The Broken Promise of Telecom Expense Management
A storm is brewing as changing enterprise telecom needs and recent disruption within the Telecom Expense Management (TEM) industry have brought TEM back into the spotlight after years on the back burner. TEM is a tedious and time-consuming process that, for many enterprises, has turned into an exercise focused on merely getting the bills paid instead of enabling continuous business intelligence to improve technology decisions.

As the approximately $2 billion industry approaches its third decade, it represents a confusing and volatile playing field for enterprises. Old platforms do not work as promised, while the market itself faces disruption: management shakeups at providers create uncertainty and financial challenges hold some TEM companies back. “Pricing remained relatively stable during 2015; however, we have seen some situations where mobile TEM engagements have been undercut by as much as 30 percent in competitive bid situations,” Gartner says.* “Differentiation occurs at the user experience, service delivery and broader offerings (for example, at the ordering, provisioning and invoice management level), and in country reach capabilities.”*

These factors contribute to one of the biggest challenges that enterprises have when dealing with TEM: a broken promise. They hear about TEM systems that will provide deep insights into sourcing, ordering and provisioning, inventory, invoices, contracts, usage, and dispute and reporting processes, as well as cost savings. But when the software is implemented, they only see a platform that helps them process invoices.

This chaos demands a re-evaluation of the initially transactional goals of TEM. This paper will help enterprise leaders understand the challenges of TEM, prepare their organizations for TEM transformation and describe the steps to unlock TEM potential.
Understand the Challenges of TEM
When enterprises hear about the potential of TEM, they look forward to achieving deep savings from their current telecom environment. The problem is, these solutions are often implemented in a haphazard way that leaves much of their potential beyond the reach of the software itself. The software simply becomes a fancy but inefficient bill-payer, losing any promise of continuous business intelligence to improve technology decisions.

A Broken Industry Promise
TEM was originally positioned by the industry as a software-only solution that requires loading of inventory data and the assimilation of insights into cost saving opportunities. However, many solutions remain stuck in a purely transactional mode — relegated to providing transactional reports, rather than achieving data-driven insights that help enterprises identify efficiencies and realize significant savings. The reality is TEM is merely a tool for data storage.

Internal Complacency
Many enterprises didn't realize that they needed to infuse innovation and creativity into their processes to get the most out of their TEM solution. Apathy toward exceptional internal service management led to failure on their part to realize millions of dollars in unclaimed savings and efficiencies.

Poor Internal Ownership/Visibility
There's often confusion around who owns TEM, with IT and finance both serving as stakeholders. With no single owner, innovation and leverage are neglected. Compounded by the different goals inherent in these two teams (service management vs. savings), the real value of TEM falls through the cracks and remains unrealized.

Antiquated Software Platform
Antiquated and cumbersome software platforms, from user interfaces to manual back-end processes and a lack of automation, make it difficult to gain visibility into your actual services and spend. TEM has not adapted to new technologies such as mobile devices, colo and usage-based IT services. For example, legacy billing systems produce invoices with error rates of 12 to 20%, industry research has indicated.

Competition on Price, Not Service
Mergers, takeovers and VC-backed solution providers continue to disrupt the market. “The TEM industry is mature, fractured and highly competitive, with ongoing consolidation among the providers, and increasing customer expectations for performance,” Gartner says.* As TEM providers compete on bids, enterprises may pick a solution based solely on cost rather than the level of service they offer. As they do so, much of the solution’s potential is lost.
Lack of Continued Investment
It’s not enough to purchase a platform and then hope it does the job without periodic audits. Enterprises need people, processes and expertise around their platform — and some organizations are unwilling or unable to make those investments. Without it, their TEM platform ends up being a glorified bill-payer (at best).

Prepare Your Organization for Transformation
It’s time to rethink your TEM function. Enterprises should take advantage of managed services beyond telecom to include network, mobile, unified communications, data center, IaaS and other usage-based IT services. Leaders must move beyond mere “expense management” and consider a full suite of services that include procurement and sourcing management, invoice management, order and inventory management, audit and dispute management, carrier and contract management, business intelligence and overall strategic value, also known as Technology Lifecycle Service Management. Only by embracing the concept of Technology Lifecycle Service Management will enterprises be taking the first step in preparing for transformation. Here’s what they must do next.

Evaluate Goals and Objectives
Enterprises must re-evaluate their goals and objectives for Technology Lifecycle Service Management and expand them to address cost, performance, utilization and analytics for overall service management. They must move beyond low-bar expectations such as “pay bills on time” or “keep the network up” and instead set goals that advance their technology capabilities.

Get Buy-In from the Top
In enterprises that don’t have a strong Technology Lifecycle Service Management program in place, TEM reports and results become less relevant to executive leadership and end up getting lost or ignored as they move up the corporate hierarchy. TEM becomes an excessively tactical exercise with little strategic relevance. It is critical to obtain buy-in from executive leadership to ensure that strategic cost savings continue to be real, achievable and re-invested in the most productive ways possible.
Identify Ownership
This one is simple: TEM is a tech issue, especially if an organization is going to embrace Technology Lifecycle Service Management. As such, it should be owned primarily by IT and overseen by the CIO. Only then can the insights and outcomes of TEM be leveraged to better support the company's technology infrastructure.

Rethink Your Model
Map out a fundamentally different model — platform plus people, processes and expertise. You must build a methodology around Technology Lifecycle Service Management and that will require investments. The enterprise must see the big picture in order to develop a transformational Technology Lifecycle Service Management program.

Commit Yourself to Transparency
Change can be painful, and transparency among IT and finance doesn’t always come easy. TEM can improve that situation by examining what is and what is not working. Whether you’re working with a partner or on your own, management must share access to people, systems and information as they try to get clarity on the big picture.

Unlock the Potential
Once you have prepared for change, it’s time to assess your current TEM environment: platform, people, processes and information. You’ll need to:

► Discover your current and potential state of TEM by reviewing bills and analyzing your entire telecom environment for redundancies and deficiencies.

► Assess your architecture, technology, people and processes. This includes sourcing, ordering and provisioning, inventory, invoices, contracts, usage, and dispute and reporting processes, as well as the people who are responsible for these processes.

► Plan a strategy for change, establishing the total cost of any changes that must be made in architecture, processes and policy.

► Solve, Implement and Manage solutions to generate the reports you need to take advantage of the transparency and value Technology Lifecycle Service Management can provide.
Results

By dedicating your enterprise to unlocking the full power of TEM through Technology Lifecycle Service Management, you can leverage the solution you have while improving internal visibility, processes and results. By actively managing your enterprise’s telecom, network, mobile, unified communications, data center, IaaS and other usage-based IT services, you could reduce annual costs by 20% or more.

Need Help from a Strategic Technology Lifecycle Service Management Partner?

Working with a capable partner that has a dedicated model for change built around your platform will help you take advantage of the people, processes and expertise to make the changes needed to realize the full strategic potential of TEM. The results will be cost savings, full process efficiency and the deep data insights you expect — fulfilling the original promise of TEM at last.

Contact Advocate today at 678-987-5900 or InsiderReview@advocateinsiders.com for a free TEM Assessment that can help you identify potential redundancies, deficiencies and cost savings.