

## What Are The Types Of Telecom Expense Management (TEM) Vendors And How Do They Differ?

There are a number of ways in which Telecom Expense Management (TEM) vendors can differ from another. Because the industry houses a range of providers, then, it is imperative to understand what separates the excellent from the good (and sometimes, not so good). Here is an overview of some of the most important aspects to evaluate.

### A True Focus On Communications Lifecycle Management

To begin with, [TEM is no longer just TEM](#). As enterprises adopt next-generation technologies, so they must manage them with more than expense in mind. A progressive TEM vendor understands and abides by this distinction, and provides the necessary software, people, support, knowledge, and experience in the form of [Communications Lifecycle Management](#). This comprises a holistic approach, from design to end-of-life, that accounts for telecommunications, mobility, and information technology services, devices and more. Keep in mind, “CLM” may still go by “TEM” yet actually encompasses all the activities within CLM.

Not all TEM providers offer CLM’s range of services or capabilities. Some remain focused on auditing, optimization, and invoicing just for fixed-line and wireless telecommunications, excluding the IT side of the house. To be clear, attention to the basics must remain. After all, without foundational expense management controls in place, any telecom, mobility or information technology initiative will fall into disarray. A CLM vendor knows and abides by this. However, technology of all types has grown so crucial to organizations that it’s no longer enough to manage just telecommunications.



### Method Of Delivery

How a TEM provider delivers its services matters, depending on an organization’s business requirements and internal expertise.

#### Software As A Service (SaaS)



In this configuration, the vendor provisions a software platform. The enterprise then is responsible for updating and maintaining all data, and for addressing any issues that arise. Examples include pursuing billing errors, company chargebacks, ensuring moves/adds/changes/disconnects, and so on. The SaaS provider should disseminate upgrades as necessary, and may do so all at once (called “multitenant”) or one client at a time. Unless an organization runs its own professional, well-oiled TEM department, the SaaS model poses difficulties for most small and mid-sized enterprises.



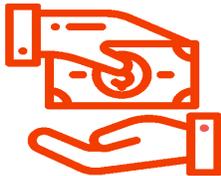
### SaaS Plus Consulting

Here, the TEM vendor supplies the aforementioned software and, typically at additional cost, will also provide consulting services. These can include advising the enterprise on steps to take or doing the work for the client, all contingent on what the vendor offers and what the customer chooses. Like its predecessor, SaaS plus consulting tends to work best for enterprises with dedicated in-house telecom, mobility, and IT managers.



### Gain Share

Often called contingency-based firms, gain share companies do not charge up front for their services. Rather, when they conduct an audit, they pocket a share of the savings they find. That is convenient, to be sure, but there is risk. Clients may not necessarily know or have insight into whether the vendor marks up its discoveries to either create or enhance profit for itself. Gain share TEM providers need a way to stay in business; this model comes with little assurance that consultants aren't taking matters into their own hands.



### Resellers/Aggregators/Wholesalers

Resellers, aggregators, and wholesalers offer TEM contracts directly with specific carriers and only sell services from those suppliers, all while significantly marking up the costs along with add-on fees and surcharges. The advantages are converged billing and basic centralized support. However, the model ropes end users into using carriers that may not prove the best quality or fit. The network provider may not offer the full range of access an organization needs, may not come with top-tier support or service-level agreements, may have problems with intermittent access, or any other number of potential drawbacks. In addition, even though most resellers or aggregators or wholesalers aim to pair customers with the best possible option(s) in their portfolios, this can come at the expense of the client's pocketbook as they earn their income through markups.

There are other potential drawbacks to consider when using a reseller/aggregator/wholesaler. For starters, clients typically pay higher fees than contracting directly with carriers and they do not have visibility into billing with these providers. The vendor (reseller, aggregator, or wholesaler) owns all contracts with the carriers, limiting end-users' ability to explore details. In addition, when a customer ends a contract with a reseller, aggregator, or wholesaler, it may have to reinstate all services.

Furthermore, resellers/aggregators/wholesalers also do not have access to clients' underlying networks or circuits. Thus, when technical issues or service disruptions occur, customers experience delays and increases in mean time to repair. Due to lack of their own specialized staff, often including experienced help desk resources, resellers/aggregators/wholesalers must turn to the service provider to resolve issues. If a reseller/aggregator/wholesaler has its own field services arm, it has incentive to dispatch its own trucks for repair. Be aware that this can be done without troubleshooting measures, proving costly to clients and potentially without resolving the problem.



### Fully Managed Services

Just as the term implies, fully managed services means the vendor, not the customer, undertakes all activities related to telecom, mobility, and IT management. In this scenario, the enterprise does not need to employ its own experts – or, if it does, it can redirect those staff to revenue-generating tasks and away from the specialized, time-consuming work of communications lifecycle management. A fully managed service provider acts as an extension of the client's technology management department while providing visibility and insight to the customer at all times.

## Help Desk

TEM vendors also vary when it comes to support. Some charge customers to use the help desk by the hour or by a block of time. Some operate their help desks out of other countries, which can present language, cultural, and time-zone barriers. Hours of availability also may be limited. Others have an all-you-can-eat model with support located in the United States and open 24/7/365. Commitment to customer service is critical.

## Stability And Longevity

Poorly orchestrated mergers and acquisitions have rocked the TEM industry over the last 15 years. Much of the turmoil has stemmed from “land grabs,” where vendors gain market share by snapping up multiple competitors without taking the time to vet and/or integrate them correctly. In these instances, the M&A has created chaos for enterprise customers. Platform integration or support slows or even stops; account managers disappear, leaving clients to explain their environments to yet another new person; corporate cultures may not mesh, directly impacting customers; investors demand returns that lead to high-pressure sales tactics; and more. Only a few TEM/CLM vendors have eschewed aggressive M&A that puts its own, and its clients’, stability at risk. That does not mean they have not acquired companies to improve strategic and competitive advantage. It simply means they have done so thoughtfully and deliberately, and without negative impact on customers. Notably, only a few of these providers have been in business for more than 20 years. These TEM/CLM vendors bring with them not only executive and account management continuity, but strong financials that mean they will stick around for years to come.



## What To Do Next

Organizations, even those with less than \$1 billion in annual revenue, have options for TEM vendors. Sifting through those possibilities can be overwhelming. Start by identifying your enterprise’s unique and specific needs for [Communications Lifecycle Management](#), not solely TEM. Then, compare each potential vendor in each of the four broad areas discussed. This will help narrow down the list of players to investigate more closely. Have patience and see the process through to the final, proven selection. Don’t be one of the enterprises that rushed to contract with a TEM/CLM vendor, and ended up paying the price in more ways than one.

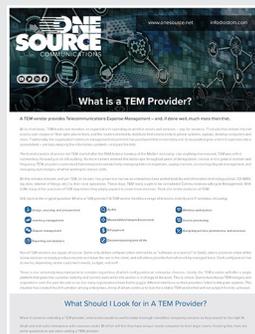
## RESOURCES



[WHAT IS COMMUNICATIONS LIFECYCLE MANAGEMENT \(CLM\)?](#)



[WHAT IS TELECOM EXPENSE MANAGEMENT \(TEM\)?](#)



[WHAT IS A TEM PROVIDER?](#)



[WHY USE TEM FOR MOBILITY & INFORMATION TECHNOLOGY?](#)



[WHY SHOULD I USE A TEM PROVIDER IF I HAVE SPREADSHEETS?](#)

