

TEM Deconstructed

Understanding the Components of a Complete Solution

By Trent McCracken and Troy McCracken

Telecom expense management has become a solid revenue opportunity for the channel. However, understanding what constitutes a TEM solution can be difficult to pin down. What are its components? How will customers benefit?

Those are great questions. Unfortunately, the industry lacks guiding principles or standard practices that determine what is a TEM solution. Many analysts report on companies believed to be in the TEM space; however the defining criteria typically are vague and informal. There are auditing companies, bill payment companies, accounting companies and consulting companies that claim to offer a complete TEM solution. *However, the reality is the "complete" TEM provider may be as elusive as the definition itself.*

So, in an attempt to help agents better understand TEM, we've created a list of the primary components that should make up a TEM solution. There are many other ancillary services, but the following are considered the "must haves."

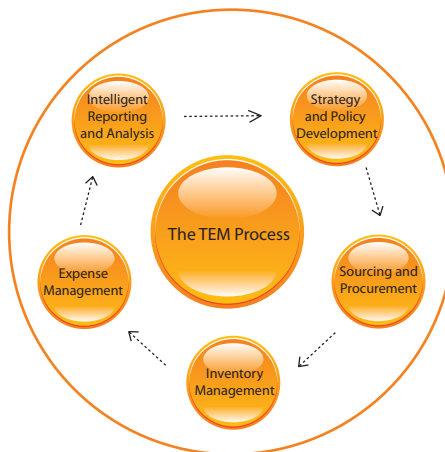
Strategy and Policy Development. The strategy and policy will govern the delivery of the TEM solution and address questions like:

- Can we really implement the solution within our aggressive timeframe?
- How many lines do we need at this location?
- How much Internet bandwidth do we need at this location?
- Who is allowed to request moves, adds or changes?
- What models of mobile phones can an employee order?
- Are we going to pay the invoices or will the TEM provider?
- Do we create a corporate plan and eliminate the issue of managing mobile phones the company does not own?
- Who will be the liaison between the TEM provider and us?

Sourcing and Procurement. Once the strategy is developed and the policies are in place, a systematic process will ensure that the goals and objectives of the TEM solution are adhered to. Many companies seeking a TEM solution make the mistake of spending valuable time,

money and resources benchmarking inventory only to find that they gained little or no improvement in their device or telecom services management capabilities. A TEM solution must be able to manage additions, updates and changes to inventory. Most TEM companies have a module that is custom-configured to the client's procurement process and will allow the customer to:

- Create an approval workflow for all services procured.
- Control who has access to order, change or remove services.
- Ensure mobile devices are purchased within the customer's corporate account, including all negotiated discounts.
- Track and manage every update to inventory.



Inventory Management. This is the most crucial component of a TEM solution. Every circuit, mobile device, carrier, service, equipment, accessory and contract must be itemized, recorded and tracked. As Aberdeen Group reported in 2008, 63 percent of companies do not have an accurate inventory of their mobile devices. A managed inventory answers these questions:

- What services or mobile devices are active or disconnected?
- What is the contract expiration date of the mobile device or service?
- Who has each mobile device and where are they located?
- Which data circuit is connected to this port of my router?
- What is the ESN or SIM of each device?

- What features are on this line (e.g., 10-10 block, long-distance block, hunting, etc.)?
- What is the current mobile plan each employee has and the total monthly cost?
- What mobile accessories does each employee have?
- Is this equipment under maintenance contract on a time and materials basis?

Expense Management. Another key component of any TEM solution is the ability to manage the expenses associated with each carrier's service or mobile device. Key functions include the following:

- Automating the allocation of costs to a specific department or division
- Ensuring contract compliance and proactively auditing the accuracy of invoices
- Tracking disputed invoices
- Differentiating corporate level charges vs. individual charges
- Creating cost trends to aid in forecasting telecom expenses
- Identifying cramming, slamming and fraudulent charges on invoices
- Drilling down to see specific charges for each mobile device or service

Intelligent Reporting and Analysis. No matter how robust the TEM solution is, it must offer an easy way to extract the data and present it in a customized format to the client. Most TEM companies will have a series of standardized reports, but then offer a client the ability to do real-time queries allowing them to further manipulate the data to accommodate their needs.

A comprehensive TEM solution allows the customer to better manage the entire telecom lifecycle. It provides one platform to house all policies, contracts, procurement processes, inventory of all services or devices and invoices, in one central repository. +

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