

Telecom Environment Management (TEM)

TEM enables a better and more rigorous management of the telecom infrastructure and the associated inventories. This leads to cost-savings, simplifies processes and improves the ability to make informed decisions. This article presents an introduction to TEM products, how they work, how they look like, how much they cost, what features they offer, who provides them and which benefits they bring.



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Depending on the type of company, the telecom costs range from 500 to 2000 CHF/year per user¹, which represents millions of CHF/year and hundreds of invoices per month for a variety of services and options (data, lines, fix/mobile telephony).

In this context, it becomes difficult to verify the invoices and maintain a global vision of the costs. Due to the lack of time and tools, the telecom manager therefore can only limit himself to partial verifications and analysis, missing out errors and opportunities to reduce the costs and improve processes.

TEM products provide an answer to this problem as highlighted by some studies: "Organizations can routinely save more than 10% of their telecom expenses ... best practices include implementing Telecom Expense Management packages"². "More than 50% of large enterprises don't accurately know how much they are spending on telecom-related services"³. "in average, 7 to 12% of telecom bills are related to errors"⁴.

How do TEM products work ?

The approach usually consists in using the electronic data the telecom operators can provide and that are equivalent to the paper invoices, although with all the call details. Organization information is then added, such as the list of users attached to the phone-numbers and the organization-chart / cost-centers associated to the users. The major challenge consists in the ability of the product to consolidate the various operator formats into a single structure, in spite of the large diversity of telecom services and tariff options.



How do TEM products look like ?

They usually can be classified in 3 categories:

- Application purchased with a maintenance service
- Subscription to access an application provided as ASP, with various server-options (dedicated to the client, shared between clients or hosted at the client's premises).
- More or less extended Outsourcing / outtasking, also called BPO (Business Process Outsourcing), sometimes with additional services such as: invoice verification, helpdesk, inventory management.

How much does a TEM solution cost ?

Some providers set the price as a percentage of the managed costs, others with a fix price per managed line, others with a fix price for the application. At the end, the price ranges from 0.50 to 2.00 CHF/line/month¹ depending on the options and volume, before any additional management service. The total often represents from 1 to 3% of the telecom costs¹, therefore an obvious Return On Investment considering the potential to optimize the costs as well as the processes.

What features do they offer ?

TEM products usually provide all or part of the following features:

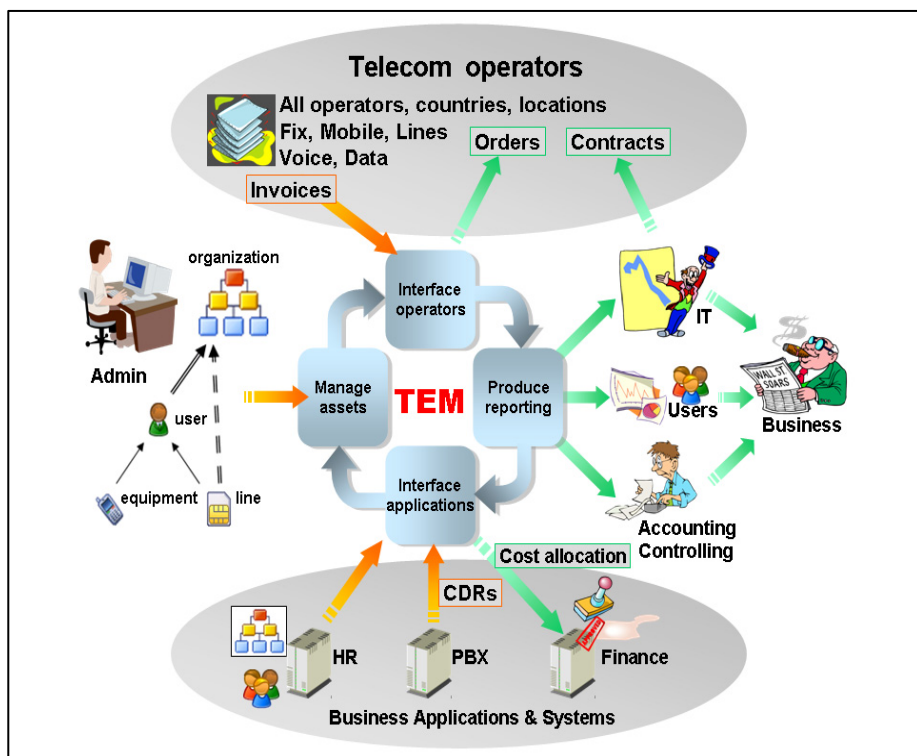
- Import invoices from all operators, including fix/mobile telephony and ideally also data lines.
- Manage the inventory of lines and possibly also equipment.
- Automate, with a workflow, the process of inventory management and order processing, with the possibility to interface with external partners (operators or outsourcing).

Who provides TEM products ?

On www.aotmp.com you can find a directory of over 40 TEM providers for the US market. The offer for the European market is more limited; at the international level we see companies like MDSL, Tangoe and Anatole.

Which benefits do they bring ?

The global vision associated with a flexible reporting enable the discovery of the "information hidden in the data" in order to identify anomalies,



- Import organization data with the list of users, the organization chart and the cost centers.
- Verify that all invoiced services match the inventory.
- Verify that the tariffs applied match the contractual conditions.
- Create custom reports and distribute them by email, with the flexibility to present tables and graphs per operator, per operator, per department, per cost-center, per type of traffic, etc.

On www.tmanco.com, you can find an interactive demo of Fleet Manager (from Anatole) to get a better idea of the features.

focus on major areas, estimate the impact of a new offer or a migration to VoIP, identify optimization potentials. All that simplifies the work for IT and ensures that all resources are well used: Money – Assets – Time. Providing reports to the user community also relieves the IT from the "police" role, and makes the departments more accountable. We estimate that the management of a 1000 cell-phones fleet occupies one person full-time, and that the use of a TEM product halves that time. Rolled-up at the business level, these various benefits allow the IT to be more agile to adapt to changes, to contribute to the profitability of the company and enable innovation.

Tmanco SA is Expert Partner of Anatole SaS (www.anatole.fr) and distributes the solution Fleet Manager which is used by more than 300 customers to manage over 1'000'000 lines (fix, mobile, data). Fleet Manager is available in 7 languages and already supports 40 providers in more than 10 countries, including Switzerland. Fleet Manager is leader on the european market and is used by several segments such as public administrations, national and multinational accounts, telecom operators, banks, etc. Fleet Manager is provided as a service in ASP-mode, therefore the implementation is very simple and cost-efficient. On www.tmanco.com you can find further information about Fleet Manager as well as an interactive demo.

And for Telecom operators ?

TEM enables the operators to offer additional services with a high added value. Ultimately, this brings more total cost reduction than traditional discounts. All that strengthens the relationship and the "customer binding". The trend is that clients are asking more and more their operator to provide them with TEM services. This is particularly true for global operators who have a position of unique operator for large accounts. To respond to this market, operators often establish partnerships with providers of TEM products.

Conclusion

TEM represents a market of \$600 millions in 2007 with estimates of \$1.7 billions by 2011⁴. This market is still young, the products often unknown and the benefits underestimated. Few years from now, we probably won't ask ourselves anymore "whether or not to implement TEM" but "when and which product", as it is happening now with VoIP. ■

¹ Personal experience

² Gartner, 15.03.2005 "Better management of Telecom Expenses Yields Significant Savings"

³ Aberdeen Group, April 2003 "Total Telecom Cost Management – An Aberdeen Enterprise Buyer's Guide"

⁴ Gartner, 7.2.2008 "MarketScope for Telecom Expense Management, Worldwide, 2H07"