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Reducing costs to reach fiber expansion goals

How SaskTel partnered with Corning to reduce fiber buildout costs by 27%

SaskTel: Bold goals for the future

In 2012, SaskTel — which provides communications services throughout Saskatchewan, Canada — started deploying fiber internet to the nine major urban centers in the province. But when SaskTel considered offering fiber internet to rural communities — where residents often had access to no greater than a 50 Mbps connection — the construction costs were simply too high. Expanding SaskTel's fiber network to communities with smaller populations was financially prohibitive.

Seeing such demonstrated need in these unserved markets, Tim Ludwar, SaskTel's Director of Fibre to the Premises Operations, approached his internal team and partners at Corning with a bold goal: to reduce construction costs by 30%, thus making rural expansion economically feasible. It was an audacious goal, but Tim says, "As a wise manager once told me, 'An unmarked arrow will always hit its mark.'" In other words, his team needed a big, concrete goal—

in this case, a 30% reduction—against which to measure their progress.

A strong partnership for strong results

Tim pulled together a cross-functional team from various departments within SaskTel—including standards, planning, construction control, and quality assurance. He says that, when first faced with the goal of a 30% reduction in costs, "the feeling was quite mixed." Though some team members had never worked toward such an ambitious goal, transformation and change are hallmarks of SaskTel's past success, so there was a corporate culture of can-do spirit. Soon, everyone was committed to Tim's goal.

The next step was to bring Corning—which provides much of the materials and equipment for SaskTel's fiber network—into the conversation. "Most vendors hear about a cost reduction goal and just think you want a discount," Tim says, "but when I set the stage for why we wanted to do this, Corning was on board quickly." Barry Walton, Corning's Telecom Solution Architect and a long-term partner of Tim and SaskTel, became an early champion of the project, and Barry and the rest of the Corning team became key contributors to fulfilling Tim's vision.

Step by step toward the goal

Tim and his team at SaskTel started holding weekly meetings to walk through each step of the construction process from beginning to end. Meanwhile, Tim and Barry met even more regularly—as many as four times per week—to keep SaskTel and Corning aligned on their progress to goal. Team members from every department

were tasked with generating ideas to lower the cost of construction. No idea was too wild to be considered, but every idea was required to adhere to SaskTel's corporate principles:

- Provide exceptional customer experience
- Maximize existing network
- Continue to build low-touch networks that support flexibility
- Build future-ready, reliable networks that support SaskTel's services
- Minimize operational costs for the life of the network
- Accelerate speed to revenue
- Reduce cost of materials, warehouse, training, and tools
- Maximize opportunities for self-serve
- Do nothing that's "gold-plated"

Ultimately, Tim's team and their Corning partners came up with a list of 23 ideas that met these benchmarks. A few that really moved the needle in reducing the cost and amount of labor included:

- Centralizing the FDH in SaskTel's existing central offices
- Reducing splice points by optimizing design and using pre-connectorized cables
- Consolidating the feeder and distribution cables to reduce the number of cables placed on the same strand
- Building spare fiber facilities to the actual number of homes, versus the number of lots

"Because Corning is one of our main providers, it's critically important for them to be on board."
—Tim Ludwar

Tim describes the Corning team as close allies who have helped with planning, materials, product knowledge, pricing, and much more.

Better process means
more communities served

Together, SaskTel and Corning have implemented 11 of the team's 23 ideas. As a result, SaskTel's fiber buildout costs have dropped, on average, about 27% per rural community.

"I would highly recommend Corning as a business partner," says Tim. "Partnerships are comprised of relationships, and when you have like-minded people, displaying the same type of morals—the Corning team has strong business ethics, honesty, and integrity—there's a great mutual respect. I can't say enough for them. And I'm an advocate of their products; I like the reliability, the ease of use, the reducing of time and equipment in the field. They provide a superior platform for our services we offer our customers."

The future for SaskTel is bright. The reduction in cost SaskTel has achieved with Corning's partnership is allowing SaskTel to expand their network into smaller and smaller communities. Since the recent changes, it's become economically viable for SaskTel to bring fiber to communities of 800-1000 people. Today, they are seeking to change lives in even smaller communities—with as few as 200 people—offering fiber and delivering the absolute best experience to their customers.

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Learn more about **SaskTel**

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