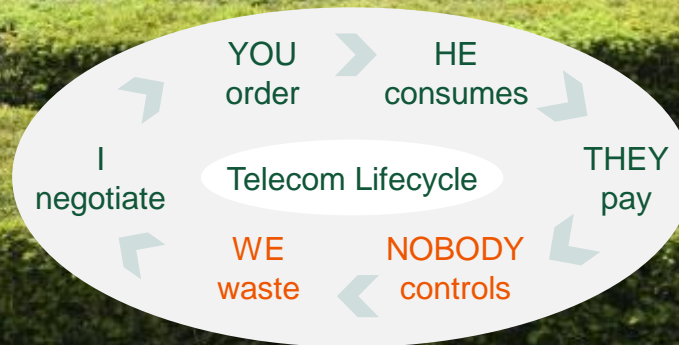




The ways to mobile costs optimization

Underestimated possibilities beyond contract negotiation

Tmanco - Toni Lazazzera
ASUT Lunch Forum - Aug. 30th 2013



Agenda

About Tmanco & Anatole

What can we do to reduce costs ?

Quick-win, Long-term

How to apply these actions ?

Tspendo, TEM

How much savings or potential did we observe ?

Real cases, ATEM customers, Tspendo, Anatole consulting projects

Where to start & what to do

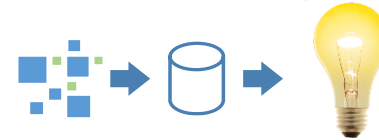
to maximize the chances of success

About Tmanco & Anatole

Telecom ~3 mio\$ 1997 Net profit ~5 mio\$



Tools & Consulting
to exploit data & simplify management



>10 ATEM customers in CH, >40'000 lines managed
Full support of Swisscom fix & mobile billing files



Global
Telecom manager

1988

INS Engineering & Consulting AG

Telecom consultant

1999



Telecom consulting
specialized on TEM for CH

2003

Anatole expert partner
distributes ATEM in CH

2008



TEM solution & services provider
80 empl, HQ Paris, presence in 8 countries (direct or through partners)

Largest TEM provider in Europe
300+ customers, > 3Mio lines managed
>150 carrier interfaces (109 in Europe)

TEM = High growth market, \$ 750M in 2009 ...\$ 2'000M in 2015 (source: Gartner)
USA: about 50% of companies using TEM services/tools. EU: only ~10%, high growth



What can we do to reduce costs ?

| | Quick-win (2-3 month) Issues: problems may reappear need to repeat | Long-term (6-12 month) Issues: impacts people/processes need budget, sponsor, resources |
|----------|--|---|
| Provider | <ul style="list-style-type: none"> • Tariff compliance <ul style="list-style-type: none"> – check invoices, avoid errors | <ul style="list-style-type: none"> • Tariff negotiation <ul style="list-style-type: none"> – benchmark, adjust contract, RFP |
| Product | <ul style="list-style-type: none"> • Detect technical anomalies | <ul style="list-style-type: none"> • Least cost routing <ul style="list-style-type: none"> – VoIP, UCC, fix-mob convergence |
| People | <ul style="list-style-type: none"> • Target top users <ul style="list-style-type: none"> – avoid obvious excess/abuse | <ul style="list-style-type: none"> • Involve users & managers with TEM <ul style="list-style-type: none"> – increase visibility & cost awareness – enforce usage policy, prevent abuse |
| Process | <ul style="list-style-type: none"> • Cleanup inventory (unused lines) • Tariff optimization <ul style="list-style-type: none"> – choose best subscriptions/options | <ul style="list-style-type: none"> • Manage fleet & spend with TEM <ul style="list-style-type: none"> – reduce workload (indirect costs) – cost allocation & accountability – prevent errors, correct asap |



How to apply these actions ?

Tspendo – Telecom Spend Optimizer

01) Executive summary

[go to index](#)

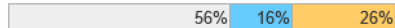
This report analyses the mobile telephony spend for the customer EBU. It highlights anomalies or opportunities that spend, and also quantifies the savings that could be achieved.

Data analyzed

This analysis was based on 3 months of data (Swisscom Invoice Reporting files from 2013.04 to 2013.06).

We extrapolated a yearly spend of **842000 CHF/year** for a total of **374 mobiles** (last period), which gives an average of **16.06.5) Roaming Tel**

The analysis shows potential savings of **26.9% Quick-win** and **16.06.5) Roaming Tel**



Important: please check the section **02) Validation of source data** is complete. Otherwise the information provided in this report may

Costs by category

The table hereafter provides a summary of the costs, subdivided by category

| Category | nb_Units | Unit | chf/unit | chf | chf/yr | %chf |
|-------------------|----------|---------|----------|---------------|---------------|---------------|
| Roaming Tel | 66060 | Minutes | 0.95 | 63051 | 252207 | 30.0% |
| Roaming Data | 22586 | Mb | 2.5 | 56417 | 225668 | 26.8% |
| International Tel | 41426 | Minutes | 0.6 | 24995 | 99980 | 11.9% |
| Subscriptions | | | | 22520 | 90081 | 10.7% |
| National Data | 169447 | Mb | 0.12 | 19714 | 78858 | 9.4% |
| National Tel | 108045 | Minutes | 0.14 | 14831 | 59325 | 7.0% |
| Roaming SMS | 13930 | SMS | 0.27 | 3701 | 14807 | 1.8% |
| National SMS | 21929 | SMS | 0.15 | 3324 | 13297 | 1.6% |
| International SMS | 9042 | SMS | 0.19 | 1731 | 6924 | 0.8% |
| Other | | | | 108 | 432 | 0.1% |
| TOTAL | | | | 210395 | 841582 | 100.0% |

Savings opportunities

The table hereafter provides a summary of the potential savings identified. The hyperlinks in the table bring you

| Savings opportunities | diff/yr | %diff | Graph %chf |
|---|---------------|--------------|------------|
| Quick-win | 226000 | 26.9% | |
| 04) Inventory verification & optimization | 9000 | 1.0% | |
| 05) Subscriptions & Options optimization | 218000 | 25.9% | |
| Medium / Long-term | 139000 | 16.5% | |
| 06) Usage policy / Top users | 59000 | 7.1% | |
| 07) Usage policy / Business hours | 29000 | 3.4% | |
| 08) Least Cost Routing | 36000 | 4.3% | |
| 09) Room for negotiation | 14000 | 1.7% | |
| GRAND TOTAL | 365000 | 43.4% | |

07.1) International Tel

If users would use the fix phone at least for half of the calls during the period 'Week 09-18', then this **would save an average of 15574 CHF per year**

| Period | billed_chf | fix_chf | new_chf | diff_chf | diff/yr | %diff | %chf | graph %chf |
|--------------|--------------|-------------|--------------|--------------|---------------|---------------|---------------|------------|
| Week 00-06 | 248 | 55 | 248 | | | | 1.1% | |
| Week 06-09 | 711 | 266 | 711 | | | | 3.1% | |
| Week 09-18 | 11315 | 3528 | 7422 | -3893 | -15574 | -34.4% | 49.3% | |
| Week 18-21 | 4878 | 1596 | 4878 | | | | 21.2% | |
| Week 21-24 | 2090 | 623 | 2090 | | | | 9.1% | |
| Week 24-27 | 3731 | 1163 | 3731 | | | | 16.2% | |
| TOTAL | 22976 | 7232 | 19082 | -3893 | -15574 | -16.9% | 100.0% | |

| GROUP | mobiles | units | chf | %units | %chf | chf/unit | chf/mm | new_chf | diff_chf | chf/yr | diff/yr | %diff | %mobiles | graph %mobiles |
|--------------|------------|--------------|--------------|---------------|---------------|-------------|-----------|--------------|---------------|---------------|---------------|---------------|---------------|----------------|
| 1 | 4 | 9044 | 11593 | 13.7% | 18.4% | 1.28 | 966 | 5223 | -6369 | 46373 | -25478 | -54.9% | 1.4% | |
| 2 | 10 | 10907 | 13059 | 16.5% | 20.7% | 1.2 | 435 | 7542 | -5516 | 52238 | -22066 | -42.2% | 3.6% | |
| 3 | 17 | 11812 | 12823 | 17.9% | 20.3% | 1.09 | 251 | 12823 | | 51292 | | | 6.2% | |
| 4 | 34 | 14986 | 12824 | 22.7% | 20.3% | 0.86 | 125 | 12824 | | 51297 | | | 12.3% | |
| 5 | 211 | 19309 | 12751 | 29.2% | 20.2% | 0.66 | 20 | 12751 | | 51005 | | | 76.4% | |
| TOTAL | 276 | 66060 | 63051 | 100.0% | 100.0% | 0.95 | 76 | 51165 | -11886 | 252207 | -47544 | -18.9% | 100.0% | |

05.1) Summary for CMN tariff plan

For simulations with the CMN tariff plan

Category

- Subscriptions
- Subscriptions
- Subscriptions
- Subscriptions
- Subscriptions
- Subscriptions

05.2) Detailed list of changes for CMN tariff plan

| Category | Offer | AccessNumber | chf/yr | diff/yr | diff% |
|---------------|------------------------|--------------|--------|---------|--------|
| Subscriptions | NATEL business data S | ***** | 4906 | -4496 | -91.6% |
| Options | Data Option Business S | ***** | 12308 | -9844 | -80.0% |
| Subscriptions | | ***** | 9186 | -5920 | -64.4% |
| Subscriptions | | ***** | 5160 | -2024 | -39.2% |
| Subscriptions | | ***** | 1678 | -1112 | -66.3% |
| Subscriptions | | ***** | 2574 | -632 | -24.5% |
| Subscriptions | | ***** | 2832 | -600 | -21.2% |

| Category | Offer | AccessNumber | chf/yr | diff/yr | diff% |
|----------------------------|-------|--------------|--------|---------|--------|
| Data Option Business Start | | ***** | 10.0 | | |
| Data Option Business S | | ***** | 9.0 | 9 | -10468 |
| Data Option Business M | | ***** | 29.0 | | |
| Data Option Business L | | ***** | 49.0 | | |

04.1) Mobiles with zero traffic

The following table shows 36 mobiles which apparently didn't generate any traffic during the whole period analyzed. If these lines are not used and would be terminated, then it **would save 8832 CHF per year**

| Subscription | AccessNumber | chf billed | nb_Min | nb_Mb | nb_SMS |
|--------------|--------------|------------|--------|-------|--------|
| CMN Access | 0790017961 | 33.0 | 0 | 0 | 0 |
| CMN Access | 0790022963 | 168.0 | 0 | 0 | 0 |
| Access | 0790001084 | 33.0 | 0 | 0 | 0 |
| Access | 0790000003 | 33.0 | 0 | 0 | 0 |
| Access | 0790170036 | 33.0 | 0 | 0 | 0 |

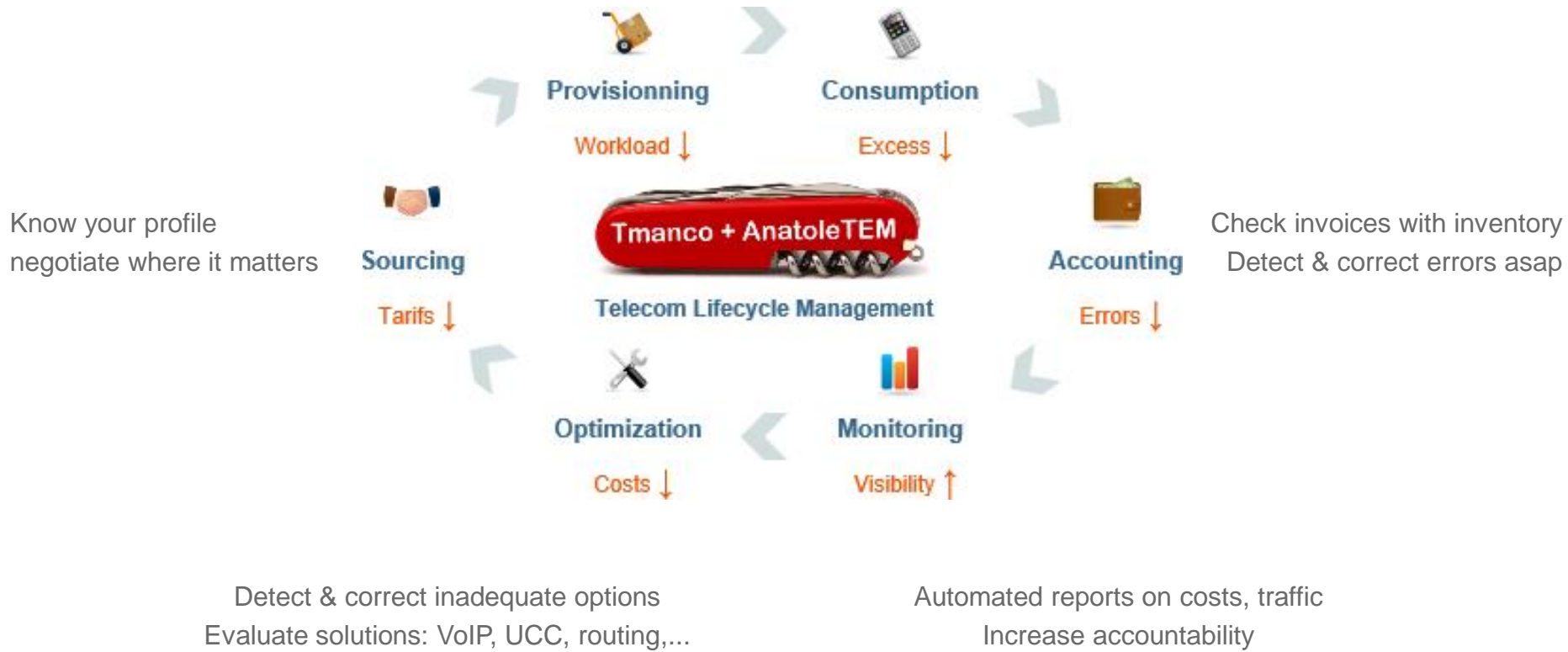


How to apply these actions ?

TEM = process transformation

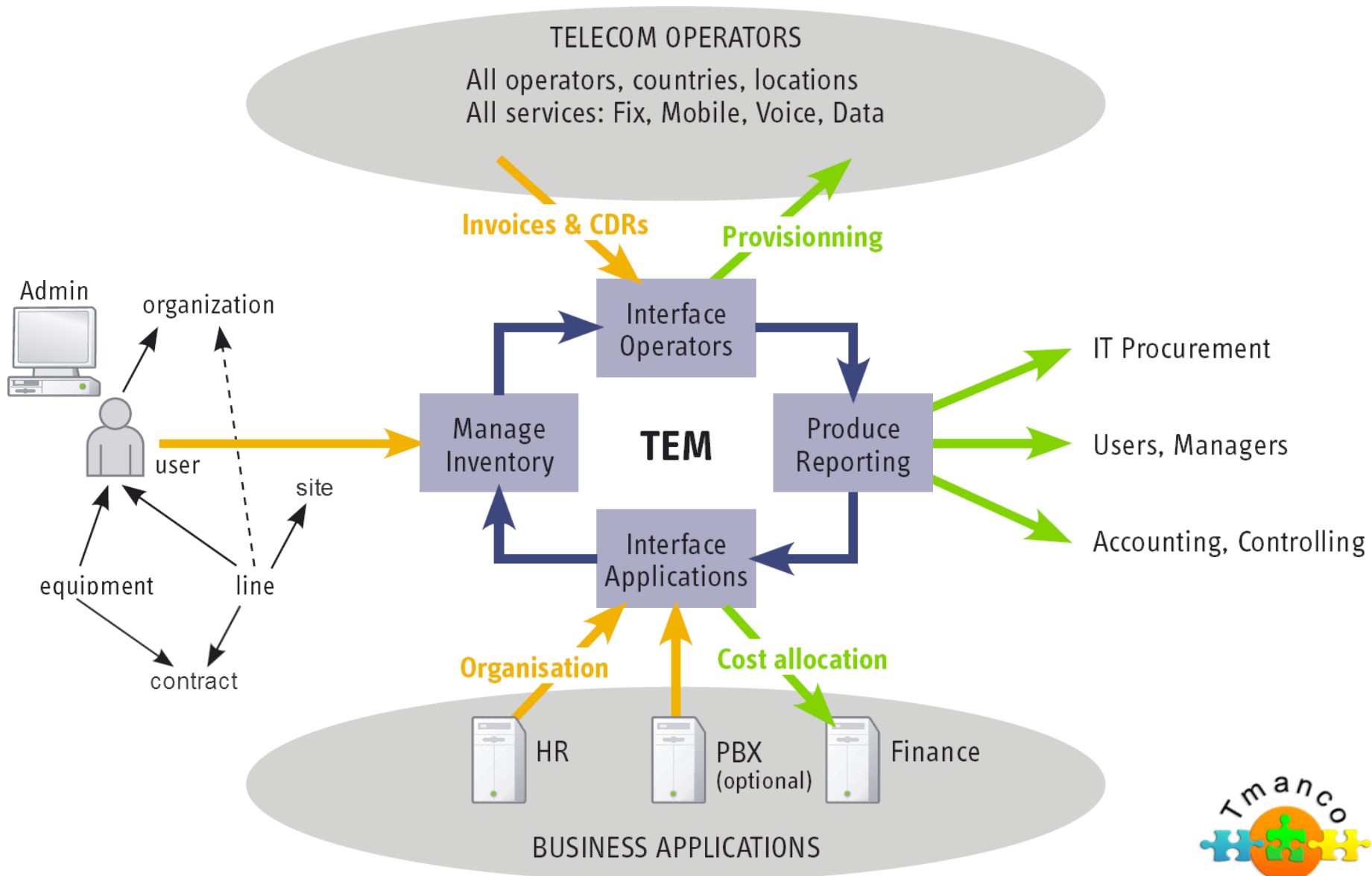
Inventory management:
1-Click ordering, workflow

Define & enforce usage policies
Increase cost-awareness



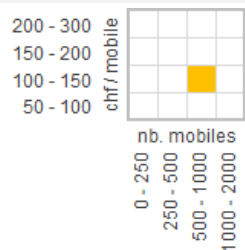
What is TEM ?

Software & Services to manage the telecom fleet



How much savings or potential did we observe ?

Real ATEM customers in CH / Legend



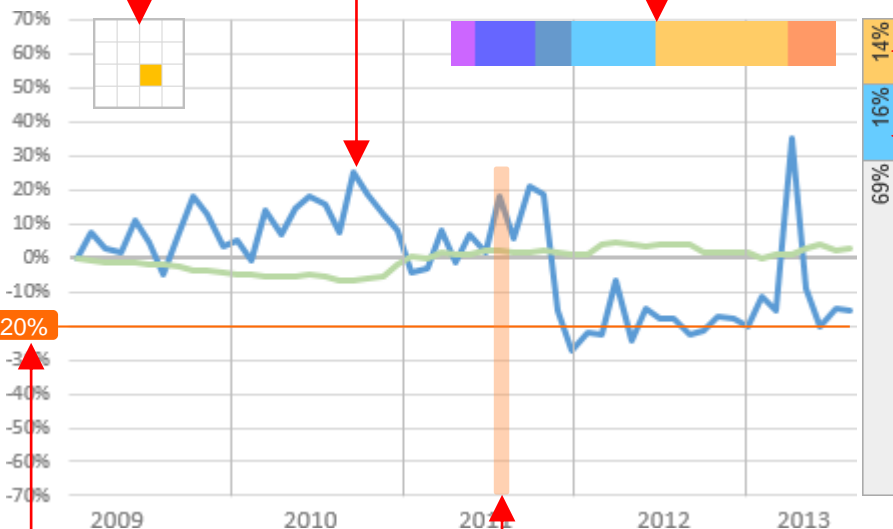
Monthly evolution
 Avg spend per mobile (chf / mob / month)
 Nb of mobiles

0% = initial values, usually before customer starts using AnatoleTEM

Category of customer (spend & size)

Details showing the relative importance of each savings opportunity to the Quick-win / Long-term savings

Savings opportunities we still have identified with Tspendo by analyzing the last 3 months (Apr-June 2013)



| Savings opportunities | %diff | Graph %chf |
|---|--------------|------------|
| Quick-win | 14.1% | |
| 04) Inventory verification & optimization | 3.9% | |
| 05) Subscriptions & Options optimization | 10.2% | |
| Medium / Long-term | 16.2% | |
| 06) Usage policy / Top users | 7.0% | |
| 07) Usage policy / Business hours | 2.6% | |
| 08) Least Cost Routing | 5.0% | |
| 09) Room for negotiation | 1.6% | |
| GRAND TOTAL | 30.3% | |

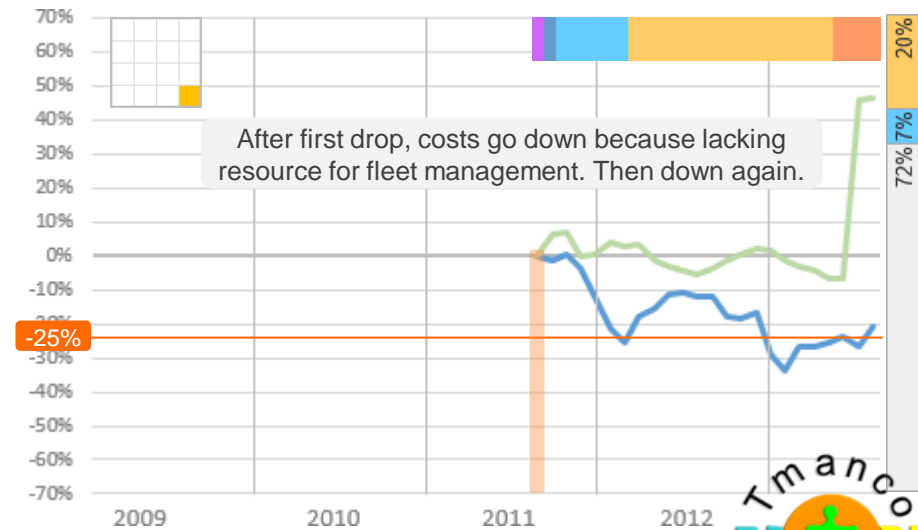
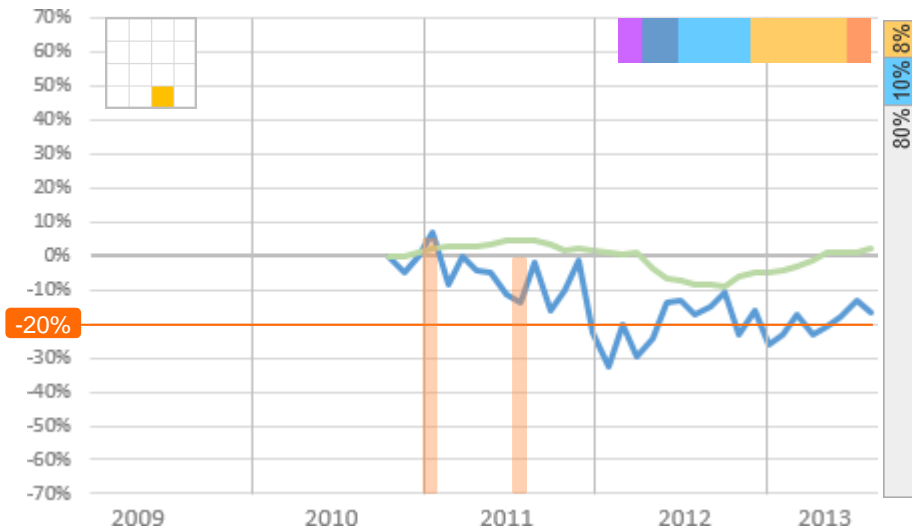
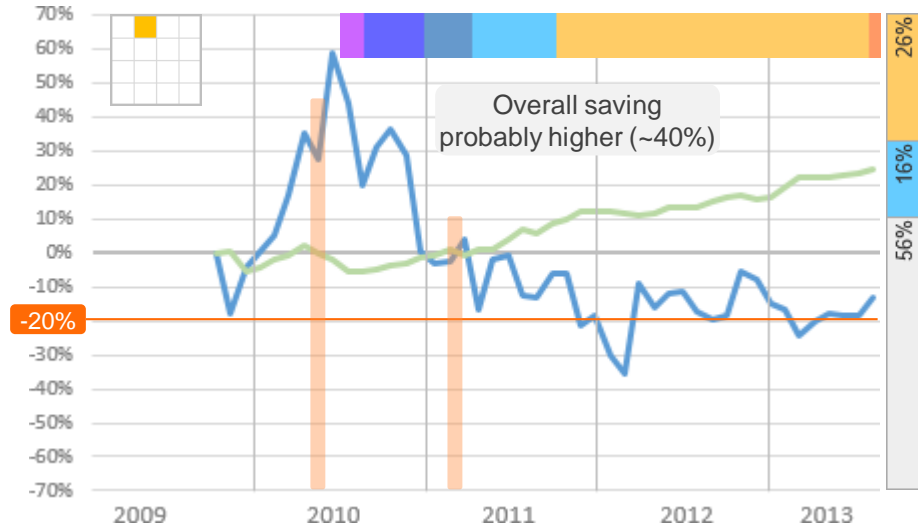
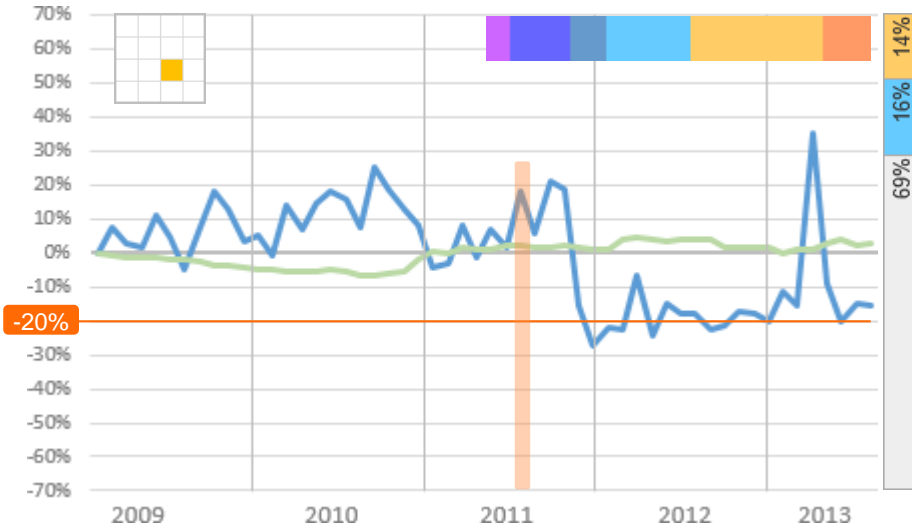
Savings today compared to the initial situation. Apparently as a result of using a TEM solution

Markers indicates when customer started distributing reports (to managers / endusers) Usually correlates with a decrease of the avg spend per mobile



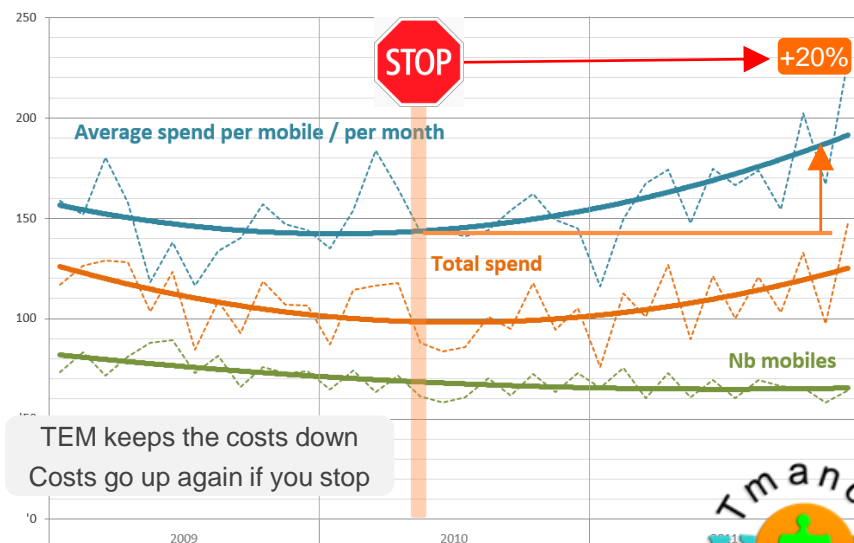
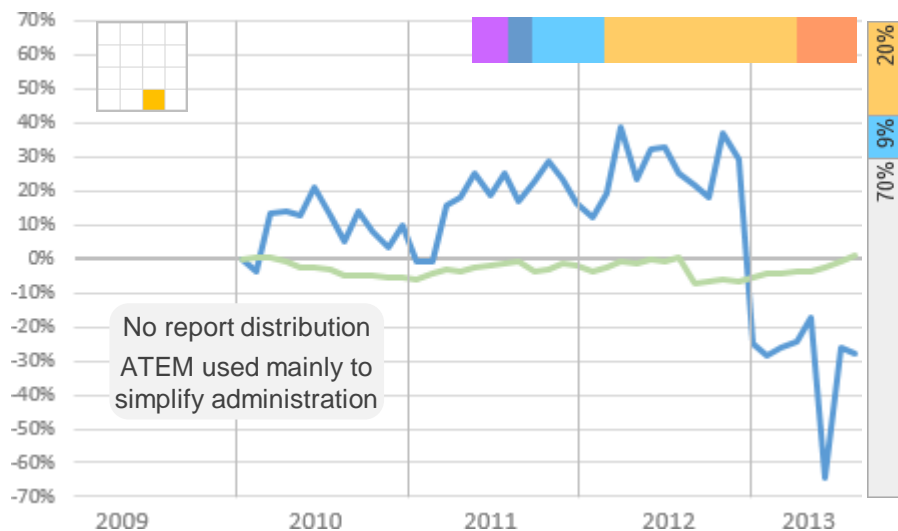
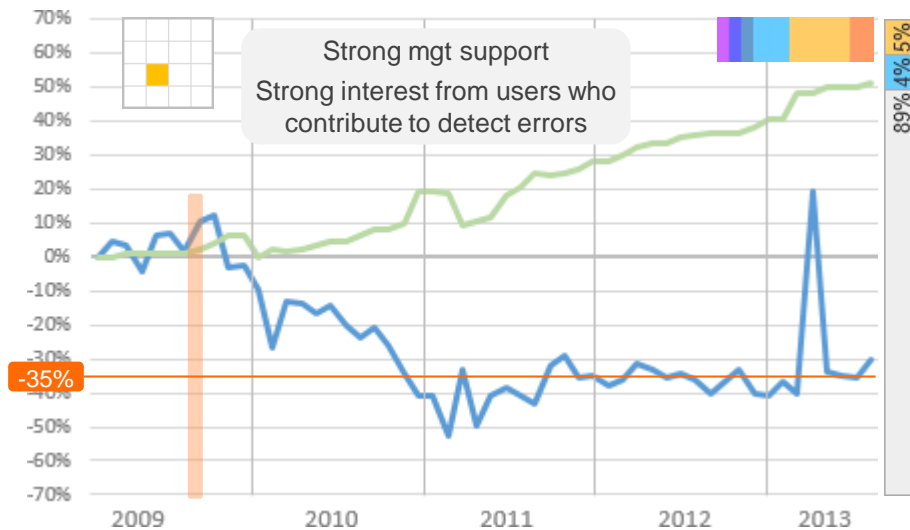
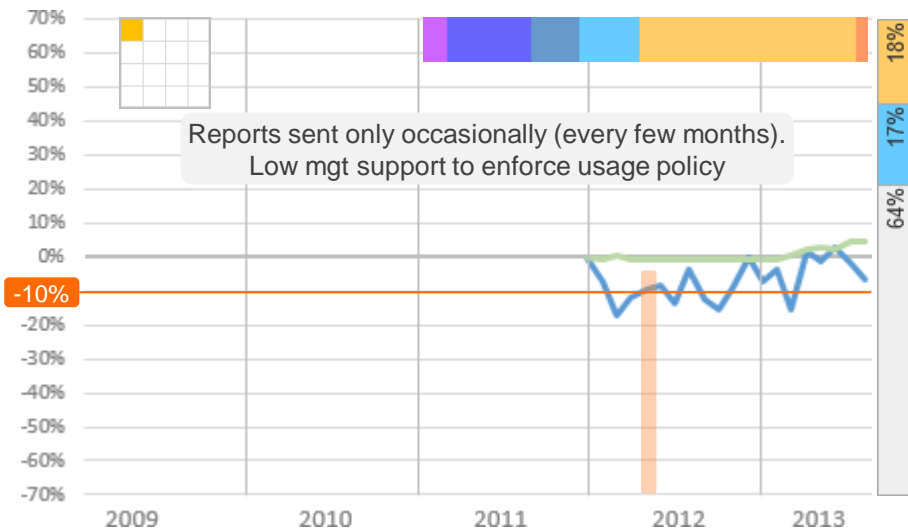
How much savings or potential did we observe ?

Real ATEM customers in CH / Part 1



How much savings or potential did we observe ?

Real ATEM customers in CH / Part 2



How much savings or potential did we observe ?

Real projects from Anatole consulting

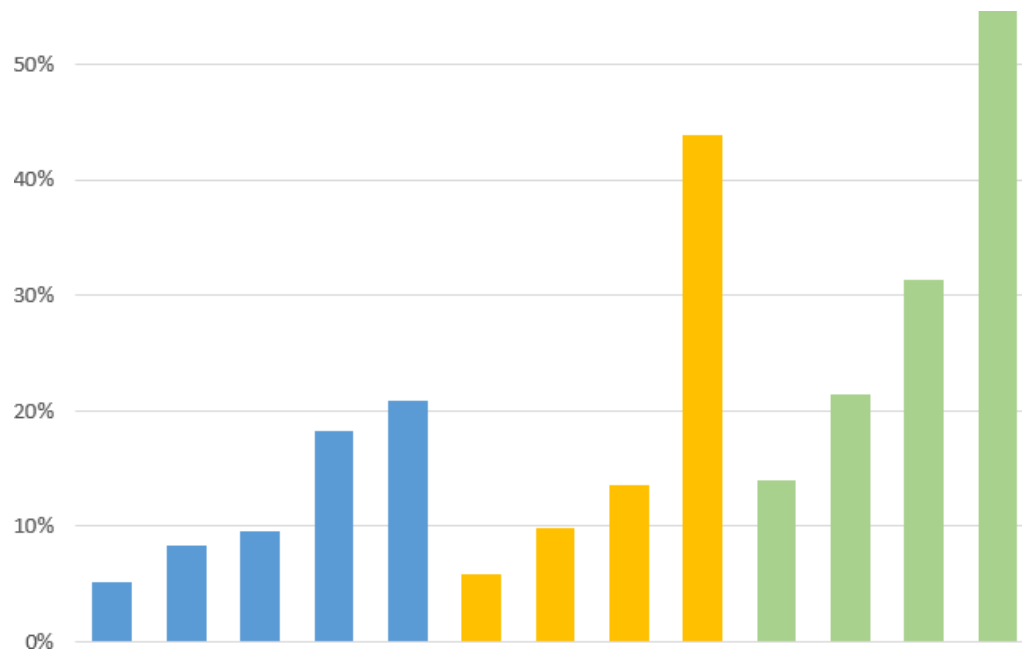
■ **Tarif compliance = ~10% (5...20%)**

- Check invoice against contract, identify billing errors

■ **Tarif optimization = ~10% (5...20...40%!)**

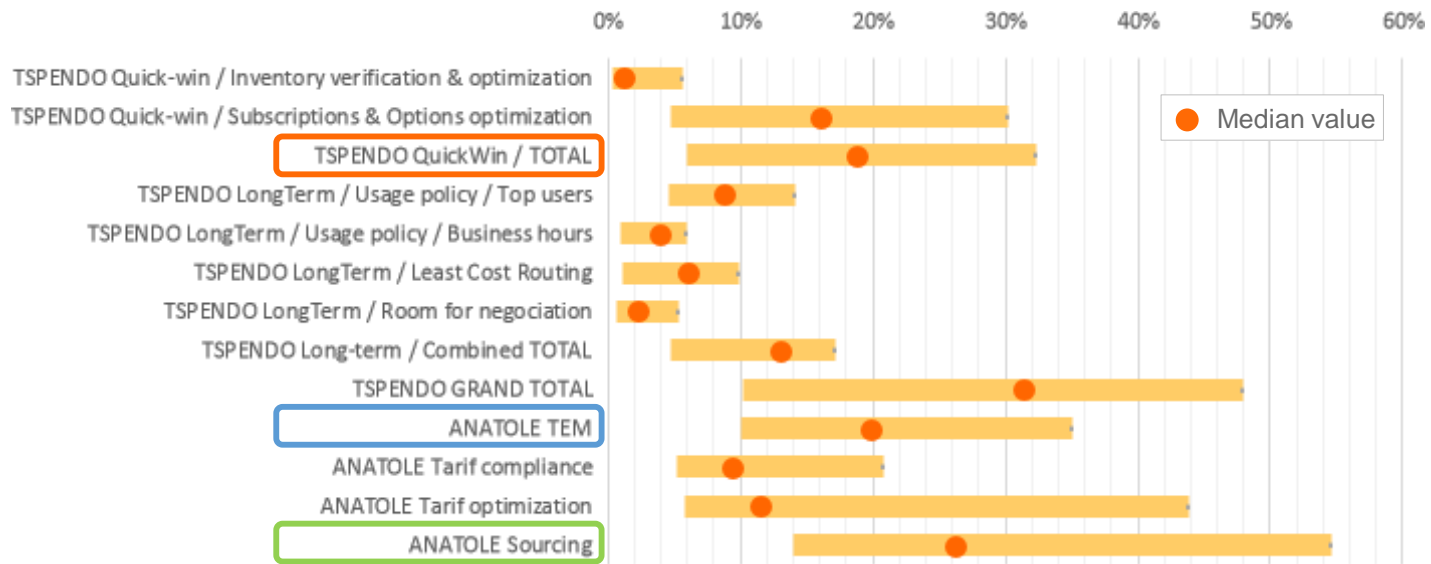
- Select the best subscriptions & options
- Inventory cleanup (terminate unused lines)

■ **Sourcing = ~20% (15...30...50%!)**



How much savings or potential did we observe ?

Summary



Quick-win ~20%, mainly with tariff optimization

Offers are complex, almost impossible without tools (Tspendo)

Long-term ~20%, mainly with usage policy (**TEM**)

TEM costs <1/5 of savings, pay-back 6 months 1st year, then 3 months each year

Quick + Long = 2 x what we can achieve with **sourcing**

Avoid waste, don't just reduce the tariff of the waste (like for energy)

Having TEM is not a warranty, may need assistance

Many companies using TEM don't exploit all potential



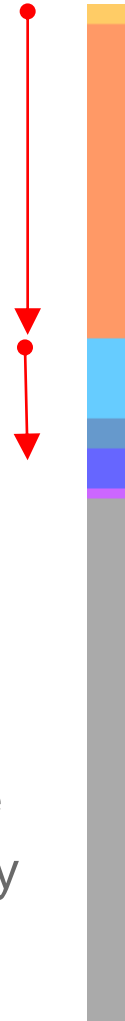
Where to start & what to do to maximize the chances of success

Quick Win with Tspendo

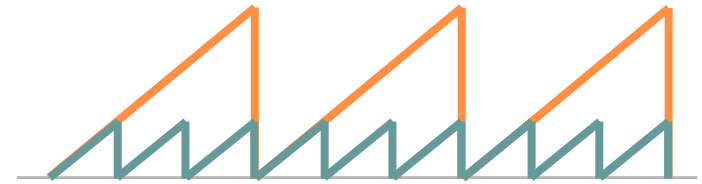
- Show potential to get sponsor
- Achieve quick-win to get budget

Long Term with TEM

- Save more and keep costs down
- Save time & optimize process
 - for IT, accounting, procurement
- Provide visibility to get support
 - from management, finance
- Define usage policy to avoid misuse
- Send reports to enforce usage policy
 - to managers, endusers
 - design reports carefully !



From optimization projects



To optimized operations

Optimizing all your resources



Money

Assets

Time





**Man must shape his tools
lest they shape him**
Arthur Miller

Thanks for your attention