



**TELLENNIUM**  
Enterprise Technology Management

**AOTMP**  
RESEARCH & ADVISORY

ANALYST PERSPECTIVE  
INTEGRATION DOWNLOAD

# BUSINESS VALUE REVEALED

WHAT ENTERPRISES WANT FROM TEM

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# TABLE OF CONTENTS

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<b>INTRODUCTION</b> .....	<b>2</b>
<b>SAVINGS STILL WINS: WHAT ENTERPRISES THINK THEY WANT FROM TEM</b> .....	<b>3</b>
Figure 1: Rank the Drivers that May Lead Your Organization to Consider a New TEM Provider ...	3
<b>THE REAL TEM BUSINESS VALUE ENTERPRISES SHOULD STRIVE TO ACHIEVE</b> .....	<b>4</b>
Figure 2: How AOTMP Views the Telecom Management Ecosystem.....	4
Figure 3: Has Implementing a TEM Provider Simplified Procurement, Optimization and Management of Your Telecom Environment?.....	4
Figure 4: Does Your Organization Recognize the Soft Cost Savings Associated with Its TEM Program? .....	5
<b>CONCLUSION</b> .....	<b>6</b>
Table 1: Where Does Your Enterprise Land on the Center of Excellence Scale?.....	7
<b>ABOUT THE AUTHOR</b> .....	<b>8</b>
<b>ABOUT AOTMP RESEARCH &amp; ADVISORY</b> .....	<b>8</b>
<b>ABOUT AOTMP</b> .....	<b>8</b>
<b>ABOUT TELLENNIUM</b> .....	<b>9</b>

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# INTRODUCTION

Enterprise TEM solution requirements can be complex, but every enterprise has one requirement in common – business value. Whether the main objective of TEM is to control cost, gain visibility, optimize workflow, or outsource business processes, every organization wants to clearly understand the business value the solution is delivering. This Analyst Perspective report delves into the murky waters of assessing business value and offers a clear view of what enterprises need from TEM vendors.

First, it seems important to understand the evolution of telecom management and what that means for building optimal environments that create business value. Here is how AOTMP Research & Advisory describes the generational development of TEM:

The first generation of telecom management, often called cost management, was focused on telecom carrier cost. Manual invoice-to-contract compliance audits were performed to identify billing errors so that overcharges could be recouped. It was labor intensive and primarily provided value by reacting to ever-present carrier billing errors.

The second generation of telecom management introduced automation to reduce stare-and-compare labor and to reduce the time required to complete audits. This was achieved using specialized software and electronic invoice media from carriers for the same cost management objectives as the first generation. This generation also introduced invoice processing and payment activities to collectively establish telecom expense management as an industry category.

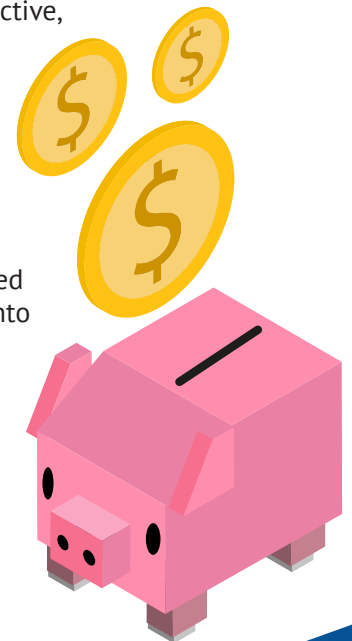
The third generation of telecom management introduced lifecycle management principles that incorporated work streams associated with expense and invoice management into the equation. Inventory management, contract management, service ordering, incident management and dispute management have a direct influence on telecom expenses and by incorporating these activities into the scope of the TEM practice, the lifecycle of telecom services, assets and costs can be managed. An overlay of policy and business rules governs the lifecycle management approach for this generation.

The fourth generation of telecom management quantifies the business value of the telecom estate. All attributes of the third generation are essential to this objective. The technical, financial and operational aspects of a telecom environment must be understood, controlled and optimized to ensure that service-to-cost value is delivered; however, the fourth generation transcends cost control as the end-state goal of telecom management and establishes strategic contribution to business results as the primary objective.

Controlling the cost of the telecom environment illustrates good business sense; measuring the business value generated by the telecom environment illustrates strategic business vision.

AOTMP Research & Advisory will be the first to agree that – gained thoughtfully, rather than in a knee-jerk fashion that could harm the enterprise later – saving money through telecom management is important. After all, no business wants to waste money. However, savings should not constitute the primary motivator for implementing TEM. For one thing, done right, telecom expense management will not achieve consistently large savings month after month – tasks and processes will run so smoothly and accurately that savings opportunities will have been pared to the minimum. This is ideal.

For another, creating business value comes of doing much more than bowing down to the savings gods. Rather, it calls for a higher perspective, one intent on achieving greater efficiency, productivity and other tangible and intangible elements that combine to elevate not just the telecom management department, but the organization as a whole. In fact, orchestrated from this viewpoint, TEM, combined with other initiatives, translates into outcomes including increasing market share, profit, revenue, competitive advantage, customer additions and retention, and reducing expenses.



## SAVINGS STILL WINS: WHAT ENTERPRISES *THINK* THEY WANT FROM TEM

Once again, most organizations implement TEM thinking they will save huge chunks of money on a regular basis. However, AOTMP Research & Advisory continues to work to redirect this misperception because if an enterprise is constantly gleaning savings, that means the TEM has missed critical elements, most likely related to creating and maintaining accurate inventory. Yet, not surprisingly, enterprise respondents still tell AOTMP Research & Advisory that expense analysis and optimization services stand out as the top two reasons their organizations would consider a new TEM (see Figure 1).

Figure 1: Rank the Drivers that May Lead Your Organization to Consider a New TEM Provider

1	Expense Analysis Services
2	Optimization Services
3	Business Process Outsourcing Services
4	Asset Management Services
5	MDM/UEM Management Services
6	Contract Negotiations Services (with Carriers)
7	Better Technology
8	Better Customer Services
9	MACD Operations Services
10	Broader Service Offerings
11	Procurement Services
12	Help Desk Services
13	Break-Fix Services
14	Logistics Services

Source: AOTMP Research & Advisory, 2018

While the top two results are not surprising, enterprise understanding of reasons to implement TEM does seem to be maturing compared to years past. Now, instead of a laser focus on saving money, many organizations indicate that they want to take advantage of TEM's more evolved capabilities. It is heartening to see organizations place more value on services such as business process outsourcing, asset management and so on. AOTMP Research & Advisory interprets the trend to mean that more enterprise telecom management experts are seeing the advantages of using TEM vendors that bring worth beyond savings. These TEM vendors are the ones that collaborate with their clients, understand their environments and ecosystems, and make recommendations based on what will produce the best outcomes rather than save the most money.



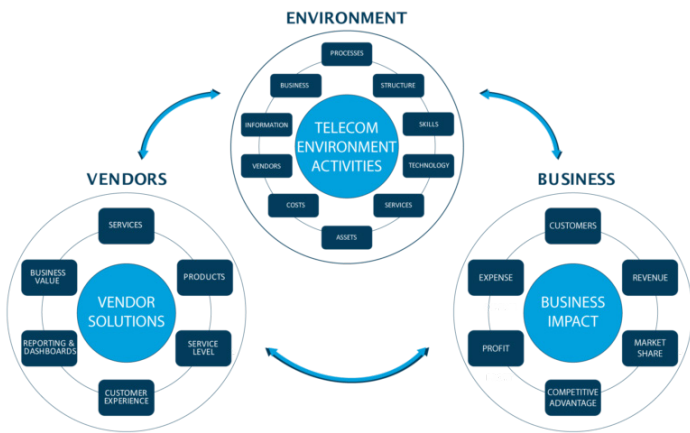
## THE REAL TEM BUSINESS VALUE ENTERPRISES SHOULD STRIVE TO ACHIEVE

Recall that quantifying the business value of the telecom estate – and moving beyond cost control as the ultimate goal – epitomizes the fourth, and most desirable, generation of telecom management. Reaching this state starts with choosing the type of TEM vendor described above, one that cares about helping enterprises do far more than reduce expenses.

Indeed, this TEM vendor will begin by scouring and validating inventory, a practice that eventually will stop saving the enterprise large amounts of money on a regular basis because the telecom management baseline will be accurate and correctly updated. This reduction in savings is healthy – it means the TEM vendor's services and solutions are working, and the telecom management group may need to do some work to help the C-suite understand this.

Similarly, consider soft-dollar savings, or the somewhat less tangible effects that come of properly administering TEM, such as being able to assign expert employees to more strategic and revenue-generating projects. In other words, as the telecom management practice becomes more productive and efficient, the rest of the enterprise also reaps the benefits (see Figure 2).

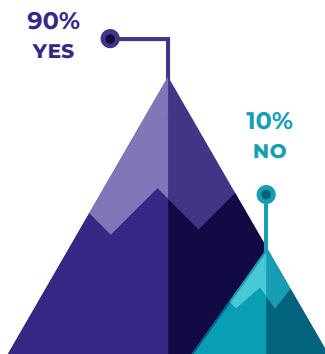
Figure 2: How AOTMP Views the Telecom Management Ecosystem



Source: AOTMP Research & Advisory

On that note, of the 62 percent of enterprise respondents who recently told AOTMP Research & Advisory they use a TEM vendor, the majority report forms of significant business value achieved internally (see Figure 3).

Figure 3: Has Implementing a TEM Provided Simplified Procurement, Optimization and Management of Your Telecom Environment?

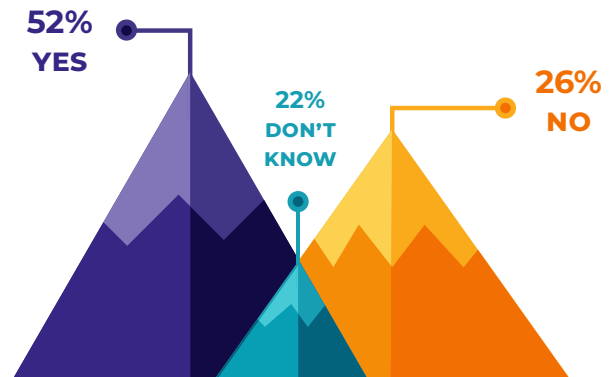


Source: AOTMP Research & Advisory, 2018

These types of wins have bigger impacts across the business as well. For example, better procurement practices could mean a telecom management department orders a T1 internet line to replace a slow cable connection to a remote office. That, in turn, would translate into faster speeds accommodating all manner of transactions that benefit the enterprise – say, large, important files sending more quickly to colleagues who need them right away (beefing up productivity) for swifter, more reliable retail transactions (bolstering revenue).

There are additional ways, though, in which TEM translates into business value, namely in terms of so-called soft-dollar savings. Again, outsourcing some or all activities frees up professionals to focus on their areas of expertise. In turn, this focus can turn into concrete, trackable results that benefit the business – for instance, a TEM executive can guide a digital transformation initiative instead of continuing to audit and optimize telecom assets, tasks a TEM and its platform could handle, all or in part. To that point, a majority of enterprise respondents say their organizations do, in fact, recognize and quantify their TEM program’s soft-dollar savings (see Figure 4).

Figure 4: Does Your Organization Recognize the Soft Cost Savings Associated with Its TEM Program?



Source: AOTMP Research & Advisory, 2018

On average, enterprise respondents report \$145,000 in soft cost savings each year from TEM activities.

The enterprises that have quantified the soft- and hard-dollar savings through TEM have employed key performance indicators (KPIs) that allow them to track how and where they are improving. Here are two examples of KPIs that look at hard dollars to highlight telecom as a strategic asset:

**KPI:** Enterprise Telecom Spend per Employee

**What It Does:** Establishes services-to-cost baseline for evaluating fixed and mobile telecom enablement

**Outcome:** Helps determine performance targets

**KPI:** Telecom Costs as Percentage of Corporate Opex

**What It Does:** Establishes baseline ratio of operating expenses unique to each business; correlates operating costs across the business

**Outcome:** Helps determine performance targets

Finally, another way a good TEM brings business value is by helping clients implement new technologies to make telecom environments even more efficient and effective.

Often, enterprises lack the internal expertise to execute the appropriate research, discussions and proofs of concept. Many TEM vendors are well positioned to help. Far beyond cost savings, the vendor's capacity to consult on potential technology migrations constitutes a layer of often-untapped value. Further, the TEM vendor can implement successes and lessons learned from other clients, providing a level of expertise that enterprises would be unwise to overlook. Therefore, more business value can come in the form of preventing failed deployments and reducing the potential for mis-spend by enterprises migrating to new technologies.

## CONCLUSION

Telecom doesn't need any more audits or new expense management software that only attacks the symptoms that plague the environment. It needs to be transformed from a financial liability to a business asset by eliminating the guesswork, sustaining efficiency in the environment over time, and establishing:

- Technical standards that offer a disciplined and measurable approach to managing and driving performance efficiency across the total telecom environment
- Operational standards that look beyond auditing cost savings and TEM programs to consider all areas that impact an organization's financial efficiency
- Trained staff who keep up with changes in the industry, have a common understanding, and apply consistent processes in the telecom environment to establish continuous improvement across the telecom environment
- Processes across the enterprise that align business requirements to telecom capabilities and transitions
- Financial standards that expose errors and unnecessary costs, as well as optimization opportunities to reduce expenses or reallocate funds to fuel business growth
- Relationships with vendors that have built their services and solutions to a standard of technical, operational and financial excellence that supports lasting improvements in the telecom environment

This all ties into the fourth generation of telecom management and helps the telecom management group to run as a Center of Excellence (see Table 1).

Working as a Telecom Management Center of Excellence produces a cascade of business value that leads to all manner of ideal outcomes, including those identified in this report. Reaching that point, and maintaining it, requires following some proven principles – namely, those championed by the Efficiency First® Framework, a best practices-based methodology for managing telecom environments. Enterprises adopt the Framework and seek vendors that have aligned solutions to it. This level of teamwork helps enterprises to achieve peak telecom management performance and create the types of business value discussed in this report. And that is what enterprises want from TEM.



Table 1: Where Does Your Enterprise Land on the Center of Excellence Scale?

BEGINNER	MODERATE	ADVANCED
Tactical CIO	Business-oriented CIO	Strategic CIO with revenue goals
Reactive	Somewhat proactive	Has defined processes; structures, manages IT as a business
Focuses on the basics	Is planning or just starting enterprise-wide digital transformation	Is underway with enterprise-wide digital transformation
Has stable IT management systems	Starting on automation	Has fully automated telecom/mobility/technology management platform
Has siloed cloud solutions	Is planning or just starting centralized cloud migration	Is underway with corporate-wide cloud migration
Some focus on efficiencies	Fosters innovation	Influences enterprise-wide innovation
Has little or no handle on inventory	Measures and manages inventory accuracy	Measures and predicts inventory change using lifecycle analytics
All tactical – keeps the lights on	CIO aligns with business strategy	CIO aligns with business strategy; C-suite views telecom, mobility and technology as strategic assets
Has little or no insight into the strategic potential of telecom, mobility and technology assets	Accepts telecom, mobility and technology can be strategic assets	Views and treats telecom, mobility and technology as strategic assets
Has little or no insight into drivers of costs	Knows cost drivers	Continuously optimizes cost drivers
Focuses on savings	Focuses on efficiency	Focuses on optimization
Has no control over vendors	Is planning a vendor management organization	Has a vendor management organization
Reactive in value delivery	Understands Center of Excellence	Focuses on Center of Excellence
Has no KPI measurables	Focuses on some KPI measurables	Focuses on governance
Reacts to performance complaints	Analyzes trends	Predicts performance requirements based on dynamic business shifts
Fights fires	Has mature change, asset and performance management processes	Guarantees internal SLAs

Source: AOTMP Research & Advisory

## ABOUT THE AUTHOR



**KELLY TEAL**  
Senior Research Analyst

Kelly Teal authors many of AOTMP Research & Advisory's reports, from Analyst Perspectives and Market Landscapes to vendor whitepapers, Anatomy of a Decision insights and more. Thanks to a background diverse in technology journalism, Kelly is able to write with versatility across AOTMP Research & Advisory's practice areas. This has cultivated a skillset that allows her to speak to the range of issues enterprises and vendors face amid the ever-changing telecom, mobility and IT management climate.

## ABOUT AOTMP RESEARCH & ADVISORY

AOTMP Research & Advisory support enterprise and vendor telecom, mobility and technology management initiatives and objectives with actionable data and insight. To that end, AOTMP Research & Advisory focuses on the management of multiple practice areas, including IoT, cybersecurity, enterprise mobility, telecom expense, mobile application development, BI/data analytics, enterprise telecom/mobility/technology environments, telecom/mobility/technology ecosystem and IT services.

Enterprises take advantage of AOTMP Research & Advisory's targeted research, analysis and advisory services to boost telecom/mobility/technology management efficiency, performance and productivity. This brings greater value and impact to the overall business – including reducing costs. For vendors that impact the performance, productivity and efficiency of an enterprise's telecom, mobility or technology environment, following AOTMP Research & Advisory's proven approach leads to higher revenue, more market share, competitive differentiation and happier customers.

One key distinction about AOTMP Research & Advisory stems from our extensive reach and relationships with telecom, mobility and technology management business professionals. Thanks to a variety of sources and advanced statistical methods, we extract information from end users that helps enterprises measure themselves against their peers and gives vendors unprecedented views into their clients' and prospects' business pains and goals.

Overall, AOTMP Research & Advisory sets the standard for telecom/mobility/technology management expertise, guiding enterprises and vendors alike to positive, measurable outcomes.

## ABOUT AOTMP

Telecom/Mobility/IT Management Best Practices and Industry Standards

AOTMP is a leading global information, services and advisory firm for next generation Telecom / Mobility / IT Management best practices and industry standards for organizations and the vendors who support them. Best practices cover network services, carrier services, mobility and IoT solutions, cloud solutions, software, hardware, and emerging technologies that impact the performance and business value of technology. Using information, data and compiled analytics from thousands of enterprise environments worldwide, AOTMP solutions help enterprises drive performance, efficiency and productivity while significantly reducing costs and help vendors provide a new level of value to their customers. AOTMP's solutions are based on its patented Efficiency First® Framework methodology and are the foundation for Telecom / Mobility / IT Management Centers of Excellence being built across the globe.

### AOTMP Business Units include:

- **AOTMP University** – courses, certifications and assessments
- **AOTMP Tools** – tools portal and certified vendor directory
- **AOTMP Research & Advisory** – research portal, custom research and analyst advisory sessions
- **AOTMP Analytics** – scoring, measurements, analytics and recommendations
- **AOTMP Services** – services for enterprises and vendors
- **AOTMP Events & Programs** – annual conferences, webinars and the AOTMP Industry Council



## ABOUT TELLENNIUM

Tellennium Inc. was founded by industry veterans in 1999 as a pioneer of Telecom Expense and Mobility Management services. Utilizing expertise, proven processes, and a dynamic platform with a new release every 4-6 weeks, Tellennium continues to lead the way in the TEM and MMS market. We are absolutely dedicated to our clients and quality service which further helps set us apart from the rest.

## HOW TELLENNIUM DELIVERS MULTI-POINT VALUE

### INVENTORY MANAGEMENT

Contained within the TIMS™ platform, Tellennium's Integrated Management System, accurate detailed inventory information is continually maintained with associated charges, changes, contracts, invoices, and GL coding allocations. TIMS is a comprehensive cloud-based software platform developed by Tellennium to process and pay invoices, manage circuit and services' inventory, track usage, changes, contracts, and charges. TIMS also supports cloud-based services and assets including those associated with IoT, MoT and EoT. With TIMS' built-in AI technology, discrepancies in charges, inventory, locations, usage, upcoming contract terms, etc., are proactively monitored and acted upon.

### BPO AND STAFF AUGMENTATION

Based upon client desires and needs Tellennium offers a full range of support services from complete BPO (Business Process Outsourcing) to DIY (Do-It-Yourself). There are also hybrid options for managing and negotiating the necessary billing corrections, sourcing, terminating proven invalid/unused services and circuits, managing move, adds, and changes, and monitoring all services, circuits, devices, and charges. Our technical staff averages 20+ years of industry experience, bringing significant expertise to the table. Tellennium is also available to augment existing staff as workload demands additional resources to get things done, freeing up resources for our clients to focus on building their competitive advantage.

## REDUCING OPEX AND INCREASING CASH FLOWS

Tellennium's service offerings frees up operating expenses across the enterprise, which can be used for strategic initiatives. In addition, cash flows improve from accurate and timely cross function integration. For example, the full AP process is incorporated into TIMS with additional capabilities and AI technologies. TIMS supports all coding allocation formulas and formats with full integration through APIs and other means to financial systems, HR, help desk and other third-party client solutions. All media formats are supported from paper invoices to EDI. TIMS knows the correct billing addresses based on provider and account number, and also knows when invoices are to be received, so none are ever lost and not processed. Multi-level approval processes are supported as well as dispute tracking and reconciliations. TIMS is easy to use, all-inclusive, built on proven processes and supports an unlimited number of users with hierarchical levels of access, full lifecycle management, real-time visibility, and data is never purged. There are thousands of reporting views available including customized options. Reports can also be automatically sent periodically which can be unique for each user.

Tellennium has been here from the beginning and continues to experience double-digit organic growth every year for a reason. And all services come with a written guarantee. Tellennium provides Enterprise Technology Management, Wireless Mobile Management Services, Telecom Expense Management, Staff Augmentation and Objective Consulting to organizations in healthcare, technology, manufacturing, hospitality, finance and professional services. For more information, visit [tellennium.com](http://tellennium.com).