Cass
Information
Systems, Inc.®

Telecom Expense Management: The 8 Most Common Mistakes

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Get More From Your TEM Solution

Implemented correctly, telecom expense management (TEM) solutions will give full visibility into your telecom spend and generate impressive cost reduction benefits, as well as dramatic process and efficiency improvements.

By avoiding the 8 key TEM mistakes, you'll be able to address the growing complexity of managing your communications lifecycle – which includes fixed and mobile contracts, services, expenses, usage and devices – and enjoy the ideal TEM solution for your business.
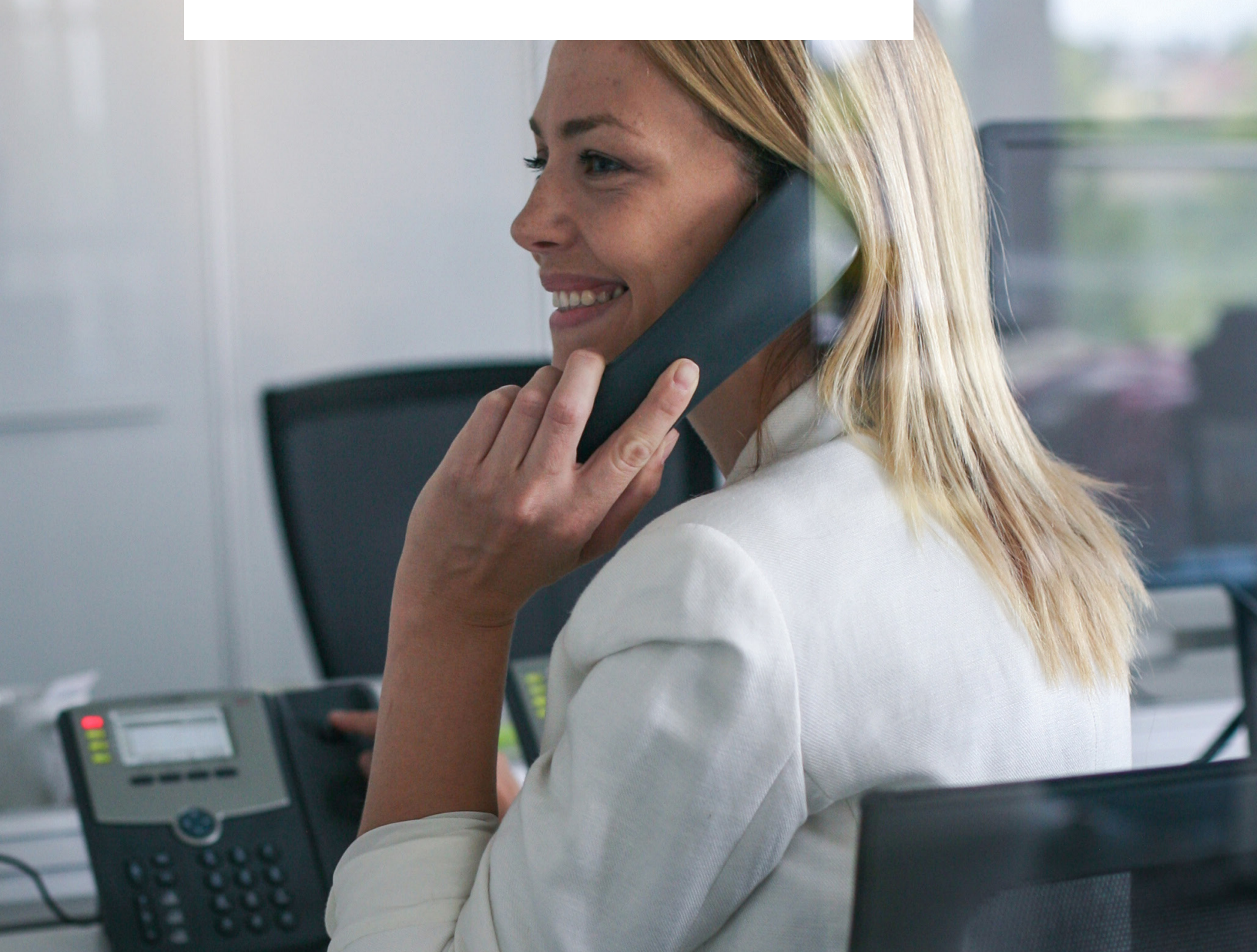
MISTAKE #1

Failing to Manage Telecoms with a "Lifecycle" Approach

For TEM to function as it should, the entire telecoms lifecycle must be managed within a TEM system that enables visibility, and supports workflow and collaboration.

If events such as the ordering of new circuits occur outside of the TEM program, this severely limits the ability of your TEM provider to ensure you only pay what you should.

Implement a complete lifecycle approach, starting from when a new service is ordered, and your TEM can maintain a detailed inventory and anticipate new charges to be billed – ensuring you get charged only exactly what you should.

Inventory

Order

Process Invoice

Source

Audit & Optimise

Pay
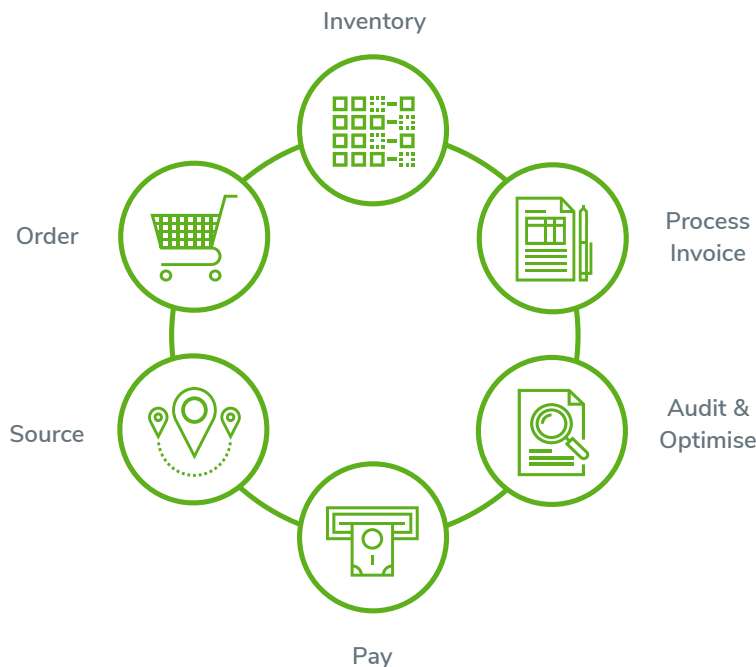
"Out of process" purchasing can lead to the enterprise buying services that are unneeded or do not meet organizational standards or policies and thus cannot be used. With the telecoms lifecycle managed inside your TEM system, ordering is conducted properly, following the appropriate processes and approvals policies, and out of process purchasing is a thing of the past.

MISTAKE **#2**	# Under-estimating your Organization's Potential to Achieve Savings

It's easy to underestimate the amount you could save through a consolidated, consistently managed approach to both fixed and mobile communications.

Many assume savings will be achieved through headcount reduction and that, with an already lean telecoms department, there are no further savings to be made.

Another common belief is that the majority of TEM savings will be derived from consolidating services and contract negotiation, and, if that is already taken care of, new contracted rates will always be accurately reflected in current invoices – even with no automated audit process in place.

But any company that takes advantage of end-to-end TEM services can achieve significant savings, across the lifecycle – through better sourcing, deeper audits, more consistent procurement, more consistently applied payments, and improved dispute resolution.

Real TEM offers an automated process that:

1. Creates an inventory of detailed billing and contract information
2. Audits each detailed charge against current contracts and service orders, thereby identifying errors and overcharges
3. Delivers actionable business intelligence identifying underutilized services and other data that reveals optimization opportunities
4. Equips the vendor's staff to manage billing disputes and recover fees
5. Applies payments in an accurate and timely manner

Unless your current process is built around an intelligent platform that fits this description, you're probably under-estimating your ability to find savings.

> "
> Any company that takes advantage of end-to-end TEM services can achieve significant savings.

Under-estimating the Value of a Centralized View of Telecom Assets and Spend

You can't manage what you can't see. If your TEM scope doesn't include a centralized inventory of assets, services, billing and spend, across both fixed and mobile communications, you'll miss the big picture.

If you are developing a comprehensive RFP, be sure to:

- Focus on how much visibility you will gain once the solution has been implemented.
- Consider your options for customizing dashboards and reporting views.
- Check what reports are available and if scheduled email delivery is an option.
- Ask how the provider's other clients use this data to drive further cost reduction.

TEM is really a business process improvement project and, as such, the data assets are the key to continued success.

> " In the ever-changing communications environment, you need to fully understand your utilization. Rich usage data, with an up-to-date centralized inventory, provides business intelligence for mission critical planning and decision making.
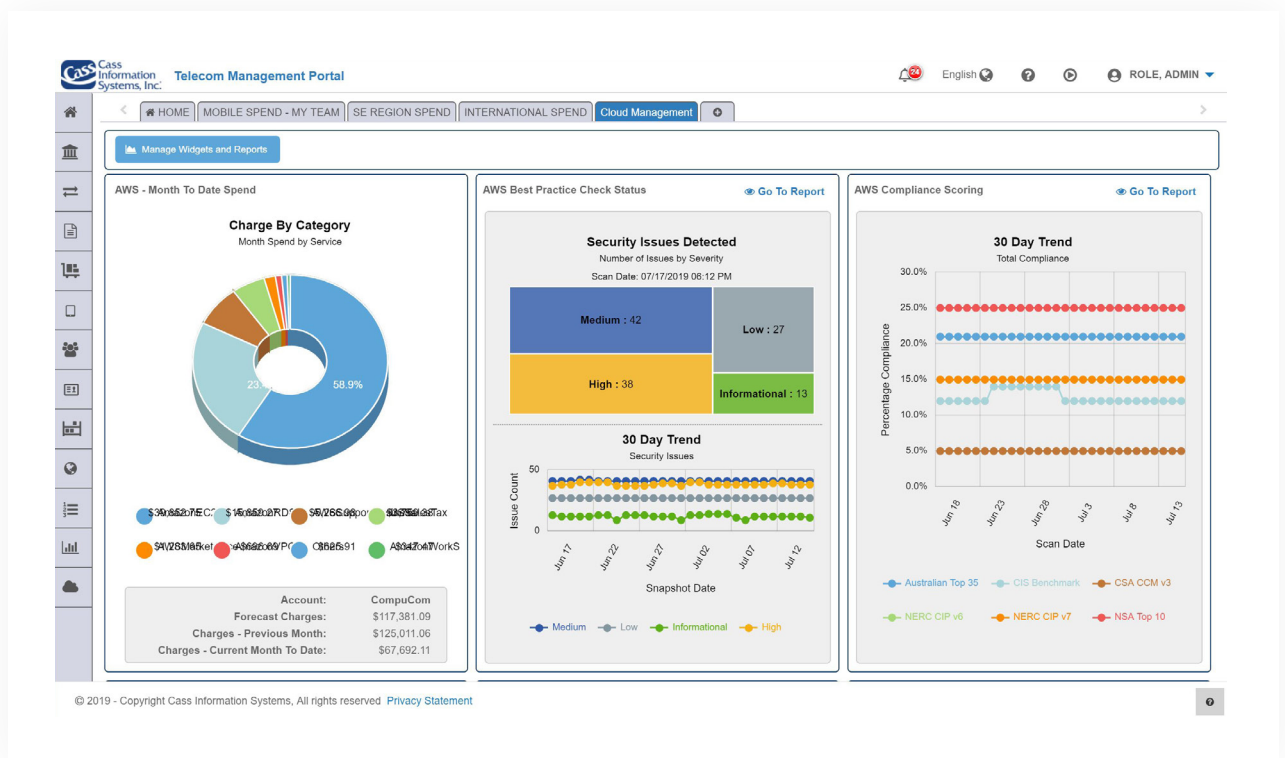
# Managing Mobile and Fixed Communications Separately

The most forward-thinking organizations today have outsourced telecom expense management for fixed and mobile assets and services.

But, while some traditional TEM providers have partnered with mobility lifecycle management providers to offer what is positioned as a "complete package", enterprises often find themselves stuck juggling two separate platforms.

This might not sound like the end of the world, but, with such a system, you lack a reliable "global view" of your telecom expense data. You will likely have to navigate two portals for reporting and then need to aggregate and normalize data to generate comprehensive reports. You also end up with twice the work in supplier management, eating up valuable time.
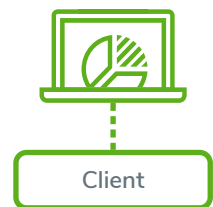
What's the solution? Look for an established service provider with an end-to-end communications lifecycle management solution integrated across both fixed and mobile expenses.

Disparate Systems

Fixed   Mobile

Client
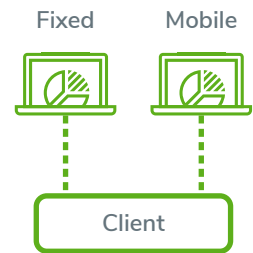
Integrated TEM System

Integrated Fixed and Mobile
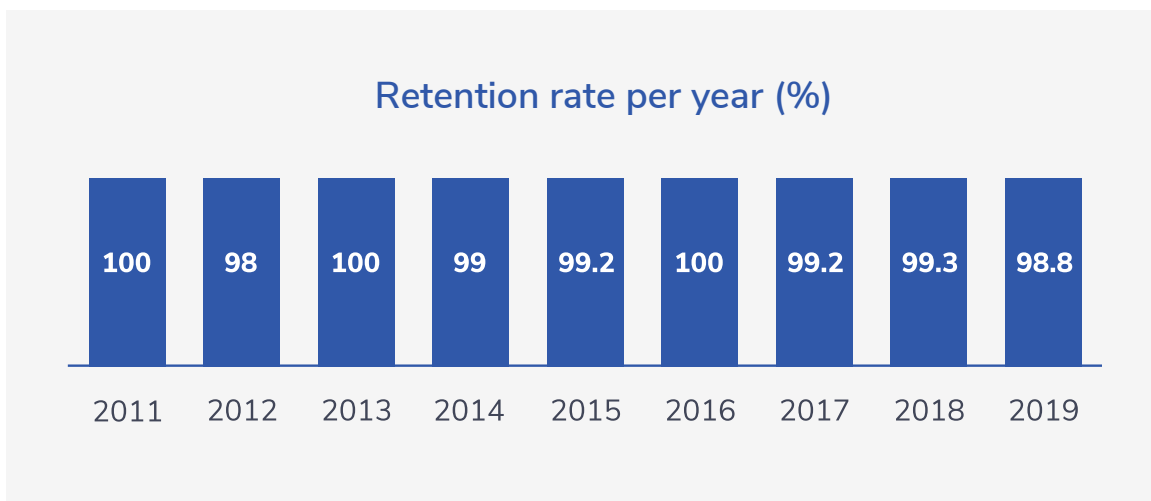
Client

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#5</td><td></td></tr>
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Equating the Value of Software Features with the Value of Vendor Stability

It's easy to get bowled over by exciting features such as fancy dashboards or impressive analytics, but these are short-term considerations, when TEM is a long-term project.

Many vendors can boast flashy dashboards and impressive-looking business intelligence capabilities, but how many can boast assured longevity? The amount of consolidation and proliferation of private equity transactions means that a great many of those exciting vendors won't actually exist in three to five years.

No one wants the pain of service disruption or the cost of multiple implementation projects, and TEM will continue as a business process for as long as telecom vendors exist. So, it's best to put vendor stability and longevity on at least an equal footing with the features and functions of vendor software.

Retention rate per year (%)

2011	2012	2013	2014	2015	2016	2017	2018	2019
100	98	100	99	99.2	100	99.2	99.3	98.8

MISTAKE #6

Blurring the Distinctions Between Software Tools and a Full-Service Solution

It's easy to mistake a company that offers little more than SaaS tools for a full-service TEM provider, that is, until you come to review your results.

A Fortune 1000 organization came to us after experiencing this exact problem. When their TEM project missed desired business goals, the vendor's response was: "we delivered the software."

The team should have been looking for a provider offering a complete managed service solution – one that demonstrated competencies in rapid implementation, audit analysis, dispute resolution, automated general ledger accounting, optimization, and payment for both fixed and mobile asset and services.

But cloud software is a world apart from a managed service solution. If you opt for a solution that is more DIY tool than service, you'll remain fully accountable for achieving your expense reduction results.

Since most cloud-centric TEM firms aren't staffed or experienced in back-office processing and payment servicing, they cannot provide the complete scope that a true, end-to-end managed service model delivers.

As smart enterprises continue to adopt TEM, vendors who offer end-to-end processes, with the experience to provide process control, will emerge as the hands-down leaders within the industry.

MISTAKE #7

Under-estimating the Positive Impact of Superior Client Service

Many organizations that outsource TEM have, unfortunately, chosen providers that may have solid technology and processes but are severely lacking in terms of customer service.

When selecting a TEM provider, ask detailed questions about how your account will be staffed. Who will manage pending credits and refunds? Who has the responsibility to act on your behalf if the carrier misapplies payments and your account is shown to be in default and charged late fees?

Key to improving customer service levels is the account team. It should be staffed by people who:

- Understand your infrastructure, accounting rules etc.
- Know your team by name.
- Fully appreciate that they are accountable to you.

> " A number of reputable organizations, such as Gartner, publish information on TEM providers based on independent surveys of client companies. Reviewing such research is essential when making vendor selections.

MISTAKE #8

Omitting the Payment Process

Any TEM project should reduce overall costs and free up internal resources for higher value tasks.

Late fees might be a significant component of your costs today. But payment reconciliation and dispute management issues can be a significant time drain. If you manage the process internally, staff may spend considerable time communicating across departments about payment history. If this information isn't readily accessible, it's difficult to manage disputes to reconcile misapplied payments.

Time spent internally resolving billing issues could otherwise be devoted to higher-value tasks. So strategically-thinking organizations prefer to outsource the payment process as part of their TEM program. This eradicates workload for both IT and Accounts Payable departments. And the managed services provider is now accountable for managing on-time payments and minimizing late fees.

Payment Process: Efficient vs Entangled

Internal Pay Model

Carriers — TEM — Accounts Payable

TEM Pay Model

Carriers — TEM — Accounts Payable
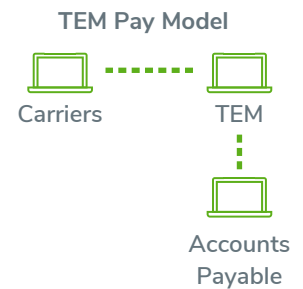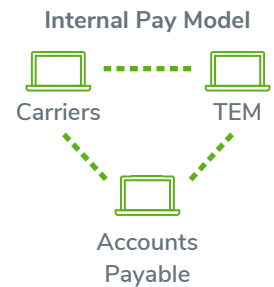
Summary: Start by Asking the Tough Questions

Wondering how much you might save through enhanced TEM?

Start asking some tough questions:

- How automated is your current process?
- Are you receiving more paper invoices than electronic?
- Do you have enough data to conduct rigorous, automated audits at the individual charge level of detail?
- Does your TEM provider have established competencies in managing high-volume back-office business processing?
- How much visibility into fixed and wireless expenses do you have? If you can't see these expenses, how well can you manage them?
- Is your managed services provider focused on enhancing the showy "wow-factor" features of their tool or on shouldering responsibility for driving cost reduction results?
- Will your service team meet with you regularly to review the status of your program?

As you evaluate your current process and investigate potential solutions, these questions will give you a framework to conduct a much more critical and thorough evaluation. There's no better time than right now to find savings.

Cass Can Help You Avoid Any TEM Mistakes

With Cass, TEM is about service as much as software. Our fully managed end-to-end service covers the full telecoms lifecycle, with complete visibility and support throughout.

Our focus is always on streamlining your processes, eliminating unnecessary costs, and enabling your staff to work more efficiently, as our team takes on the heavy lifting. When an organization engages Cass for telecom expense management, it can be sure that we will assume accountability for driving cost reduction results.

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