

**Creating a TEM Center:
National Summit on
Telecom Expense Management
June 3, 2008**



Brenda Adkisson

Brief Background

- Worked in the telecommunications field for more than 20 years
- Work experience in the following areas:
 - Health care industry for eight years
 - Financial industry for two years
 - Wireless industry for eleven years
- Consultant for one year
- Degree in Accounting
- Telecommunications expense management allows me to leverage my accounting and technical telecommunications background

Agenda

- TEM Results
 - Building an Inventory
 - One Standard Format for All Carrier Invoices
 - Contract Centralization
- Centralized TEM in a Decentralized Budget Environment
- TEM Lifecycle

Results

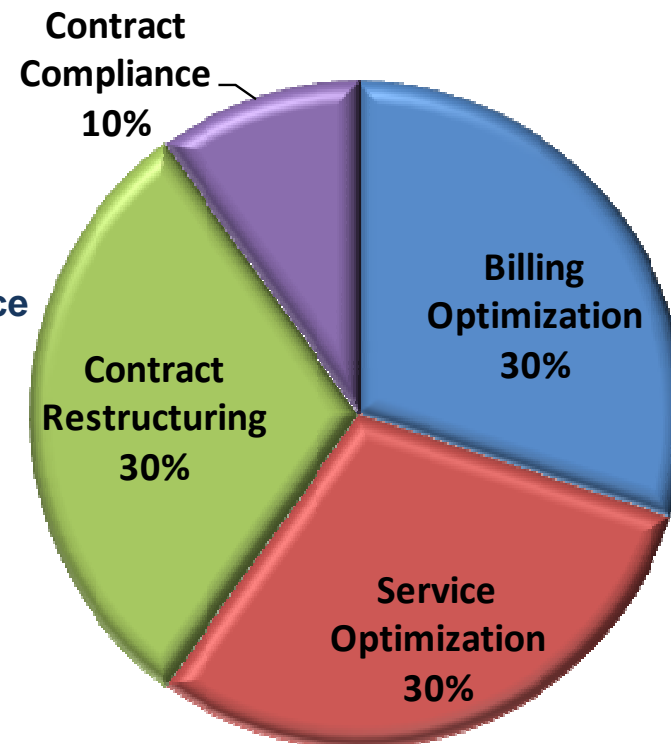
- Managed a Fortune 100 company's telecommunications expenses for eight years
- Created business case for the implementation of the enterprise's first TEM solution
- Reduced telecom spend by 34% with continued cost reductions year after year
- Department paid for itself at the end of each first quarter
- Negotiated and managed contract service levels and pricing lower than Fortune 100 peer groups
- First AT&T client to procure multiple MPLS speeds using eBonding
- Established full chargeback process for all data circuits
- Delivered quick business intelligence reporting providing savings tracking and validation
- Winner, Aberdeen award for Best in Class TEM

Results

Reduced Telecommunications Spend by 34%

KEY POINTS:

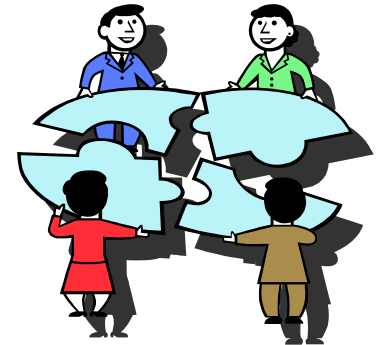
- 28-month window
- Some electronic invoice audit processes in place
- Began with Dmarc inventory
- More than 300 locations
- FTE and contract labor used
- Centralized & decentralized management
 - Design
 - Procurement
 - Bill pay
 - Budget



Inventory

- **First Option**

- Begin with a clean Dmarc inventory
- Outsource collection of data if no internal resources



- **Second Option**

- Build inventory with invoice feeds and then scrub data
- Pull data out of inventory in report format and validate

- **Accurate Inventory**

- Critical if you are to be successful
- Validate all assets/circuits and contract pricing

- **Service Optimization**

- Making sure you are leveraging the most efficient and cost-effective services
- Ensure that you are using what you are paying for

Invoice Presentation

One Standard Format for All Invoices

The screenshot displays the MBG Expense Management web application in a Microsoft Internet Explorer browser. The address bar shows the URL: <https://demoproducts.mbg-inc.com/ICV65/framesgen.aspx>. The application interface includes a top navigation bar with links: Summary, Reports, Analysis, Graphs, Search, Options, Admin, Help, Systems, and LogOff. A left sidebar contains a 'Search Hierarchy' section with a 'View by hierarchy' dropdown and a 'Search' button. Below this is a tree view of company folders: Company, MCI, AT&T, SBC, BellSouth, Verizon, Qwest, Cingular, and SPRINT. The main content area displays an 'Invoice - May 2007 (April Data)' with a 'Hierarchy: Company' filter. It features a table comparing April 2007 and May 2007 charges, along with a variance column.

	Apr 2007	May 2007	Variance
Monthly	\$8,058,932.70	\$9,243,379.27	\$1,184,446.57
One Time	\$241,021.58	\$127,810.69	(\$113,210.89)
Usage	\$7,664,259.53	\$7,166,643.11	(\$497,616.42)
Current Charges	\$15,964,213.81	\$16,537,833.07	\$573,619.26
Taxes and Fees	\$2,438,813.87	\$2,322,580.42	(\$116,233.45)
Total Current Charges	\$18,403,027.68	\$18,860,413.49	\$457,385.81
Adjustments	(\$3,987,602.68)	(\$4,824,769.27)	(\$837,166.59)
Amount Due	\$14,415,425.00	\$14,035,644.22	(\$379,780.78)

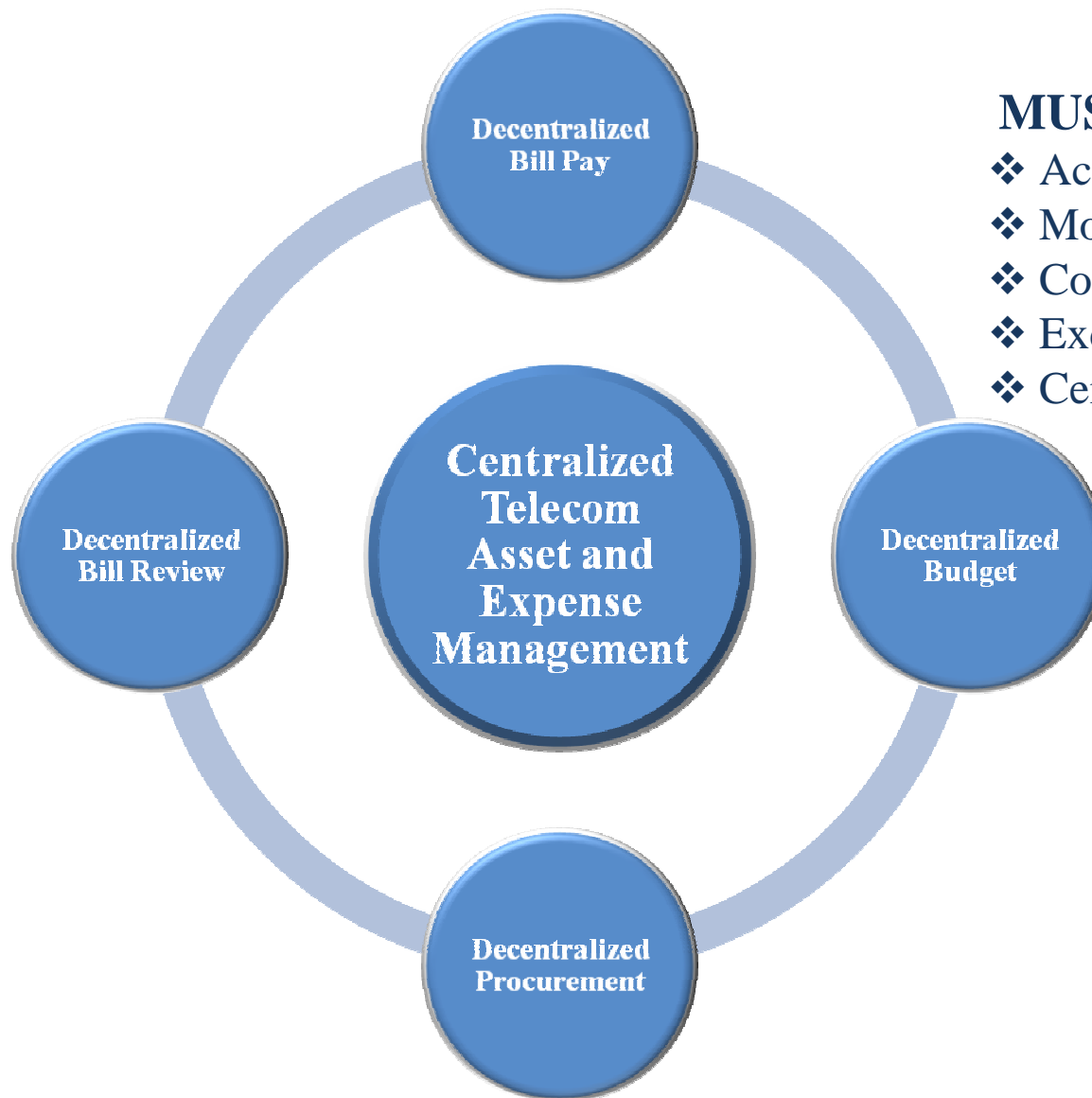
At the bottom of the table, there are radio buttons for 'View by hierarchy' (selected), 'Charge Type', and 'Both'. Below the table, there is a 'Submit Suggestions' link and a copyright notice: 'Copyright © 2008 MBG. All rights reserved.'

- **Billing Optimization** – making sure you are billed the correct rates

Contract Centralization

- Centralization of contracts allows a company to:
 - Negotiate centrally for multiple units
 - Leverage size – volume purchasing power
 - Aggregate usage of services
 - Reduce costs of providing services
- Structure contracts for best pricing – using SME
- Conduct contract compliance audits easier

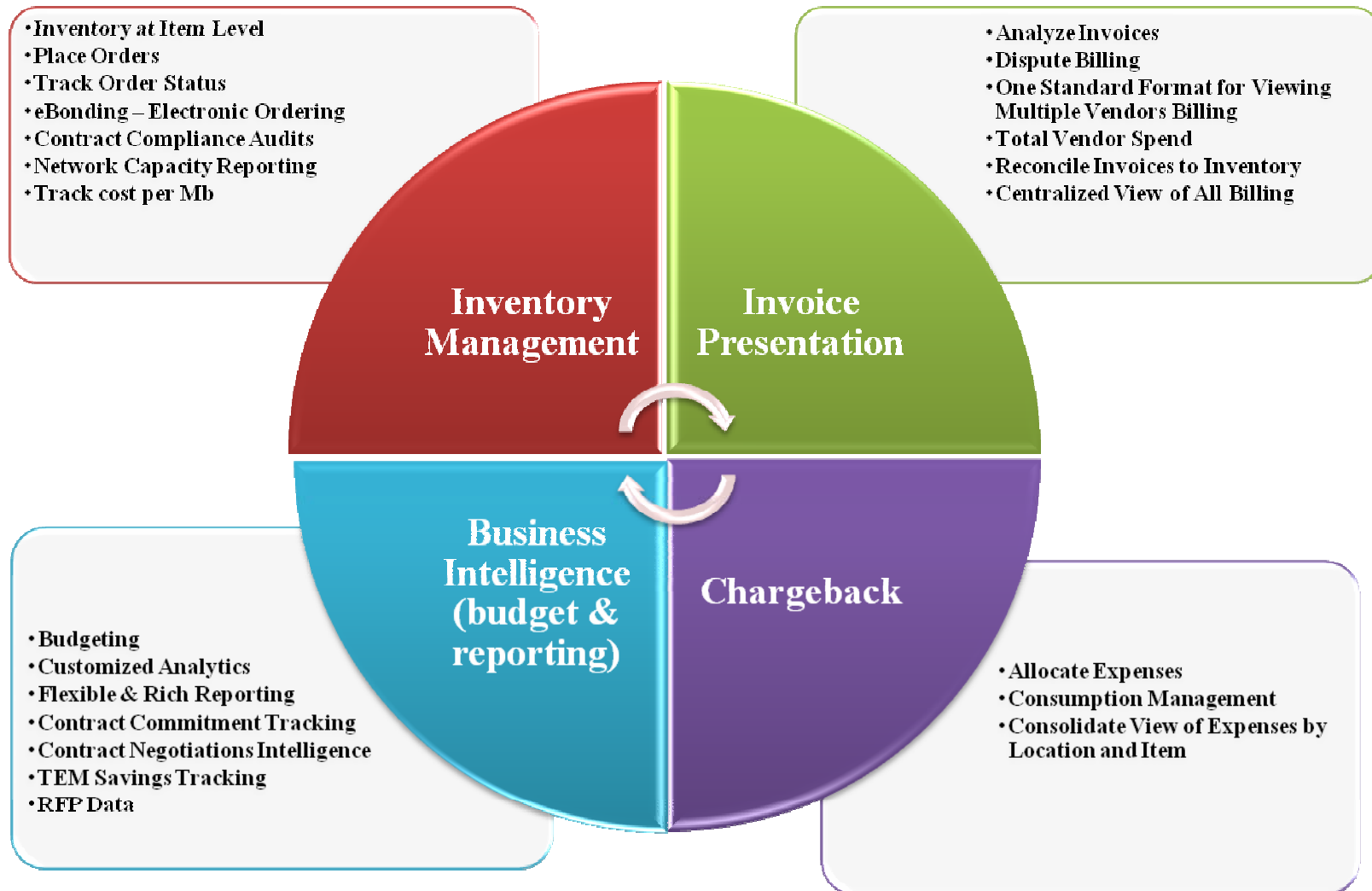
Centralized TEM & Decentralized Budgets



MUST HAVE:

- ❖ Accurate Inventory
- ❖ Monthly Vendor Billing Feeds
- ❖ Contract Pricing & Terms
- ❖ Exception Reporting
- ❖ Centralized Contract Negotiations (best)

Summary TEM Lifecycle



The Importance of Electronic Data

- Electronic data is the catalyst
 - Provides the level of detail necessary to follow best practices
 - Drastically reduces time to analyze telecom spend
 - Enables total visibility of spend
- Electronic data challenges
 - Different file formats – which is the right one to use?
 - Often EDI is not the best
 - Constantly changing files
 - Not every vendor provides an optimized electronic feed
 - All TEM suppliers cannot process best form of data



Closing Thoughts

- Track your TEM savings efforts year after year using TEM tools to justify your existence
- Prepare an ROI
- Carrier feeds are not all the same! Influence carrier formats
- Get to know what TEM vendor your peers are using
- Budgeting, chargeback and proactive reporting change behavior
- Carriers might pay for part of your TEM solution
- **“YOU CAN’T MANAGE WHAT YOU CAN’T SEE.”**

Contact Information

Brenda Adkisson

(615) 986-9293 office

(615) 579-5555 mobile

brenda.adkisson@temsolutionsinc.com

temsolutionsinc.com