



# **Expense Management Tools For Telecom and IT Consultants**

## Introduction

As the need in the marketplace grows for telecom cost reduction, operational efficiencies, expense visibility and reduced business risk, there is significant opportunity for telecom and IT consultants to improve and expand their offerings by providing [telecom expense management](#) (TEM) services. Consultants are now considering adding TEM solutions such as on-going audit and optimization, asset management, bill payment and comprehensive reporting capabilities to their consulting portfolios.

Software that consultants can utilize to save time and money on their business processes, grow their portfolio through expanded service offerings and provide value-added benefits for their client base is the cornerstone to providing efficient and effective telecom expense management solutions. And making the transition is getting easier, as the rise in cloud computing and software-as-a-service tools has led some TEM software providers to license their software and share their intellectual capital with telecom and IT consultants.

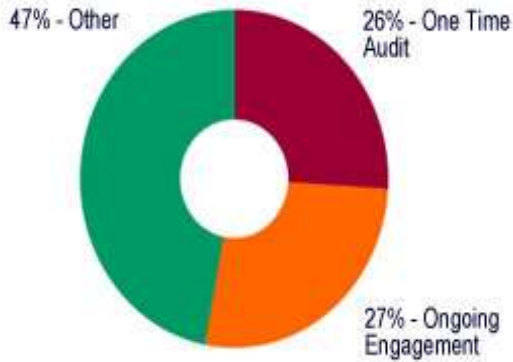
Traditionally, consultants have provided telecom audit services utilizing spreadsheets to organize and manage their client's invoice data and inventory information. A manual audit is then conducted that involves pouring through this data to identify overcharges and savings opportunities and calculating potential cost reduction amounts. The use of TEM software can provide a more automated method for conducting audits with the ability to provide greater solutions for the clients of these consultants.

## Consultant Needs For TEM Software

In order to learn more about the needs for [telecom expense management software](#) and services within the consultant marketplace, in August, 2010, a survey was sent out to 136 Society of Telecommunications Consultant (STC) members, a nationwide group of independent telecom consultants, regarding their needs for a consultant-specific telecom audit and telecom expense management tool. The survey drew responses from 20% or 28 STC consultant members. The responses received indicated an overwhelming need for a telecom consultant-specific software tool. The results of this survey were presented at the Society of Telecommunications Consultants conference in Dallas in late September 2010.

This white paper outlines the results of the "Telecom Auditing and TEM Tool" survey along with how telecom consultants can save time and money, grow their practices through expanded service offerings and provide further benefit for their clients through the use of TEM software.

## Mix of Telecom Consulting Engagements



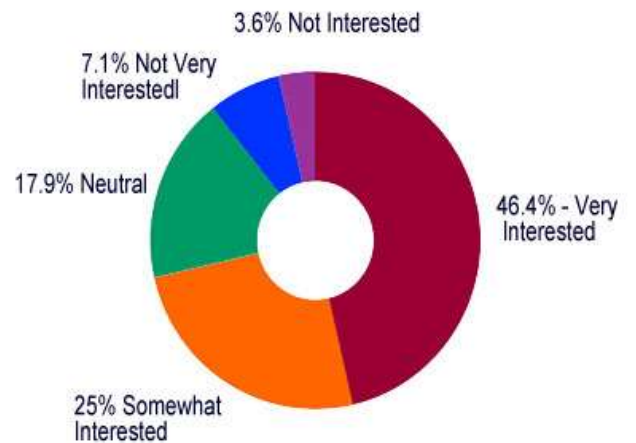
The first survey question asked what the existing mix of consulting engagements was. The graph below shows the break out of engagements.

As you can see, on average, about 55% of projects were one-time audits or on-going telecom expense management engagements, those services that can be automated through the use of a telecom expense management software tool.

The second survey question was *"How interested are you in expanding your portfolio to include more Telecom Expense Management (TEM) services?"* The following graph outlines the respondents' interest level in expanding their TEM offering.

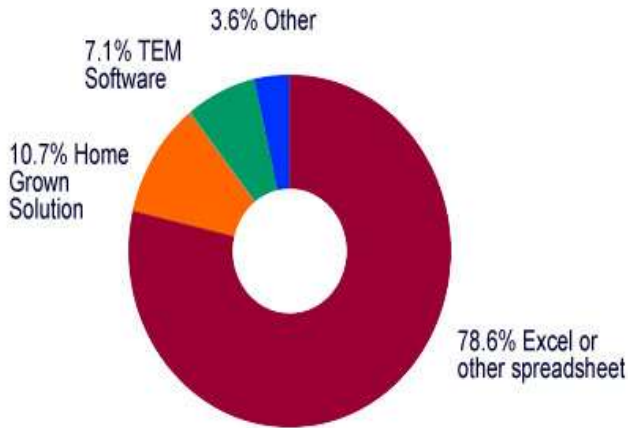
Close to 75% of the consultants surveyed said they had some interest in providing more telecom expense management services for their clients with 50% reporting they were "very interested" and 25% responding they were "somewhat interested." This indicates that the greater majority of telecom consultants would like to provide telecom expense management services such as telecom asset management, bill payment, on-going invoice audits and comprehensive client reporting if they had the technology and back-office support to do so.

## Interest in Expanding TEM Services



The third survey question was "What Kind of System Do You Use To Track Information Now?" Here is the response we received to this question:

### System Used To Track Information Now

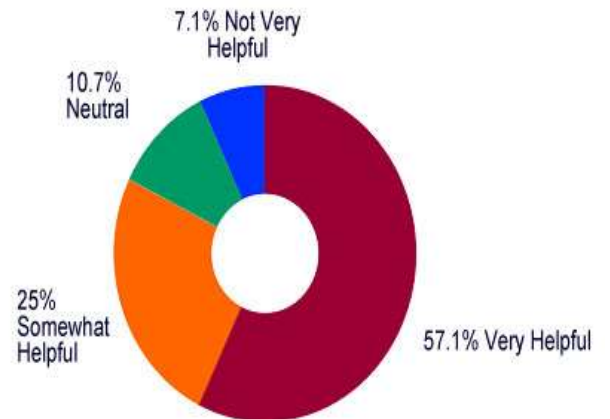


An overwhelming 80% of the respondents said they were using Excel or other spreadsheets and only 7% responded they were using an outside [TEM software platform](#) to automate their auditing and telecom expense management processes. Since consultant-specific software has only recently been available in the marketplace and TEM software has traditionally been engineered for extremely large users at a very high price point, it is not surprising that consultant's are not using more TEM software.

The fourth survey question was "How helpful would you find a software tool designed specifically for telecom consultants for auditing and TEM?" The following graph depicts the responses received:

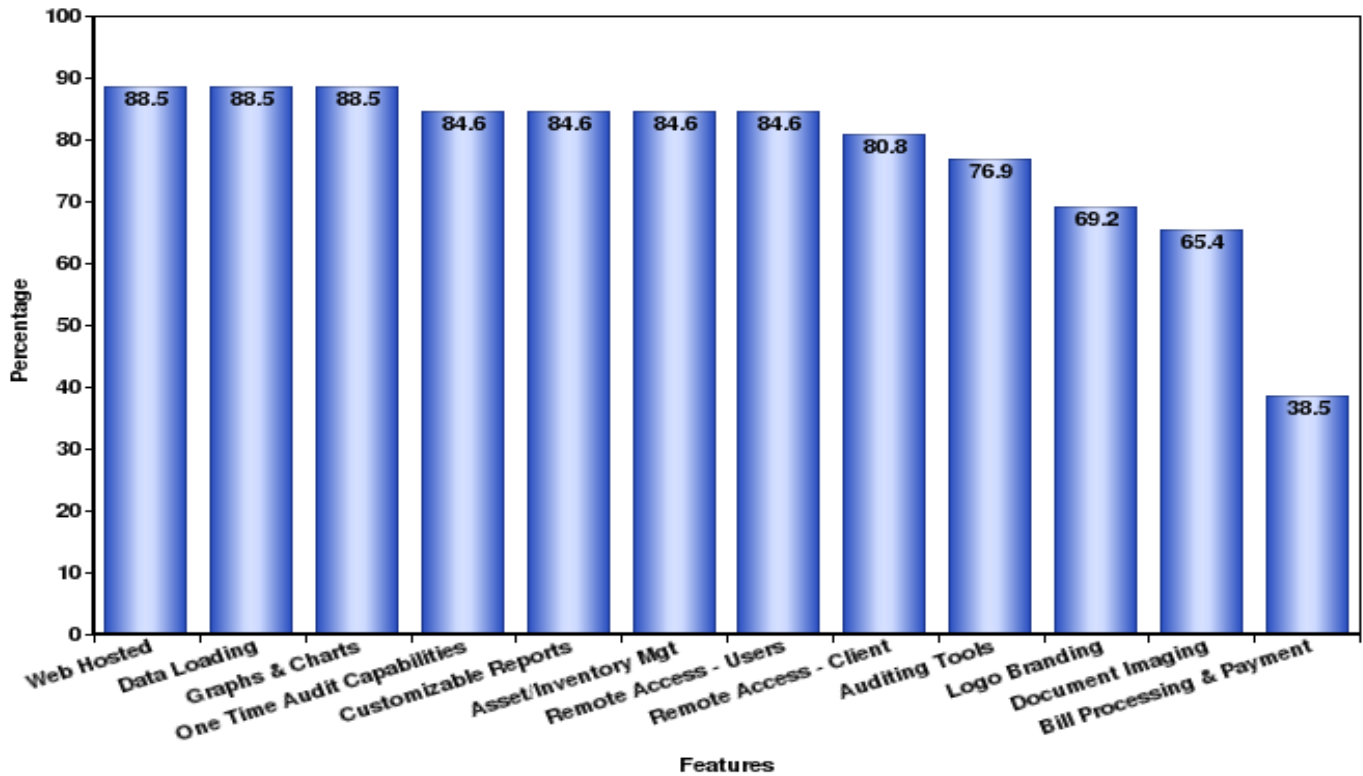
Approximately 80% of the respondents said that a telecom consultant-specific tool would be very helpful or somewhat helpful to them in their practices. Only 7% reported that it would not be very helpful and no one responded that it would not be helpful at all.

### How Helpful Would You Find a Software Designed Specifically for Consultants



The last question asked “Which of these features would you find helpful in a consultant-specific tool?”  
The graph on the following page outlines the responses to this question:

## What Features Would You Find Helpful in a Consultant-specific Tool?



Some interesting results were shown from this question. About 90% reported that they would find a web-hosted solution helpful. With the advent of software-as-a-service providing ease-of-use and flexibility at a low subscription-based price point, more consultants are moving toward utilizing web-hosted solutions.

90% also responded that data loading and graphs and charts would be helpful. About 85% reported that one-time audit capabilities, customizable reports, asset/inventory management and remote access for other users would be beneficial. Remote access for clients and audit tools drew approximately an 80% approval rating. Close to 70% said that they'd like logo branding (white labeling) and document imaging features. [Bill processing and payment](#) was favorable to approximately 40% of the respondents.

The next section of this white paper will explore the benefits for consultants of utilizing TEM software in detail. The main advantages are to save time and money on consulting processes, grow the consultant's business through expanded service offerings and to provide value-added benefits to clients.

## Save Time and Money

Consultants can save time and money through the use of telecom [expense management software](#) in several ways. First of all, the traditional method of entering invoice and inventory data into spreadsheets is very time consuming.

Most hosted TEM systems provide a methodology and process for one-time and on-going entry of data for consultants alleviating the need to enter information repeatedly into several spreadsheets. In addition, consultants can off-load the entire data entry process to a TEM supplier both for the initial implementation and on a monthly basis. Many TEM companies provide back office services including the loading of electronic formats and document imaging for paper bills. These systems provide access to the scanned image of the consultant's clients' monthly bills or customer service records (CSRs) without the need to manage paper records.

Most telecom expense management software provides some level of automated auditing and optimization tools to help the consultant to save time and to maximize their audit savings results and client recommendations. These tools can include wireless optimization, exceptions reporting, trending and variance reporting, flagging of cursory audit issues and contract compliance optimization just to name a few.

Many traditional TEM systems have provided separate capabilities for wireless (cellular, blackberry, PDA, smartphone) or wired (local, long distance/800, audio/web conferencing, internet, WAN), and for one-time audits or on-going expense management. This meant the consultant had to access several different portals populated with the same information to provide services and recommendations for their clients.

Today, on-demand TEM technology is available to access wireless, wired, one-time audits and/or on-going TEM all through one unified portal, including access for full lifecycle telecom expense management capabilities and the end-to-end processing of telecom invoices. Synchronization with the clients' accounts payable and asset management systems can be easily achieved either by developing an interface or uploading a data file for system updates.



Consultants can also save time by outsourcing some of the bill payment functions to the supplier of their hosted TEM platform. Bill payment functions involve the managing of a shared bank account and the disbursement of vendor payments. Generally, the client approves a weekly feed generated by the system and uploads the data into their accounts payable system for financial reporting. The client then wires the funds needed, along with the feed approval, to the TEM supplier who then disburses the checks to the telecom suppliers.

Showcasing results can be streamlined through the use of standard and customizable reports and dashboards to gain deep visibility into their client's telecom information to make highly informed client recommendations. A plethora of reports can be generated including various accounts payable, trending and budget reporting; cost allocation by vendor, department, user, location; asset/inventory reports of circuits, lines and wireless devices; breakouts by telecom suppliers and audit, wireless optimization and exceptions reports just to name a few. Customizable dashboards can provide updated, useful information for the consultant on-demand, anytime, anywhere, as the comparison on the following page illustrates...

The following is an example of the traditional spreadsheets used by consultants. Data intensive spreadsheets that are hard to read and time-consuming to keep updated. Does this look familiar?



Here is an example of a much more organized, easily customizable dashboard that can be utilized to save consultant's time. Client metrics and reports that are easy to read are just one click away, at the consultant's fingertips. Access to others, including clients, can also be granted so they can login remotely to review charts and graphs at their convenience.





## Expand Your Business

In today's economy, company growth is the name of the game and telecom and IT consultants are no exception. [Telecom expense management software](#) provides the capability for consultants to increase revenues and grow their client base through an expanded service portfolio.

Traditionally, consultants have provided audits on a one-time or project basis. The consultant takes a snapshot of telecom invoices for 1 – 3 months along with a point in time set of customer service records and performs an audit of those invoices. Recommendations are made and savings opportunities are implemented based on the snapshot set of invoices. Usually there is a follow-up audit to make sure that the savings have been implemented timely and properly.

TEM software allows the consultant to provide on-going audit services, making sure that all discrepancies and other savings opportunities are identified during the monthly bill payment process and immediately implemented. Follow-up audits are a regular part of the on-going TEM process.

Telecom and IT consultants can expand their asset and inventory management capabilities. Many TEM systems provide a repository for inventory attributes for local lines, trunks, circuits and wireless devices





and plans. Inventories can be kept updated and accessed by managers for budgeting and compliance issues as well as field personnel who need asset information on an on-demand basis.

Often, clients don't know what they don't know. When asked about their telecom environment, spend and other pertinent information, many clients are completely unaware of how to address these questions. Consultants can provide their clients with a comprehensive set of reports and customizable dashboards on an on-going basis for the purpose of gaining greater visibility into their telecom spend and making more informed business and financial decisions.

Allocating telecom costs can be a challenge for mid-size to larger organizations, many of whom would like more granular, accurate financial reporting broken down by department, location or user level. Consultants can assist companies in reaching these goals through the use of a hosted TEM platform. General ledger codes can be paired with invoices or sub-accounts associated with users, departments or locations and populated within the TEM system for accurate monthly cost allocation. In addition, costs can be allocated on a percentage basis and pre-populated within the system.

Bill payment can also be a daunting task when many invoices with a variety of suppliers is involved. This process can be off-loaded and streamlined through the TEM software and back office services provided by the TEM supplier, including bank account management and check disbursements. By utilizing best practices in the bill payment process, misapplied payments, disconnect notices and late fees can be reduced or eliminated.

## **Benefit Your Clients**

TEM software enables consultants to provide many benefits for their clients. First of all, through on-going, comprehensive auditing and optimization processes, consultants can maximize their client's cost reduction opportunities and minimize billing overcharges and discrepancies. It is not enough just to audit bills on a one-time basis. With project-based audits, consultants work hard to clean up all the billing problems and then find it necessary to begin the process all over again within a short period of time. With on-going audits and optimization, the client's telecom house gets cleaned and remains clean throughout the process.

Consultants can also assist their clients in creating greater operational efficiencies by taking over the complexities of the telecom expense management process so businesses can focus on their core competencies.

Last but not least, consultants can help their clients make more informed business and financial decisions as better decision making data is made available to them and their clients through the TEM platform.

Although it is cliché, utilizing TEM software is truly a win-win situation for consultants and their clients. With the many benefits a TEM platform can provide, you can hand your customers a fistful of cash year over year and keep one for yourself as you continue to grow your revenues.

Finally! The TEM marketplace offers on-demand consultant-specific TEM tools that can save telecom consultants time and money, drive the growth of their consulting practices and provide significant benefits for their clients. To learn more, visit [www.valicomcorp.com/C4C](http://www.valicomcorp.com/C4C).

**Discover how TEM Services + Clearview TEM software saves you money.**

Request a free demo and discussion today...

- Online at <http://www.valicomcorp.com/tool/trial.aspx>
- Email [ehumphrey@valicomcorp.com](mailto:ehumphrey@valicomcorp.com) or Call 800.467.7226 x619

**ABOUT VALICOM:** Valicom is a Madison, WI based telecom expense management firm founded in 1991 as a certified, 100% woman-owned business (WBE). Valicom offers Clearview, a web-based telecom expense management software and a full a la carte suite of telecom cost control services including telecom audits, telecom invoice processing and payment, wireless optimization, RFP services and telecom contract negotiation.