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Need What You Buy, Buy What You Need, Pay What You Should

Fixed and Mobile Telecom Management

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How Telecom Management Ensures That You Need What You Buy, Buy What You Need, and Pay What You Should

When it comes to fixed and mobile telecom networks and services, how do you know if you're making the right investments? Even if you consider telecom expense a cost of doing business, there's no reason to spend good money on devices or services you don't need, or to pay more than necessary for essential capabilities.

To make sure you're getting the right telecom capabilities at the right price, you must:

- Need what you buy – and you can't know what you need unless you know what you have
- Buy what you need – not more, not less, and not off-contract
- Pay what you should – negotiate the best possible rates, validate every invoice, and dispute every billing error

Achieving these objectives effectively and affordably requires the right technology and services.

Need What You Buy

Clearly, if you buy telecom equipment or services you don't need, you're throwing money away. You may need smart phones for your sales team...but it's a mistake to buy unless you are certain that you don't already have these devices. To ensure that you need what you buy, you must know what you have. It boils down to inventory. Is yours up-to-date?

If your inventory isn't up-to-date, getting a handle on it requires 1) inventory audit/build, and 2) ongoing inventory maintenance.
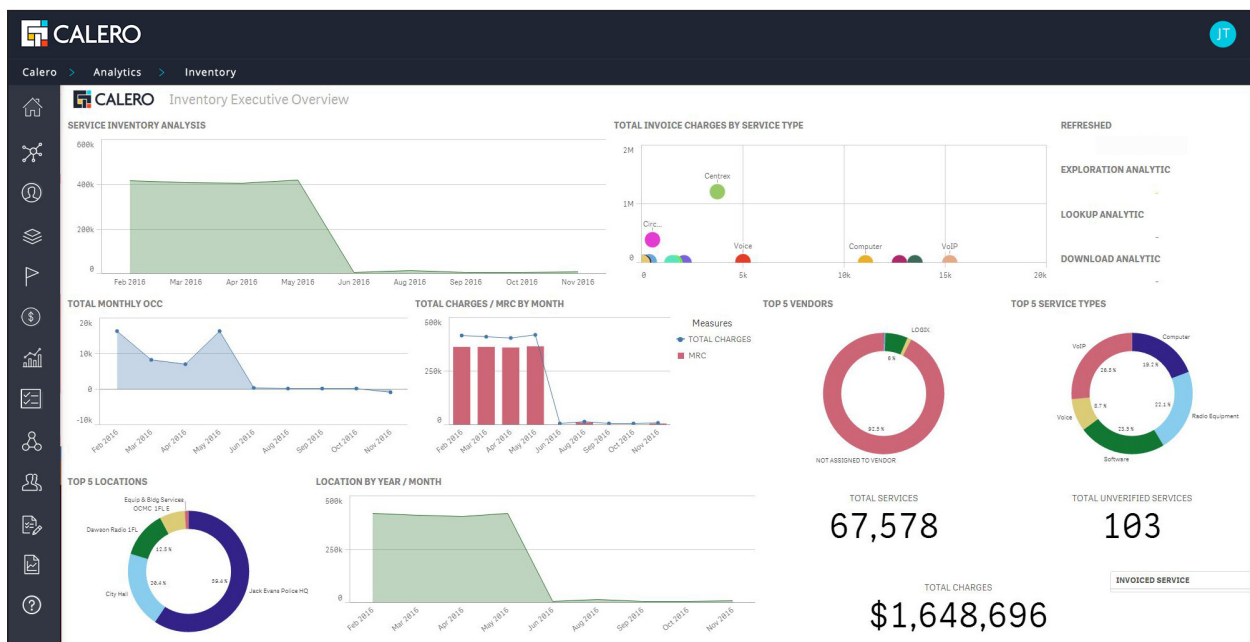
Inventory management analytics let you monitor inventory by cost center at a glance.

When you need what you buy, buy what you need, and pay what you should, you're going to get maximum value for your telecom investment.

Inventory Audit/Build

You could have the most accurate clock in the world, but if you set it for the wrong hour, your timing will always be off. The situation is similar for inventory. Accurate updating will never correct for an inaccurate baseline.

An inventory audit and build is a best practice first phase for any inventory management program. The telecom management provider will typically:

- Gather and extract invoice details by location from all invoice media
- Work with your internal team and vendors to gather required data not readily available (incremental invoice details, CSRs, missing invoices)
- Audit against available company information (location information, network diagrams, existing inventory records, HR file for wireless)
- Research extracts from your service order records/systems (MACD history)
- Present circuit information by location to your network management team to identify outliers
- Upload the inventory into the inventory management application for ongoing maintenance and reporting

The result of this process will be an inventory database that accurately reflects all your telecom assets and services.

Ongoing Inventory Maintenance

Once you have your inventory accurately baselined, a telecom management system can keep it up to date. Workflows for ordering, MACD, invoice management, and other processes can be designed to update inventory automatically…and virtually effortlessly.

So now – when one of your sales reps orders a smartphone, you'll know immediately if you need to buy it…or can just reassign it from your company-wide inventory of telecom resources.

Buy What You Need

Buying what you need involves a number of processes, because it depends on what you need, who specifically needs it…and the meaning of "need" itself. The end result, however, is that you acquire the devices or capabilities you need efficiently at contract rates…without incurring unwanted telecom expenses or penalties.

Understand what you need with analytics focused on call usage and costs with drill down capability to department, location and end-user.

Optimization – Nothing says "get your money's worth" like "optimization." Whether you're load balancing your routers or right-sizing your wireless plans, optimization is the process by which capabilities are matched to actual needs. Optimization is typically achieved by a combination of Professional Services (for assessing your needs and network capabilities) and invoice analysis (for automatically detecting usage patterns out of alignment with service plans). When your networks and services are optimized, you are buying what you need…not more, and not less.

Ordering – Organizations boost efficiency by allowing end-users to order from online catalogs, thereby eliminating intermediate manual processing and unnecessary paperwork. The online catalogs enabled by advanced telecom management systems provide capabilities that ensure that any given end-user buys only what is needed – and nothing else. Ordering management software supports role-based catalogs that present each user with only those items that he or she is authorized to order. And order approval workflows ensure – regardless of what the end user orders – that the organization buys only what is needed.

Commitment Tracking – Buying what you need means, among other things, buying what you need to meet your contract commitments and avoid shortfall penalties. Telecom management software can help you by tracking each contract and making it easy to gauge your performance against commitments. Sophisticated commitment tracking software supports:

- Monthly, annual, or full-term commitments
- Simple or tiered commitments
- Commitments tied to one or more master accounts
- Contribution types that include revenue, total invoice items, or new invoice items

- Revenue definitions that include the following charge types:
    - o Adjustment
    - o Monthly recurring charges
    - o Other charges and credits
    - o Purchase
    - o Taxes and surcharges
    - o Usage

With effective commitment tracking, you never need to worry about missing a commitment and buying less than you need to avoid costly penalties.

Pay What You Should

Paying what you should for telecom services involves a number of elements:

- Contract negotiation based on the best attainable pricing
- Validation of every invoice to make sure you're being correctly billed
- Disputing every billing error to make sure you get all credits you are due

Each of these elements requires technology and services working together.

Benchmarking

Benchmarking answers the question of how to define success in contract negotiation.

Is a 15% overall cost reduction a win? Is expecting 33% realistic? What is the market price for interstate dedicated toll free service? How much should you pay for a SIP concurrent talk path? Should you agree to an 80% commitment level? Benchmarking gives you the answers.

Accurate benchmark information is determined only by working with a large base of corporations over time, helping them manage their telecommunications costs on a daily basis, and supporting their sourcing and optimization initiatives. Benchmarking is offered as a service by some telecom management firms. The more clients the firm has worked with…and the more years that they have been collecting client and marketing information…the better their benchmarking data will be.

Invoice Validation

Carriers are not perfect, and neither are their invoices. But combing through every invoice in search of errors can be a daunting task. With the right technology, you can automate the process of invoice validation and manage by exception. An invoice management system that accepts invoices electronically and processes them effectively can alert you to a wide range of invoice errors and exceptions, including:

- Account charges vary from the previous 3 month average by more than a given percentage
- Inventory charges exceeding the contracted rate
- Third party charges

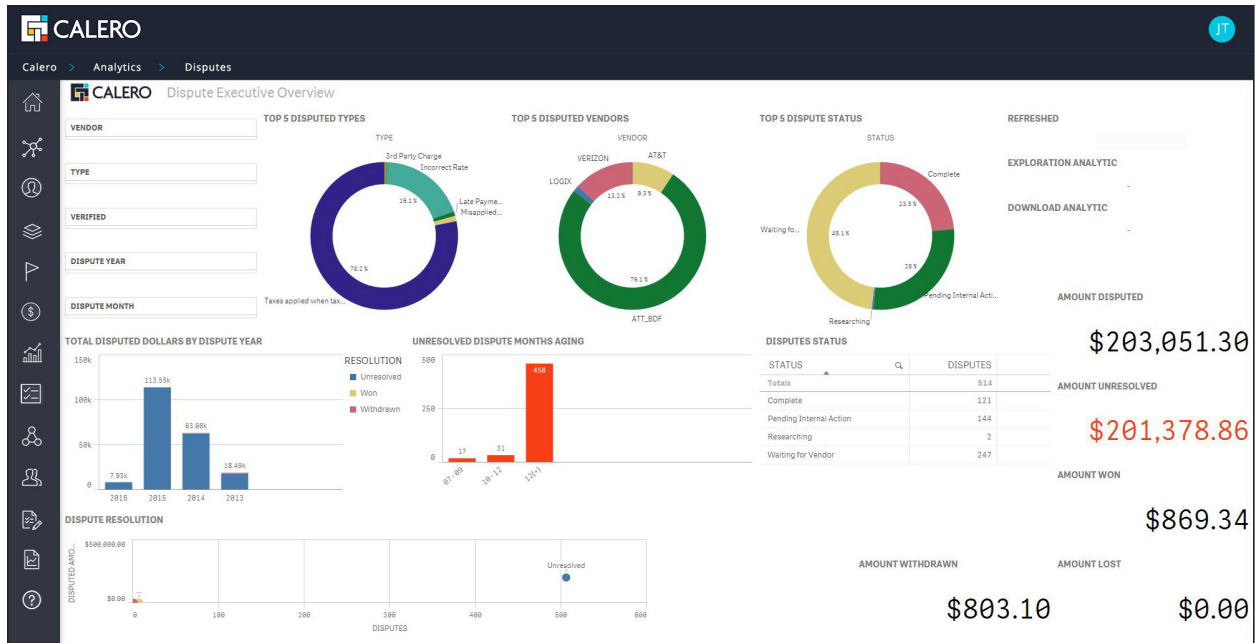*An invoice management dashboard lets you quickly assess the status of your pending and paid invoices.*

- Wireless overage charges
- Charges on expired accounts
- Charges on expired inventory
- Usage on expired inventory
- *69 calls
- Directory Assistance calls
- Late fees
- Wireless plan changed

Automated invoice validation allows you to find invoice errors in less time, with fewer resources, than otherwise possible. It is an essential capability if you want to "pay what you should" and not a penny more.

Dispute Management

Dispute management is the process of tracking and resolving disputes over questionable invoice charges. Workflow automation is a valuable component of this process. For example, when an exception alert is issued by the invoice validation process described above, key personnel can be notified by auto-generated emails. They can immediate initiate a dispute management workflow process that engages others to review and either dismiss or approve the dispute. If approved, the disputed charge can be either short paid or paid in full pending receipt of credit, depending on your contract terms.

Dispute management reporting typically provides comprehensive tracking of issues by vendor, project and services, from very high level detail such as savings realized for the year, to detailed

The dispute management dashboard lets you check status of all billing disputes and drill down to the details.

data at the lowest levels of granular presentation (e.g. USOC level). Claims are prioritized for the most effective management. The user can track the progress of billing disputes within the system; disputes can be amended as new information becomes available.

While workflow automation is a major component of the process, most disputes also require some degree of personal communication. Telecom management firms that offer dispute management outsourcing will typically provide dispute follow-up calls as a service. When it comes to resolving errors and reconciling differences, no amout of technology can replace the power of person-to-person communication.

It's All About Value

The cost and complexity of telecom – especially mobile telecom services and management – is constantly growing. Careful management is essential. When you need what you buy, buy what you need, and pay what you should, the odds are good that you are going to get maximum value from your telecom investment.

Maximizing value is more than getting the lowest rates, improving productivity, optimizing networks and services, and reducing resource demands; it's achieving all these objectives simultaneously. An integrated software/services solution that can deliver all these capabilities, rather than a piecemeal solution cobbled together from disparate components, is more likely to deliver the results you want.

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ABOUT CALERO
Calero Software is a leading provider of Communications Lifecycle Management solutions with a deep commitment to innovation and customer service. Calero's CLM Suite supports the full communications lifecycle (from procurement to payment) including software/services that aid Telecom Expense Management (TEM), Managed Mobility Services (MMS) and Usage Management. Calero has thousands of customers in the United States and more than 40 countries worldwide, including Fortune 1000 corporations, universities and government agencies. For more information, visit us at www.calero.com or www.call-accounting-solutions.com, or call 585.381.6000.