service along with competitive market pricing.

## Project Scope

*In 2005, McDonald's was seeking the most cost-effective products and services available in the marketplace to meet its local telecommunications needs and was also looking for insight into the value our company could bring to McDonald's in its efforts to continuously improve costs.*

*McDonald's invited vendors to submit proposals for local telecommunication services for approximately 8,000 lines spread throughout 3,400 sites in the Verizon local service region.*

## The Goal

Access Point, Inc. proposed to McDonald's Corporation that if awarded the local services described, we could help their company reduce its expenses immediately without the risk of wholesale service disruptions inherent in moving large numbers of lines on to new carrier networks and at the same time offer a robust migration strategy to the newest, most advanced telecommunication technologies available in the marketplace.

We could provide Local and Long Distance, T-1 Access, Conferencing and Cabling Service everywhere that McDonalds had a restaurant in the 48 domestic states of the U.S. and to their Regional and Home Offices as well. Through wholesale relationships with the four primary Bell Operating Companies; AT&T, Verizon, Qwest and Embarq, and with premier Competitive Local Exchange companies such as Paetec, Nuvox, One, XO, MCI and Broadview, Access Point, Inc. provides the most robust footprint of both DS0 and DS1 voice services available in the domestic U.S., delivering a complete portfolio of circuits, lines, features and services across the country. We could even include the restaurants located in Independent Telephone Company areas where we take over the service responsibilities and invoicing via individual billing arrangements with the ILECs there.

## **A Partnership Going Strong Since 2006**

At Access Point, Inc., we are extremely proud of this partnership. It represents our focus on the importance of our customers. This project achieved a number of goals that support the overall company mission.

## **Demonstrating the Value: Solution Overview**

### **The Value of Delivering Proven Cost Savings**

Access Point has been providing local POTS and long distance service to over 900 McOpCo restaurants in the East Division for the last five years. During that time, we have helped McDonald's reduce the annual telecom spend by about one-third in the stores where we provided service, a yearly savings of over \$600k. We accomplished this with a program that combined lower telephone service rates and fees and comprehensive telecom service management, which entailed working closely with the division manager to create a model of standardized telephone services for the restaurants, including line counts, features, call-type blocking and other optional services. We then took over each store's existing telecom services from the incumbent carrier or CLEC using a "switch-as-is" methodology and applied the model to each restaurant to adjust the services and reduce the costs. Access Point is now working with the Central and West Division Management in a like manner to uncover any opportunities that may exist to develop and create (or enhance any existing) telecom management models and implementation projects for the restaurants in those divisions that could potentially improve the telecom spend per store over and above savings achieved just from new lower contract service rates.

### **The Value of Providing Critical Telecom Information**

Access Point has an industry-leading, robust billing platform which enables us to provide the invoicing for all of McDonald's locations under a single customized hierarchy designed to maximize the ease of processing and payment within their systems and for AP personnel. In the East Division, we currently provide Master invoices for each of eight Regions to Columbus, Ohio. In addition to our billing platform, Access Point, Inc. has worked side-by-side with the East Division Management to design and deliver various telecom management reports that have provided essential data for analyzing and evaluating the progress and management of the standardized restaurant model as

well as for continued exploration of the data to uncover additional cost savings opportunities going forward. We continue to work with the Central and West Management to customize or develop the reports that they may need to evaluate the results of management and modeling projects within their divisions.

### **The Value of Seamless Transitions for the McOpCo Restaurants**

For switched local telephone service, Access Point, Inc. provides POTS service that utilizes both the facilities and switches of the incumbent carrier, thus eliminating the need to deploy number portability or other service arrangements that complicate the provisioning processes and the switching platforms of the facilities-based CLECs. Under our contracts with the incumbents, we simply move each restaurant's entire service package over as a billing records change at the RBOC. No re-engineering or installation of new unbundled facilities are required. The result has been minimal incidence of service disruptions as the lines are moved to API. Only after the service has been moved, do we then begin the careful process of applying the established model or other requested changes to each restaurant's service pack.

### **The Value of our Flexibility and Individualized Approach to Service Needs**

With our experience in helping the East Division Management build the restaurant model and then apply it across a wide array of restaurants using multiple telecom services, we understand that McDonald's has a long, unique and complex operating history and that the existing telecom landscape may include a lot of different services that have been used or tried over the years for many different and changing business reasons. So, as we embarked upon the telecom management project in the East Division, we found that there were different service aspects that the telecom management there wanted to evaluate in order to continue to work towards the most cost effective service package for the restaurants. Items such as; the number of lines in a service location, feature groups, call-type blocking, LD PICs, inside wire maintenance, flat rate vs. measured rate and many others are components of local telephone service that can dramatically effect the cost and effectiveness. By deploying or removing some of these items at different times and then

evaluating the results, the East Division management was able to continue to drive toward their cost reduction goals. Because of our flexible approach to the project, we were able to accomplish this without levying a lot of new charges or fees due to a rigid pricing schedule or contract terms. For example, in the current Agreement between McDonald's and Access Point, many of the POTS lines in the restaurants were purchased as measured rate service. However, during the management project, it was determined that flat rate service was going to be a better solution in the cost model. So, we simply switched gears from measured to flat and moved forward. Access Point will continue to offer this flexible service platform mentality as we strive to help McDonald's telecom management continue to drive down costs. We are committed to working with McDonald's to make sure that you have all of the tools needed help you continue to reach your cost reduction goals.

#### **The Value of our Franchisee Telecom Program**

Beginning shortly after we entered into our Master Commercial Service Agreement with McDonald's, Access Point created a service program for the Owner/Operators that emulates the low telephone service rates and fees commanded by the buying power of McDonald's Corporation. We have been presenting this program to the Owner/Operators at various East Division CROA events and through individual marketing campaigns. Since inception of the program at the beginning of 2007, we have signed dozens of Owner Operators to our service. As a group they have seen a 19.9% overall reduction from the costs they experienced with their previous carriers. This group includes some of the largest franchisees in the East Division. We are currently working with several more Owner/Operators to move their service onto API and we expect this program to continue to grow. Each of these Owner/Operators has received a custom service package that was designed to meet the needs of their individual business practices, yet tailored around the low price points negotiated by McDonald's Corporation.

#### **Results**

We have the experience to propel this partnership forward across the entire nation as we have learned over the past five years how to approach these busy Owner/Operators and present them with the opportunities that the McDonald's endorsed telecom program affords their businesses. We will continue to offer this service to the Owner/Operators in the East, Central and West Divisions.

#### **Migrating the Enterprise Customer**

Demonstrating once again our continuing success in this industry, our conversion solutions are attracting a growing number of customers nationwide. Businesses are increasingly looking for easy-to-understand and easy-to-manage transfer processes.

We strive to provide our multi-location customers with proven and reliable solutions making it easy to move their telecom services and expand as their business grows and adds additional locations. We have experienced the highest customer satisfaction in part because our process is easy to deploy, manage, and implement.

*“Access Point understands the importance of quality customer service and has adopted that as their philosophy in business. Their customer service is outstanding. They are always ready with real people answering the telephone when we call and real solutions to our service needs. Our experience with Access Point has given us the confidence that they are willing and able to deliver top level service to us every day.”*

**Tim Burge**  
**Store Systems Manager, McOpCo East Division**