7 Things

Every CIO Should Know About Telecom Expenses

Chapter 1: Telecom Expense Management is a Boardroom Issue

TELESOFT

7 Things Every CIO Should Know About Telecom Expenses

You're wasting millions.

The truth is that most enterprises waste millions of dollars annually by not managing their telecom spend in a standardized, centralized, more accurate way. Having ballooned up to a top four overall expense of the entire company, telecom is something that you, as CIO, should put on your radar, ASAP.

You've got continually changing inventory, complex billing for a wide range of offerings, and baffling contracts with amendments that are difficult to understand. It's common knowledge that fixed telecom costs have been consistently decreasing for the last decade or so. So how will you respond when someone ask: *why are our telecom costs continuing to rise?*

Action is required. And as CIO, the ball is in your court.

Telecom and related network services account for almost 4% of company revenue. This is too big a number and too important a service for you to manage manually or worse, not manage at all. Telecom is complicated, increasingly expensive, and rapidly evolving with the addition of new wireless technologies.

You can't just hope that your telecom spend is being managed effectively. Analysts say up to 26% of your telecom spend is erroneous or could have been avoided. There's no sugar coating this. Without a proactive approach to Telecom Expense Management (TEM), you are wasting money. If you spend $15M annually, that translates to $3.9 million a year.

TELESOFT

1.

1. Telecom Expense Management is a Boardroom Issue

Telecom spending for voice, data, and information services merits boardroom discussion by the sheer fact that it's one of the top-line item expenses for most organizations. As you develop your Telecom Expense Management strategy and solution – and defend it in the boardroom – you will need to be prepared to address the following challenges.

Board Members have serious SOX compliance concerns that a Telecom Expense Management solution addresses.

Telecom Expense Management addresses many areas of corporate infrastructure found in Section 404 of the Sarbanes-Oxley (SOX) Act. Section 404 requires that CEOs and CFOs of public companies personally attest to the adequacy of their internal controls relating to recognition of revenue and expenses. TEM aligns with SOX efforts by automating telecom reporting and storing key financial data about telecom expenses. You can also help board members feel secure about the stringent controls in place on one of their top line-item expenses, when they sign off on meeting SOX-compliance standards.

When it comes to managing costs, you have to be proactive.

Cultivating a board position involves more than presenting automated solutions to replace manual processes. This may be a smart approach for doing more with less funding, but you need to manage the expense side of the ledger, as well. Effective Telecom Expense Management highlights how well you manage telecom costs. This certainly improves your footing today, as well as puts you in a better position when you're vying for your piece of the budget.

Analysts Say…

Telecom is one of the least and worst managed areas of your business.

→ Resources & staffing

→ Managing demand

→ Benchmarking costs

→ Understanding Total Cost of Ownership (TCO)

With Telecom Expense Management you'll get immediate savings from once-neglected overcharges and stranded assets. And, long term ROI often reaches 200%.

TELESOFT

2.

In today's climate of counting every penny, Telecom Expense Management delivers by improving accountability for consumption of services.

For most enterprises, multiple groups including Finance, IT, Procurement, Operations, Facilities Management, and Human Resources handle some aspect of telecom expenses. These groups rarely see the downstream impact of how their activities impact other groups however, which makes comprehensive TEM lifecycle management an organizational challenge.

Procurement may negotiate contracts for services at locations that are going to be closed or for technology likely to be replaced.

In some cases, the terms of the contracts may be subject to interpretation or there may be items that are difficult to validate because of how the service is billed. Human Resources may promise new hires the latest smartphone, or exempt executives from policies that create exceptions that are difficult to manage.

Further, telecom service providers often send bills in paper format to an enterprise's regional offices, which may not be equipped to validate charges. Telecom bills contain highly complex pricing that is time-sensitive (such as peak versus off peak) and volume-sensitive. Providers also have varied billing media with formats that range from paper, EDI, CD ROM, E-mail, HTML, FTP, Web download. The terminology and classification for billing components vary from one telecom service provider to the next, and a single service provider may have more than a dozen billing platforms for its services.

TEM Answers Critical Questions

→ How can I reduce my telecom cost?

→ How do I provide visibility to business units on their telecom expenses?

→ How much am I spending for specific services?

→ How much am I spending with each vendor?

→ How do I determine what funds will be owed in the future?

→ What are the trends for expenses compared to budget?

TELESOFT

3.

Get the Full eBook

Download the full eBook at http://www.telesoft.com/7Things and to find out why:

→ Telecom Expenses Are the Most Complicated to Manage

→ Telecom Costs are Rising Despite Decreasing Fixed Telecom Costs

→ Billing Errors Will Continue to Occur

→ Wireless Costs Will Surpass Fixed Telecom Costs

→ The CIOs Role in Telecom Expense Management

→ The Costs of Ignoring Telecom Expense Management

→ Recommendations for Effectively Reducing Telecom Spend

7 Things Every Exec Should Know About Telecom Expenses
What you should know:
CIO» | CFO»

Take Action

Assess your telecom expense management needs and begin reducing costs. With over 25 years of experience in telecom expense management, Telesoft has helped hundreds of customers lower telecom expenses and improve efficiencies by automating the telecom expense management lifecycle.

Telesoft
3443 N. Central Ave
Phoenix, AZ, 85012
1.800.456.6061
www.telesoft.com
info@telesoft.com

TELESOFT

4.