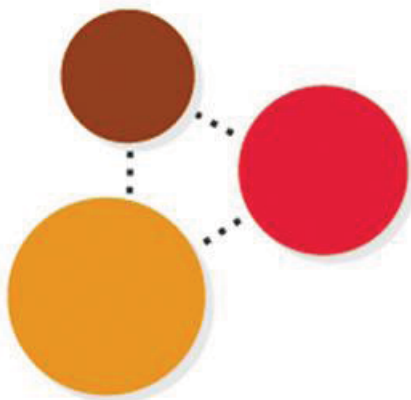


# Telecom Expense Management Tools For Telecom Consultants

Produced by  
Valicom Corporation



## Introduction

As the need in the marketplace grows for telecom cost reduction, operational efficiencies, expense visibility and reduced business risk, there is significant opportunity for telecom and IT consultants to improve and expand their offerings by providing telecom expense management (TEM) services. Consultants are now considering adding TEM solutions such as on-going audit and optimization, asset management, bill payment and comprehensive reporting capabilities to their consulting portfolios.

Software that consultants can utilize to save time and money on their business processes, grow their portfolio through expanded service offerings and provide value-added benefits for their client base is the cornerstone to providing efficient and effective telecom expense management solutions. And making the transition is getting easier, as the rise in cloud computing and software-as-a-service tools has led some TEM software providers to license their software and share their intellectual capital with telecom and IT consultants.

Traditionally, consultants have provided telecom audit services utilizing spreadsheets to organize and manage their client's invoice data and inventory information. A manual audit is then conducted that involves pouring through this data to identify overcharges and savings opportunities and calculating potential cost reduction amounts. The use of TEM software can provide a more automated method for conducting audits with the ability to provide greater solutions for the clients of these consultants.

## Consultant Needs For TEM Software

In order to learn more about the needs for [telecom expense management software](#) and services within the consultant marketplace, in early 2011, a survey was sent out by the Brookside Group to a nationwide group of telecom consultants, regarding their needs for a consultant-specific telecom audit and telecom expense management tool. The survey drew responses from both US and Canadian consultants. The responses received indicated a strong need for a telecom consultant-specific software tool.

This white paper outlines the results of the "Telecom Expense Management " survey along with how telecom consultants can save time and money, grow their practices through expanded service offerings and provide further benefit for their clients through the use of [TEM software](#).

The first survey question asked about client mix, and how the consultants would classify themselves.

### Average Client Mix

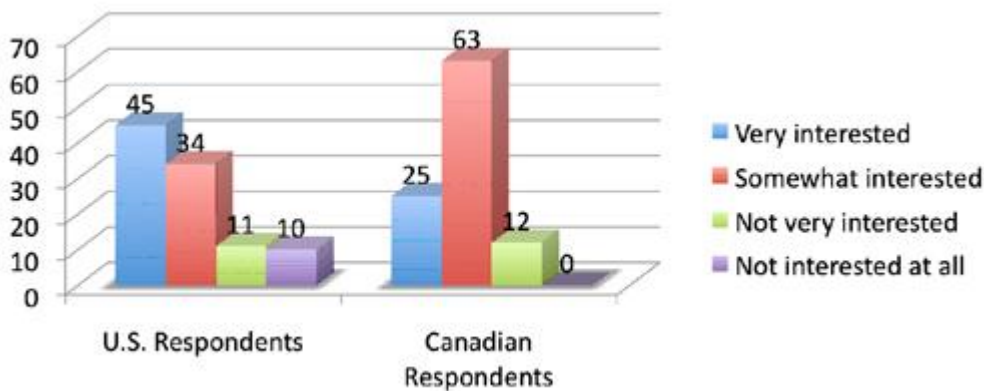
### Consultant Classifications

Client	Respondents
Enterprise (>1,000 users in all locations)	41%
Mid-market (250 – 1,000 users in all locations)	34%
Small business (<250 users in all locations)	25%

Classification	Respondents
Telecom consultant	85%
IT consultant	39%
TEM/audit consultant	37%
Business process consultant	24%

The survey asked how many of the respondents currently performed TEM services, which was about 51%. Of those that are already doing TEM, the breakdown by type was 67% one-time audits, and 33% ongoing services, which included audit, asset management, bill payment, reporting, etc.

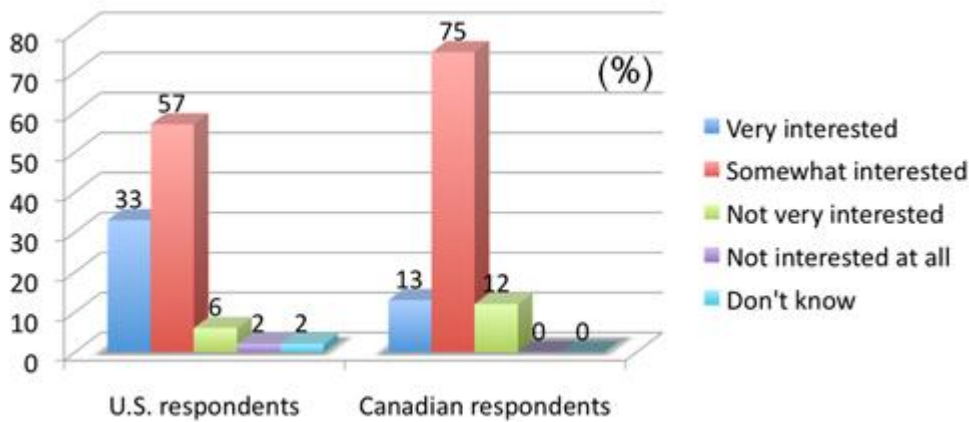
The next survey question was ***“How Interested are you in expanding your consulting portfolio to include more TEM Services?”***



Almost 80% of US consultants and close to 90% of Canadian consultants surveyed said they had some interest in providing more telecom expense management services for their clients. This indicates that the greater majority of telecom consultants would like to explore providing TEM services such as

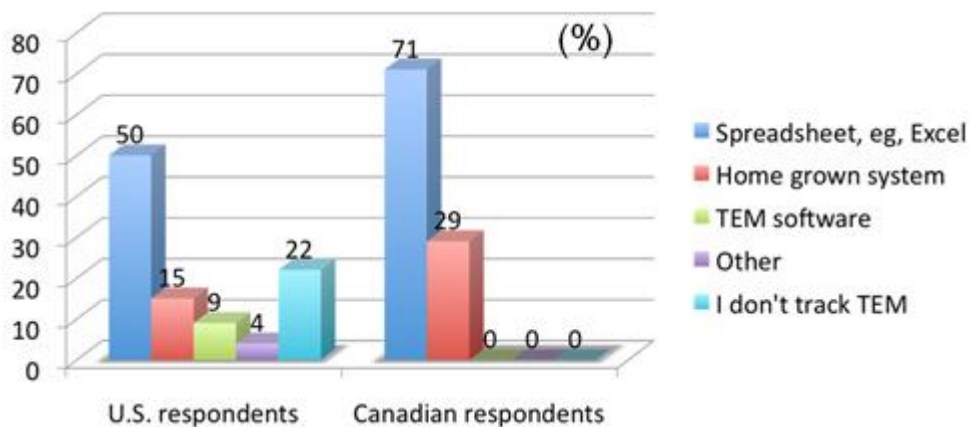
telecom asset management, bill payment, on-going invoice audits and comprehensive client reporting if they had the technology and back-office support to do so.

The next question asked ***"What Have You Found the Interest Level to be in TEM Services in your Client Base?"***



This shows that the overwhelming majority of end user clients have expressed a need for additional telecom cost control options. The challenge is to find a way to support telecom consultants in offering those services, so they can access new sources of recurring revenue and establish stronger ties with their clients by providing desired results.

Then we asked ***"What kind of system do you use now to track your client's telecom voice, data & wireless information?"***



An overwhelming 50% of US and 71% of Canadian consultant respondents said they were using Excel or other spreadsheets and only 9% of US and 0% Canadian consultants responded they were using an outside [TEM software platform](#) to automate their auditing and telecom expense management

processes. Since consultant-specific software has only recently been available in the marketplace and TEM software has traditionally been engineered for extremely large users at a very high price point, it is not surprising that consultants are not using more TEM software.

To follow up on that, we asked **“What are your interests in an outside TEM tool for your business?”** The answers were ranked as follows, with the top vote getter first:

1. For use by internal telecom analysts to save time and money through process automation
2. To provide access for clients to view reports, inventories, dashboards and savings issues
3. To white label (brand with your company name & logo) and utilize internally to provide TEM services to your client base
4. To resell to clients for their use in performing telecom expense management functions in-house

And when we asked **“How helpful would you find a software tool designed specifically for telecom consultants for auditing and TEM?”**, a full 100% of Canadian and 76% of US respondents said they would find a telecom-consultant specific tool somewhat or very helpful.. Only 13% of US respondents reported it would not be very helpful, and 11% said not helpful at all

To learn more about what consultants felt were important aspects of a telecom expense management software, we asked them to rank **“The Top Five Technical Features/Benefits of a TEM Tool”**. Taking both Canadian and US responses into account, the rankings were:

1. Standard and Customizable Reports – reporting on inventory, accounts payable, contract and invoice information
2. Asset/Inventory Management - repository for complete inventory of your client’s lines, trunks and devices
3. Graphs and Charts – customizable ways to show data for client deliverables and reports
4. Unified Access – managing both wireless & wireline
5. TIE: Optimization Tools for wireless & wireline services | Web Hosted – no need to install or support locally, anywhere access

There was strong uniformity between US and Canadian respondents with this question, highlighting what the top features really are. The ability to run reports was a top choice, and combined with the #3 choice on graphs and charts, it shows that consultants are seeking a tool to help them better showcase the data they gather and the savings they provide to their clients.

We also asked if there were back office support options that could be combined with the TEM tool to help consultants deliver more services. Based on responses to the question ***“The most helpful back-office services complimenting a consultant-specific TEM tool include?”***, taking both US and Canadian respondents into account, the top choices were:

1. **Savings Opportunity Implementation and Follow-Up Audit** - work with telecom suppliers to implement consultant recommendations and make sure they are implemented accurately in client monthly billing
2. **Data Loading** – the loading of all invoice and CSR data, contracts and other pertinent information (electronically and/or manually)
3. **Cursory Audit Identification** – flagging of cursory audit items for consultant follow-up, and further analysis
4. **Document Imaging** – scanning of invoices and posting for access to images within system

This helped to illustrate that, while an effective telecom expense management software will make both one-time and ongoing audits easier, an extra set of hands comes in handy too. Especially for smaller consultancies, the ability to tap into additional resources will better support their ability to expand their service delivery.

In addition to auditing support services, we wondered if consultants would want help in learning how to expand services to include more ongoing TEM options. Once again, 100% of Canadian and 65% of US respondents were somewhat or very interested. To learn what those services would be, the Brookside Group asked ***“If you are interested in training & consulting to help you develop or expand your TEM practice, which of the following would be helpful to you?”***

TEM Support Service Needs	U.S. Respondents	Canadian Respondents
Marketplace pricing	52%	57%
Proposal Template (Scope, Deliverables, Pricing)	48%	86%
Effective Marketing Strategies	45%	43%
TEM Practice Development Consulting	42%	43%
Client TEM Tool Demos	32%	43%
Start-Up Checklist	32%	86%
Client Contract Template	26%	43%
Document/Template Updates	26%	43%

After seeing what consultants had to say, the next section of this white paper will explore the benefits for consultants of utilizing TEM software in detail. The main advantages are to save time and money on consulting processes, grow the consultant's business through expanded service offerings and to provide value-added benefits to clients.

## Save Time and Money



Consultants can save time and money through the use of telecom [expense management software](#) in several ways. First of all, the traditional method of entering invoice and inventory data into spreadsheets is very time consuming. Most hosted TEM systems provide a methodology and process for one-time and on-going entry of data for consultants alleviating the need to enter information repeatedly into several spreadsheets. In addition, consultants can off-load the entire data entry process to a TEM supplier both for the initial

implementation and on a monthly basis. Many TEM companies provide back office services including the loading of electronic formats and document imaging for paper bills. These systems provide access to the scanned image of the consultant's clients' monthly bills or customer service records (CSRs) without the need to manage paper records.

Most telecom expense management software provides some level of automated auditing and optimization tools to help the consultant to save time and to maximize their audit savings results and client recommendations. These tools can include wireless optimization, exceptions reporting, trending and variance reporting, flagging of cursory audit issues and contract compliance optimization just to name a few.

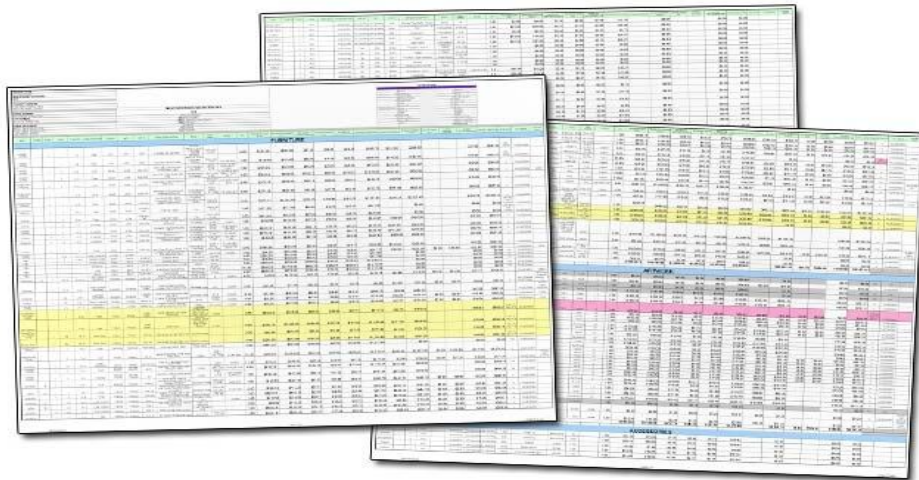
Many traditional TEM systems have provided separate capabilities for wireless (cellular, blackberry, PDA, smartphone) or wired (local, long distance/800, audio/web conferencing, internet, WAN), and for one-time audits or on-going expense management. This meant the consultant had to access several

different portals populated with the same information to provide services and recommendations for their clients. Today, on-demand TEM technology is available to access wireless, wired, one-time audits and/or on-going TEM all through one unified portal, including access for full lifecycle telecom expense management capabilities and the end-to-end processing of telecom invoices. Synchronization with the clients' accounts payable and asset management systems can be easily achieved either by developing an interface or uploading a data file for system updates.

Consultants can also save time by outsourcing some of the bill payment functions to the supplier of their hosted TEM platform. Bill payment functions involve the managing of a shared bank account and the disbursement of vendor payments. Generally, the client approves a weekly feed generated by the system and uploads the data into their accounts payable system for financial reporting. The client then wires the funds needed, along with the feed approval, to the TEM supplier who then disburses the checks to the telecom suppliers.

Showcasing results can be streamlined through the use of standard and customizable reports and dashboards to gain deep visibility into their client's telecom information to make highly informed client recommendations. A plethora of reports can be generated including various accounts payable, trending and budget reporting; cost allocation by vendor, department, user, location; asset/inventory reports of circuits, lines and wireless devices; breakouts by telecom suppliers and audit, wireless optimization and exceptions reports just to name a few. Customizable dashboards can provide updated, useful information for the consultant on-demand, anytime, anywhere, as the comparison on the following page illustrates...

The following is an example of the traditional spreadsheets used by consultants. Data intensive spreadsheets that are hard to read and time-consuming to keep updated. Does this look familiar?



Here is an example of a much more organized, easily customizable dashboard that can be utilized to save consultant's time. Client metrics and reports that are easy to read are just one click away, at the consultant's fingertips. Access to others, including clients, can also be granted so they can login remotely to review charts and graphs at their convenience.



## Expand Your Business

In today's economy, company growth is the name of the game and telecom consultants are no exception. [Telecom expense management software](#) provides the capability for consultants to increase revenues and grow their client base through an expanded service portfolio.

Traditionally, consultants have provided audits on a one-time or project basis. The consultant takes a snapshot of telecom invoices for 1 – 3 months along with a point in time set of customer service records and performs an audit of those invoices. Recommendations are made and savings opportunities are implemented based on the snapshot set of invoices. Usually there is a follow-up audit to make sure that the savings have been implemented timely and properly.

TEM software allows the consultant to provide on-going audit services, making sure that all discrepancies and other savings opportunities are identified during the monthly bill payment process and immediately implemented. Follow-up audits are a regular part of the on-going TEM process.

Telecom and IT consultants can expand their asset and inventory management capabilities. Many TEM systems provide a repository for inventory attributes for local lines, trunks, circuits and wireless devices and plans. Inventories can be kept updated and accessed by managers for budgeting and compliance issues as well as field personnel who need asset information on an on-demand basis.

Often, clients don't know what they don't know. When asked about their telecom environment, spend and other pertinent information, many clients are completely unaware of how to address these questions. Consultants can provide their clients with a comprehensive set of reports and customizable dashboards on an on-going basis for the purpose of gaining greater visibility into their telecom spend and making more informed business and financial decisions.

Allocating telecom costs can be a challenge for mid-size to larger organizations, many of whom would like more granular, accurate financial reporting broken down by department, location or user level. Consultants can assist companies in reaching these goals through the use of a hosted TEM platform. General ledger codes can be paired with invoices or sub-accounts associated with users, departments or locations and populated within the TEM system for accurate monthly cost allocation. In addition, costs can be allocated on a percentage basis and pre-populated within the system.

Bill payment can also be a daunting task when many invoices with a variety of suppliers is involved. This process can be off-loaded and streamlined through the TEM software and back office services

provided by the TEM supplier, including bank account management and check disbursements. By utilizing best practices in the bill payment process, misapplied payments, disconnect notices and late fees can be reduced or eliminated.

## Benefit Your Clients

TEM software enables consultants to provide many benefits for their clients. First of all, through on-going, comprehensive auditing and optimization processes, consultants can maximize their client's cost reduction opportunities and minimize billing overcharges and discrepancies. It is not enough just to audit bills on a one-time basis. With project-based audits, consultants work hard to clean up all the billing problems and then find it necessary to begin the process all over again within a short period of time. With on-going audits and optimization, the client's telecom house gets cleaned and remains clean throughout the process.

Consultants can also assist their clients in creating greater operational efficiencies by taking over the complexities of the telecom expense management process so businesses can focus on their core competencies.

Last but not least, consultants can help their clients make more informed business and financial decisions as better decision making data is made available to them and their clients through the TEM platform.

Although it is cliché, utilizing TEM software is truly a win-win situation for consultants and their clients. With the many benefits a TEM platform can provide, you can hand your customers a fistful of cash year over year and keep one for yourself as you continue to grow your revenues.

Finally! The TEM marketplace offers on-demand consultant-specific TEM tools that can save telecom consultants time and money, drive the growth of their consulting practices and provide significant benefits for their clients. To learn more about Valicom's solution, visit <http://www.valicomcorp.com/c4c>.

