

# Why TEM Needs Executive Sponsorship

AS SPECTRUM EXPANDS its telecom expense management offerings, we have been brought into a number of opportunities where the customer has endured a failed TEM implementation and is evaluating alternative providers. Increasingly, we have found a primary reason for these failed deployments is the lack of executive sponsorship.

While the TEM provider can be at fault, we have found them often made the scapegoat by customers that refused to modify policies within their organizations to allow the implementation to succeed.

As a TEM provider, this revelation caused us to consider whether to pursue these opportunities to migrate customers to our TEM solution. If the executive sponsorship was not present with the previous provider, how would we ensure it would be there for the implementation of our solution? We concluded that we would walk away if we could not get the sponsorship. Here's why:

First, let's define "executive sponsorship." It is the approval of the executive team to allow the TEM team the authority and control to *change* or *implement* policies and procedures in order to achieve the proposed ROI of the TEM solution.

Since many of the TEM providers are companies that are being backed by a demanding venture capital or private equity firm, they are looking for immediate revenue. They have aggressive sales personnel that strive to get the purchase order, their commission check, and then turn it over to an implementation team. (In some cases, the implementation is completely outsourced to a third party).

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Translation: Get an IT director or controller's buy-in and get the contract signed. While this company representative has signing authority, he/she most often does not have the authority to *change* or *implement* new policies or procedures.

A common example is the executive team not allowing the TEM team to alter how invoices are received or where they are processed. Many companies, for example, have multiple locations for processing invoices, each with different procedures. TEM requires one corporate-wide process. Many companies also have restrictions on how charges can be allocated as well as A/P policies and technologies that create additional challenges.

In other cases, the problems are not with A/P but with procurement. For example, we often find companies that want to disregard text messaging in wireless plans, mistakenly assuming this to be a nominal expense. In companies with hundreds of devices, the text messaging spend can be significant and should be part of the wireless procurement and expense management plan.

A common excuse we hear for not changing these policies and procedures is "not rocking the boat." This is the recipe for a failed implementation. In our opinion the boat must be rocked — because the boat is sinking!

One definition of insanity is doing the same thing over and over again and expecting a different result. This is applicable to a TEM implementation because *change* must take

place in department policies, procedures and the overall process of procuring telecom services, managing inventory and processing, allocating and auditing telecom invoices.

If you are beginning a TEM implementation or migration, be certain that you have someone at the executive level sponsoring the project. Without that, you and your customer will be doing the exact thing that didn't work before, yet expecting cost savings results and ROI that will never materialize.

Tactics for securing executive buy-in will depend primarily on who your contact is in the company. If you already are working with the IT director, then you have to first find out if he has the authority to change procedures in A/P or procurement. Most likely, the answer is no. Then, you need to convince him that the success of the TEM implementation, including the desired savings, will hinge on having such control so that he will engage the executive leadership, usually the CFO, to sponsor the project.

If you are prospecting a new account, start with the CFO and CTO. They usually will refer you back to the IT director or procurement department. However, you can then ask to keep them in the loop, so that they will remain engaged.

Ultimately, though, you as the TEM provider have to make the decision to walk away from the deal if executive buy-in is not secured. This is a hard decision, but we believe it is a necessary one to deliver on the promise of TEM and create a long-term relationship with the customer. +



Trent McCracken and Troy McCracken are owners of Spectrum Inc., a master agency that developed its own TEM platform after realizing the challenges of working with a third-party TEM company. They can be reached at [trent@3spectrum.com](mailto:trent@3spectrum.com) and [troy@3spectrum.com](mailto:troy@3spectrum.com).