

Telecom Expense Management (TEM): Planning Wireless Audits

Is There An Echo In Here?

Have you heard essentially the same story from several different wireless Telecom Expense Management (TEM) vendors? Do all TEM software and service models look alike? What exactly is a “holistic” wireless lifecycle model and does it really encompass your mobile strategy? Will the wireless TEM vendor you choose be around in a few years?



Introduction

A review of available wireless Telecom Expense Management (TEM) solutions in the market appear to be redundant as multiple, yet similar, versions of dashboards and colorful pie charts are presented. Identifying the key differentiators within these solutions and choosing the right service for your business profile can be difficult. Critical issues that may not be evident within your own wireless landscape can ultimately determine your true TEM requirements. Alternatively, you may fully understand your needs, launch a wireless TEM solution only to subsequently discover new needs that are “out of scope” or “on the road map”.

The Business Challenge

Clarifying requirements and performing cost benefits analysis for the additional Mobile Managed Services (MMS) in the market while complimenting traditional wireless TEM software, can be equally difficult. Does the term “holistic approach” to managing the wireless lifecycle sound familiar? Does this all-inclusive approach include strategic mobility architecture considerations such as messaging platforms, security, mobile VPN considerations, Fixed-Mobile Convergence and Unified Communications (UC)? Or is the “holistic” approach just limited to the cradle-to-grave lifecycle of your smart phone?

Understanding basic support services and the costs of outsourcing wireless process management is superficial. Understanding the features/costs/benefits of a Windows Mobile® platform versus a BlackBerry® platform may have more impact to your long term ‘holistic’ wireless expenses than just knowing fixed rates for provisioning services.

TCS TeleCommunication
Systems

Enabling Convergent Technologies®

275 West Street
Annapolis, MD 21041
410.263.7616
888.772.7911
410.263.7617 (fax)
www.telecomsys.com

Analyzing your laptop fleet and its associated capabilities for wireless efficiency can also be a critical factor when getting your arms around long term expense management. Isn't most, if not all, of your corporate computing done today on a wireless-enabled laptop? What criteria have you emphasized surrounding the security of your messaging architecture? Poor mobile security can lead to confidential data leakage – what is your associated expense?

Are these costs factored into your TEM assessment?

Corporate mobility strategies and policies ultimately drive wireless spending habits. Analyzing carrier contract rates and reviewing voice plan optimization reports are valuable, but the analysis of expense problems should include the genesis of decisions that dictate the wireless technologies you employ. This paper summarizes the traditional TEM market approach to auditing wireless expenses and challenges you to mature your audit beyond line item charges to include mobile ecosystem audits. Ultimately, the line item charges on wireless carrier invoices are a result of the decisions you make or don't make when planning your corporate wireless architecture and long-term strategic mobility policies. A blend of traditional TEM auditing tactics with strategic mobility consultation will steer you to a long-term TEM solution that fits your needs.

Wireless Audit Forces

Like most mobile enterprises today, you may have witnessed your wireless expenditures exceed a full one-third of your overall telecom costs. This trend will continue to rise as the large telecom providers, and their consumers, move along a trajectory that minimizes the need for traditional phone services and unleashes enormous possibilities with wireless broadband services.

Recent quarterly earnings reports indicate that wireless data represents over 20% of Verizon Wireless and AT&T service revenues, up from 15% a year ago. Strong growth in Internet access, e-mail, messaging, data access and media bundles has lessened the blow to these large telecom providers as they continue to churn their old phone lines and significantly enhance wireless services beyond traditional voice plans. Wireless is their saving grace, and data utilization growth is the rising star of wireless.

Embracing and enabling feature-rich wireless services for your enterprise is just good common sense. In order to remain competitive in a changing world, corporate resources need to be constantly connected to customers who demand immediate gratification. Wireless service capabilities, in addition to being efficient, are the backbone to this world of immediacy.

While embracing the potential of wireless technology makes good sense, so does auditing its return on your investment. The need to perform corporate wireless audits has grown from a perspective of prudent awareness to that of fiscal necessity. TEM audit services have been in place for years and employed to either set the stage for the adoption of recurring TEM service solutions, or employed periodically to clean up the mess, usually on an annual or biannual basis.

The common wireless audit methodologies available in the TEM marketplace today are similar in scope and typically unmask annual savings averaging in the range of 20%. Not bad, under any circumstance — but you can do better. A review of common wireless audit practices and consideration for what to look for will make the industry average savings seem unsatisfactory.

Superficial Audits

Listed below are common tactics employed in wireless audit engagements. These practices are typically efficient, well designed and provide very reasonable returns; however, they only scratch the surface.

- Snapshot analysis of recent wireless utilization, clarifying your voice and data usage trends, and proposing more cost-efficient rate plans.
- Service provider contract reviews identifying weaknesses in overall contract terms, conditions and pricing.
- Inventory assessments including end-user survey mechanisms that capture who really has what device.
- Invoice reviews confirming charge legitimacy and identifying lines of service that should be better controlled or disconnected.

What Else to Look for

Most wireless audit services in the market will save money; however, there is more to consider and save than the common audit tactics allow. Choose a partner that offers consultative advice for your mobility ecosystem. Design your audit to clean up the current waste as well as deliver a strategic mobile strategy that sets long-term wireless TEM solution requirements and builds enterprise-wide wireless policies with technical architecture and support strategies.

A truly holistic approach to TEM and Mobile Managed Services should include the entire messaging environment, its impact to the workforce, and the ability to support it. Wireless technical support can be dynamic, mundane, frustrating and typically generates more support tickets into your Help Desk than traditional desktop computing demands. Align and focus support resources to core infrastructure and consider outsourcing your needs for number porting, SIM card allocation, device replacements, etc.

Implementation Considerations

Consider these sample points before choosing your wireless TEM audit partner:

- What are your wireless technical support needs? Consider the cost benefits of outsourcing wireless support. Is your IT skill set geared for professional wireless SLA thresholds and expectations?
- Line-of-business wireless applications have taken years to mature. Are you ready to engage the strategic value or is it still premature?
- Are you or should you be concerned with data leakage through Instant Messaging and text messaging? How secure are wireless voice calls overseas? How secure is the iPhone, and has it penetrated your fleet?
- As mobility becomes more supported than premise-based computing, separation of IT management between back-end messaging/application servers and mobile support may not make sense to the overall security and management cost efficiency you desire.
- BlackBerry® or Windows Mobile® or both? Which architecture presents the higher Total Cost of Ownership (TCO) for you?

- Would you make employees with laptops liable? Of course not. Why should smartphones be different?
- What mechanisms can you put into place to automatically capture empirical performance data from your wireless vendors? It can be automated in premier TEM solutions and ultimately drives discounts and better results.
- Under-utilization of wireless voice and data plans can be just as costly as over-utilization. Can your TEM solution accurately analyze this factor?
- Do you need monthly recurring TEM software services or do you just need wireless provisioning and/or technical support services blended with periodic TEM “refreshes”? Think about applying expense management tactics to your overall TEM approach.
- Risk free audits feature a percentage (%) of savings price model. Insist on paying for recovered and realized savings.
- What are the costs for retrieving, repairing and recycling wireless assets? What options are in the market? Some services are free and will actually pay for your old devices. How can you blend such a program into your processes without adding new hassles?

TCS Methodology

Going beyond invoice line item charges and inventory clean-up exercises found in common wireless audit services, TeleCommunication Systems, Inc. (TCS) employs a consultative approach that considers your current and long-term strategy for wireless technology adaptations and deployments. Optimizing utilization from last month’s invoices achieves limited success and corrects a problem that could have been avoided in the first place. Analyzing wireless technologies and methods chosen for deployment drives long-term strategic and economic value to your organization.

Subsequently, successfully deployed TEM software solutions start with a thorough requirements analysis in conjunction with standard audit processes. The TCS methodology drives savings early and often throughout the TEM lifecycle. A thorough wireless audit should serve to set the stage for your long-term TEM solution requirements, and serve as a blueprint for not only your TEM functionality but your wireless strategy, assets, providers and wireless culture at large.

As shown in Figure 1 below, the TCS methodology offers six savings impacts.

- 1 Realized immediately as physical inventory, audit is conducted and excess lines are disconnected.¹
- 2 Realized during data collection phase as invoice details are collected and initial errors identified.
- 3 Realized as back invoices are analyzed in system.
- 4 Added savings realized as confirmed physical audit is compared to invoices.
- 5 Realized upon dispute resolution.
- 6 Continuous savings as all invoices are verified monthly.

Synopsis

For over 20 years, TeleCommunication Systems, Inc. (TCS) (NASDAQ: TSYS), has delivered cost efficient telecom and information technology services to commercial and government organizations. Featuring a TEM and Mobile Managed Services practice, TCS blends a legacy of wireless solutions — technical expertise with proven expense auditing tools, consultation to encourage wireless revolution adoption and maximize its return on investment.

Contact Information

For more information about effective Wireless Audit Services, e-mail mobilesupport@telecomsys.com or call 1.888.772.7911. Learn about TCS' products and services at www.telecomsys.com.

¹Confirm the disconnects are completed on the next monthly bill and follow-up to close the loop until they are removed from the monthly bill.

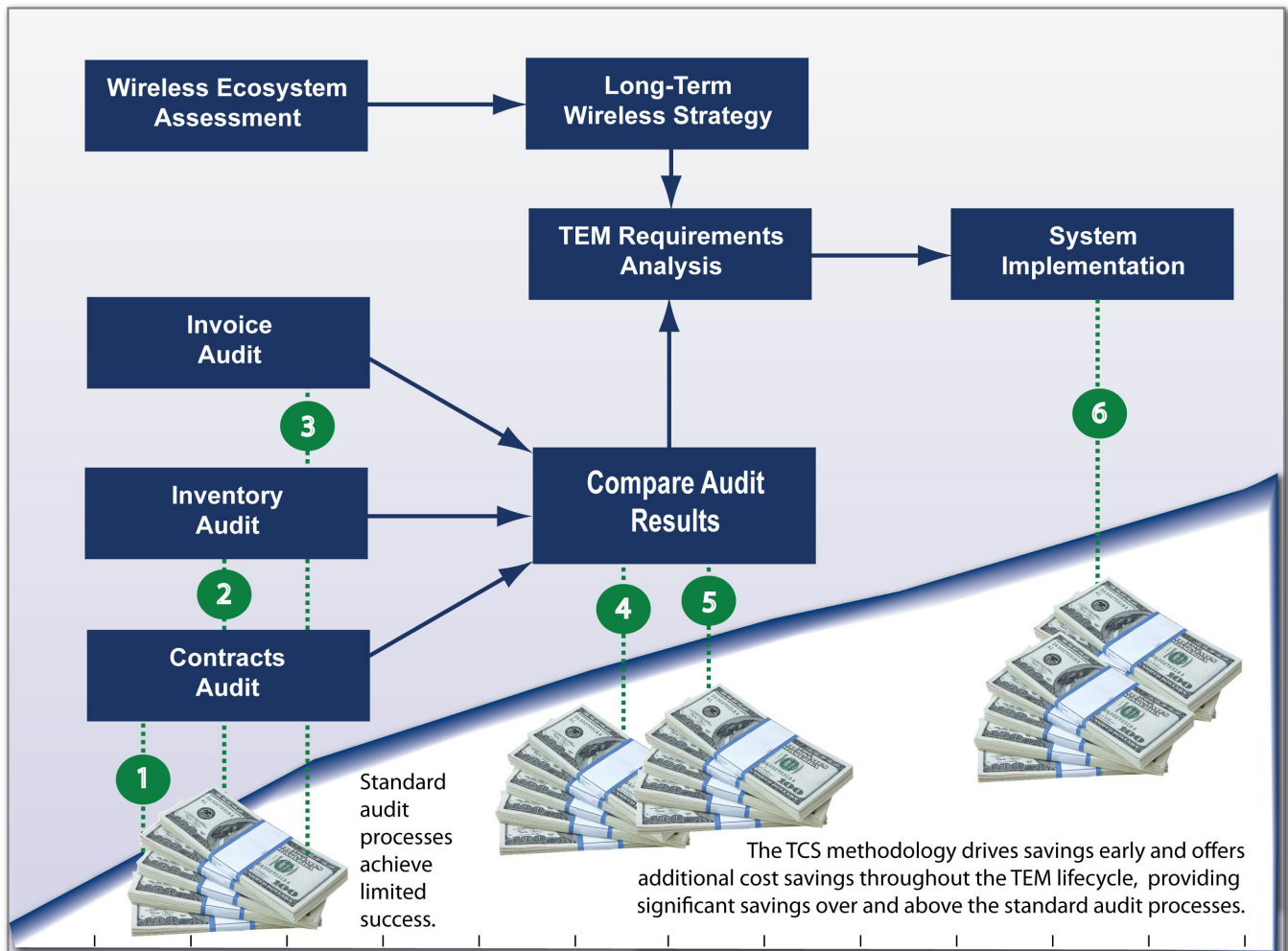


Figure 1
TCS Methodology

Notices

© 2008 TeleCommunication Systems, Inc. All rights reserved. No part of this White Paper, including text, diagrams, or icons, may be reproduced or transmitted in any form, by any means (electronic, photocopying, recording, or otherwise) without the prior written permission of TeleCommunication Systems, Inc.

Note to U.S. Government Users

Documentation related to restricted right - use, duplication, or disclosure by the Government is subject to restrictions set forth in subparagraphs (a) through (d) of the Commercial Computer - Restricted Rights clause at FAR 52.227-19 when applicable, or in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, and in similar clauses in the NASA FAR Supplement.

Information in this document is subject to change without notice. TeleCommunication Systems, Inc. may have patents or pending patent applications, trademarks, copyrights, or other intellectual property rights covering subject matter in this document. The furnishing of this document does not give you license to these patents, trademarks, copyrights, or other intellectual property. Please send licensing inquiries to: TeleCommunication Systems, Inc., 275 West Street, Annapolis, Maryland 21401.

DISCLAIMER OF WARRANTY: THIS WHITE PAPER IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, REGARDING THE CONTENTS OF THIS PAPER, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES FOR THE PAPER'S QUALITY, PERFORMANCE, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE.

Trademark Attributions

Enabling Convergent Technologies is a registered trademark of TeleCommunication Systems, Inc. All rights reserved. All other trademarks, logos and service marks are property of their respective owners.



TCS • 275 West Street, Annapolis, MD 21401 USA • Toll Free: 1.888.772.7911 • Outside US: +1.410.263.7616 • www.telecomsys.com

Copyright © 2008 TeleCommunication Systems, Inc. (TCS). All rights reserved. Enabling Convergent Technologies® is a registered trademark of TCS. All other trademarks are the property of their respective companies. Information subject to change without notice. | NasdaqGM: TSYS | 080827