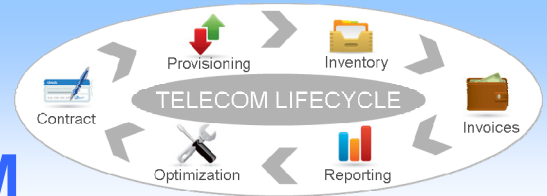


Reducing telecom costs from 10 to 30% thanks to TEM



Reducing costs is a constant objective of managers, even more in difficult times. Telecom services belong to the top five of the operational costs, therefore an interesting target.

Various studies¹ estimate the reduction potential between 10 and 30% through the implementation of appropriate actions and usually with the help of TEM² tools (*Telecom Expense*

Management)

A large portion of this potential is related to mobile telephony. Mobility is a key factor to improve productivity and therefore competitiveness, but presents many challenges to limit the cost of using and managing it.

Experience shows that the workload can be divided by two, especially for the management of mobile lines which can represent a full-time job for a fleet of 1000

mobiles. Some companies turn to out-tasking and are ready to pay from 5 to 10 CHF/month per line for that.

We shouldn't neglect any step of the « Telecom Lifecycle » because each problem observed is an opportunity to reduce the costs or the workload.

Many solutions rely on a TEM tool in order to be applied in a systematic manner, otherwise we don't get the anticipated benefits or

only in part. A recent survey from AOTMP³ reports that companies who implemented a TEM tool could achieve savings of 36%, compared to 12% without such a tool. Just for contract negotiation and optimization, TEM enables an increase of 17% in the savings achieved. « Information is power ! ».

The ROI of a TEM tool is obvious, with a cost usually between 1 and 4% of the spending, for savings around 10 to 30%. In spite of that, TEM is often perceived as a cost center and is not easy to sell internally, victim of the saying « Better to have a bird in the hand than two in the bush ». It is useful then to remember that TEM not only helps reduce costs and simplify work, it is also a "Business Intelligence" tool helping to take better decisions. ●

Toni Lazizzera
Telecom consultant
Tmanco SA

⁽¹⁾ Gartner, Aberdeen Group, Forrester, AOTMP.

⁽²⁾ Sur www.tmanco.com, divers articles expliquent ce qu'est TEM

⁽³⁾ « Benchmarking the value of TEM programs over time » AOTMP, Oct 2008 (www.aotmp.com)

	OBJECTIVE	PROBLEM	SOLUTION
Contract	Compare, simulate, benchmark	<ul style="list-style-type: none"> Tedious, approximate, non-optimum choice Difficult to quantify a gain, to focus where it matters. 	<ul style="list-style-type: none"> Precise, fast, detailed simulations thanks to TEM. Benchmark more frequent, less time between adjustments
	Negotiate tariffs & conditions		
Provisioning	Helpdesk, arrivals, departures, repairs	<ul style="list-style-type: none"> Activity very manual, delay/omission, quality 	<ul style="list-style-type: none"> Automate, delegate. Less dependant on key individuals
	Order, cancel, change, renew	<ul style="list-style-type: none"> Interaction with the operator, info to send / keep updated 	<ul style="list-style-type: none"> Automate workflow, limit the info (some superfluous if TEM)
Inventory	Assign line / equip. to users	<ul style="list-style-type: none"> Home-made & individual tools, approximate. Little or no traceability. 	<ul style="list-style-type: none"> TEM inventory management feature. Interface with existing systems (HR, service-desk, etc.). Less dependant on key individuals.
	Link user to cost-center		
	Full & up-to-date status, statistics		
Invoices	Verify the services ordered	<ul style="list-style-type: none"> Lines no more used 	<ul style="list-style-type: none"> Systematic analysis, exception reports
	Verify the services invoiced	<ul style="list-style-type: none"> User left the company 	<ul style="list-style-type: none"> Compare with inventory, exception reports
	Verify the applied tariffs & conditions	<ul style="list-style-type: none"> Lines terminated but still invoiced Lines don't belong us Discount omitted, lines not included in the corporate contract 	<ul style="list-style-type: none"> Data mining to discover anomalies.
	Approve, register, pay the invoices	<ul style="list-style-type: none"> Many invoices & actors. Time-consuming, risk of loss/delay Late payment penalties 	<ul style="list-style-type: none"> Consolidate invoices, reduce the number, possible if cost-allocation automatic through TEM
Reporting	Allocate costs by cost-center	<ul style="list-style-type: none"> Approximate, tedious, « acrobatic » 	<ul style="list-style-type: none"> Electronic detail available automatically
	Verify the services consumed	<ul style="list-style-type: none"> Managers passive, missing info to act 	<ul style="list-style-type: none"> Exhaustive reports to managers
	Provide statistics	<ul style="list-style-type: none"> Abuse and anomalies according to the type of activity of the user Obvious fraud, abuses and anomalies Few indicators, blind decisions 	<ul style="list-style-type: none"> Define usage policies and reinforce with detailed reports. Delegate the controlling Systematic exception reports Dashboards for dept., IT, Finance, Purchasing, etc.
Optimization	Verify / adjust dimensioning	<ul style="list-style-type: none"> Inadequate choice of tariff options / services 	<ul style="list-style-type: none"> Systematic analysis and exception reports
	Architecture	<ul style="list-style-type: none"> Too many access-lines 	<ul style="list-style-type: none"> Reduce through networking / VoIP Consider GSM gateways
	Call routing	<ul style="list-style-type: none"> Inter-location traffic 	<ul style="list-style-type: none"> Convergence fix/mob, routing through fix network
	New products/ offers	<ul style="list-style-type: none"> Fix-to-mobile traffic Mobile to international, roaming.. Opportunities missed, difficult to anticipate, quantify, missing global vision 	<ul style="list-style-type: none"> Data mining, decision-support, simulation, ROI