2011
Voice Report

CCMI

BizTechReports

Editorial Director:
Lane F. Cooper

TEM Solution Helps Leading Global Provider of Technology and Services to Consolidate and Optimize Telecom Expenses

APRIL 2011

More resources can be found at:

*TheVoiceReport.com

*CCMI.com/Events

*BizTechReports.com

A global provider of financial services relies upon a complex and disparate environment of telecom equipment and services to support both its own operations as well as service delivery to clients.

TEM Solution Helps Leading Global Provider of Technology and Services to Consolidate and Optimize Telecom Expenses

Introduction:

For today's enterprises, managing telecommunications expenses across a dynamic mix of network services and technology poses a complex challenge. With a multitude of services being provided by different carriers ranging from global to local, and users spread across corporate offices, data centers and even client sites, the enterprise telecom landscape is more diverse and dynamic than ever. As a result, many organizations are implementing Telecom Expense Management (TEM) solutions that provide centralized visibility into their entire telecom environment.

One such financial services firm implemented a TEM solution and has since found that the benefits extend well beyond the streamlining of its payment processing shop. While facilitating invoice processing is one goal of TEM users, migrating from a highly manual and localized way of tracking telecom investments also allowed the company to:

- Easily audit carrier invoices to recover millions in annual over-charges and negotiate contracts based on actual usage levels and supported data
- Analyze its utilization of telecom assets to support consolidation efforts
- Track and report on telecom usage at the enterprise level to optimize operational performance

Situation

A leading global provider of technology and services to the financial services industry with more than 14,000 clients in more than 100 countries, the company works with 40 of the top 50 global banks, including nine of the top 10, and consistently holds a leading rank in the annual "FinTech 100" rankings. The firm also serves many non-financial institutions, including 18 of the top 25 national retailers. Other key sectors served by the firm include the healthcare, government, utilities and insurance markets.

The company provides software and services for core processing, channel solutions, treasury, cash management and wealth management solutions. The company also delivers electronic funds transfer (EFT), network, card processing, and bill payment services, and operates the NYCE network for payments and ATM access. Internationally, the firm employs more than 16,000 employees in 27 global operating centers throughout Latin America, Europe, the Middle East, Africa, Asia and Australia.

With its global operations, the firm relies upon a complex and disparate environment of telecom equipment and services to support both its own operations as well as service delivery to clients. Managing the resulting mix of telecom expenses from multiple carriers had become an operational burden that the company finally addressed in 2007 by implementing a Telecom Expense Management (TEM) enterprise solution from Memphis, TN-based Asentinel.

Prior to deploying Asentinel's TEM solution, the company was recording its telecom expenses and processing invoices in a highly manual, decentralized manner, recalls one senior telecom executive at the financial services provider.

"There were significant dollars here in spend that were being impacted just because we didn't have a process that tied all our expenses together," he observes. "That led

---

us to the research and realization that we needed a tool like TEM to begin tying these many elements together and get some visibility into our telecom spend."

The company's legacy practices for processing telecom expenses were not only time-consuming for staff and difficult to check against actual utilization, but were also leading the firm to overpay its carriers where their billings did not match true usage or the corresponding contracts. Sometimes these overpayments could reach into the hundreds of thousands of dollars.

"We would have one group doing provisioning or disconnects, as well as new circuits, and they in turn were not in the same group – nor in contact – with the people who were paying the invoices," the executive says. "In one of our data centers, I tracked where we had issued disconnects, but hadn't followed up to make sure they were disconnected and stopped billing. In one year, 2005, we spent almost a half-million dollars paying extra months of circuits that should have been disconnected in a timely manner."

The company's legacy practices for processing telecom expenses were not only time-consuming for staff and difficult to check against actual utilization, but were also leading the firm to overpay its carriers in some cases where their billings did not match true usage or the corresponding contracts.

Solution

The firm stood up its TEM solution over six months beginning in July 2007. "Our pilot went live in December, and we went fully live in January 2008," recalls the executive. "In our first month, we processed $1.9 million in invoices. Then as we ramped up, transitioning more spend and adding different divisions, we worked up to almost $90 million in all of 2009. In 2010, we processed almost $150 million through our system. A lot of that growth was due to M&A during those years."

Prior to implementing its TEM solution, the firm's business units were each managing their own telecom expenses using desktop office applications like Microsoft Access and Excel, or Oracle databases in some cases. Carrier invoices were manually processed in paper form with no simple way to reconcile invoice items with actual utilization of telecom assets and services. Consequently, auditing payments against inventory – let alone contracts or policy – was nearly impossible.

"The company had different business units that were tracking their own circuits and telecom spend individually," the executive says. "Our voice services were dispersed and distributed, often handled by local offices. The data portion was more centralized, but again centered on certain data centers. The various entities were tracking their own expenses, and sometimes they weren't being tracked very well."

Decentralized tracking of telecom usage was one key challenge that the company faced in attempting to organize its expenses into a more manageable and cost-effective process that would allow the firm to properly audit and optimize its utilization of telecom assets and services.

"One of the things that we liked about Asentinel was that we could focus more on invoices and inventory," the executive says. "The ability to see an invoice and then be able to process that against our inventory and agreements – Asentinel seemed to do that in a much better fashion than any of the other vendors we looked at."

As it gained an enterprise-level view of its telecom expenses – based upon a dynamic, constantly updated inventory of assets and service usage – the firm could now better analyze its entire telecom landscape and make strategic decisions based on its own auditable data. That hadn't been possible before with the fragmented, localized processes that were in place.

The company's TEM group soon realized that centralizing oversight of telecom assets could improve visibility, support analytics, and deliver value beyond just streamlining the processing of carrier invoices.

"This is truly an enterprise solution that really covers the whole gamut of telecom services that the company was employed to use, versus just being isolated to a single element like data center internet circuits," the executive notes.

"Another major factor in selecting Asentinel was that they were very responsive on customer service," he adds. "A competing vendor at the time would take perhaps days to get back to us, whereas Asentinel usually responded within 24 hours. They didn't always have an answer, but they would at least acknowledge that they were working on it. As we continued to use them, we found that they provided superior customer support."

Benefits

In terms of benefits, the company's TEM group soon realized that centralizing oversight of telecom assets could improve visibility, support analytics, and deliver value beyond just streamlining the processing of carrier invoices. Foremost among these is centralized management of telecom assets throughout the enterprise.

"At first, TEM was perceived as a financial function, so for about a year we were under the company's finance organization." The executive recalls. "After we reported to them, we all realized there was much more to TEM than processing invoices. There's auditing, for example."

This ability to audit telecom utilization at an enterprise level has implications beyond just processing payments. With Asentinel's TEM functionality in place, the firm could for the first time maintain its own accurate and current inventory of telecom assets and services, which allowed the company to take control of its cost allocations and payments, rather than relying on its carriers' own records.

"One of the most important things you can do with a TEM solution is making sure your inventory matches what you're getting on the invoices," notes the executive. "For that reason, it's critical that your inventory be accurate for you to then be able to determine where those cost savings that could be gleaned or applied."

By maintaining its own inventory of telecom usage, the company has been able to run its own confirmation of the item charges they receive from carriers. This capability alone has allowed the firm to recover millions of dollars in credits for erroneous charges that its invoice staff did not have a way to detect before.

"In about two years of processing, 2008 and 2009, we've probably gotten back $2.5 million in hard credits, and then had cost deferments of another $2 million, so that's $4.5 million in the first two years."

"In about two years of processing, 2008 and 2009, we've probably gotten back $2.5 million in hard credits, and then had cost deferments of another $2 million, so that's $4.5 million in the first two years," the executive says. "Keep in mind that our focus was to keep the lights on and pay invoices, and not so much audit, so we've had only one person doing part time auditing for those two years."

And those savings are just the beginning, he adds. "This year, one person does auditing about 50 percent-75 percent of the time, and she's found over one million dollars so far by herself. If we had full time auditors, doing nothing but chasing cost savings, we could easily double or triple that number in my opinion. I think there's that much more to go after."

As its TEM solution incorporates more and more of its telecom environment, the company has also been able to more easily evaluate the performance and utilization of all its network elements, allowing the company to constantly optimize its environment by eliminating unused assets or consolidating ones that are shown in

From an operational perspective, the TEM system inventory provides visibility into the entire enterprise network, down to the level of individual equipment. For this reason, the company's TEM solution now operates under the CIO organization rather than the CFO group as before.

"Out of all the TEM providers that we have reviewed or since met, Asentinel has the largest EDI interface to all the carriers. I don't know of any other TEM provider that has as many EDI feeds as Asentinel does. That's critical because it allows you to receive invoices electronically, and once you do that you can audit them a lot better."

TEM reports to be under-utilized.

"Last year, we were able to go after another $12 million in savings related to data-center consolidations, where Asentinel and their TEM solution were critical in identifying those circuits that could be targeted for disconnection or removal," says the executive. "So we merged several different data centers and closed some sites down, and the TEM solution inventory was key in helping to identify which circuits should be disconnected so we could achieve those cost savings."

From an operational perspective, the TEM system inventory provides visibility into the entire enterprise network, down to the level of individual equipment. For this reason, the company's TEM solution now operates under the CIO organization rather than the CFO group as before. As such, the solution helps the company's network engineers to more easily make day-to-day decisions based on the TEM inventory data.

"We've been working to make sure that when we order something that it comes into the system right to begin with," the executive says. "There's also more integration with our operations aspects, both from provisioning and from a NOC perspective, that incorporate the advantages of not just having a TEM solution but having all TEM features and functions on one core relational database platform, as is the case with Asentinel."

"Our network operations centers have access so they can look up circuits, for example, because in the middle of the night a carrier will call and say, we have circuit we'd like to take down for some testing, do we have your permission? Well the person at the NOC may have no idea what that circuit is, or who it belongs to, or how critical it is. Now he has a resource to operationally look that circuit up and be able to answer the question whether it's permissible to take down or not."

In addition to such cost savings and operational benefits, Asentinel has also helped the company to drastically streamline invoice processing – the firm's original reason for implementing TEM in the first place.

"Out of all the TEM providers that we have reviewed or since met, Asentinel has the largest EDI interface to all the carriers. I don't know of any other TEM provider that has as many EDI feeds as Asentinel does," the executive says. "That's critical because it allows you to receive invoices electronically, and once you do that you can audit them a lot better. Before EDI, we could process about 20 physically a day. Once we got some into an EDI format, one person processed over 70 invoices in one morning."

The value of a TEM solution has been unquestionably proven to the organization.

"This is true in my mind and in my company's eyes. Not only would I suggest that enterprises seriously consider implementing a TEM platform…and I won't be shy in recommending Asentinel be considered as a valued partner and provider."

###

About *Voice Report* and CCMI

CCMI is the industry's leading provider of telecom rate and data solutions and information. We are dedicated to delivering relevant, highly specialized and strategically focused content. CCMI publishes *Voice Report*, the leading independent source of telecom news, analysis and award-winning guidance on communications technology services and equipment for the enterprise. For analysis and guidance on the latest telecom happenings, visit www.TheVoiceReport.com, and sign up to receive email updates. Explore white paper and webinar resources at http://whitepapers.thevoicereport.com.

About BizTechReports

BizTechReports.Com is an independent reporting agency with offices in Washington, DC and the San Francisco Bay Area that analyzes user trends in business technology. BizTechReports.Com explores the role that technology products and services play in the overall economy and/or in specific vertical industries. For more BizTechReports.Com white papers, case studies and research reports, visit www.biztechreports.com.

About the Sponsor:
Asentinel

Asentinel meets the needs of customers by providing telecom life-cycle management through comprehensive TEM solutions and services—saving its customers millions of dollars since its inception in 2002. Asentinel holds the only comprehensive United States patents (#7340422 and #7805342) in Telecom Expense Management for its groundbreaking software, Asentinel 7.0. The company continues to grow its customer base of Global 2000, Fortune 1000 and multinational entities that realize the power of TEM to reduce spend, increase efficiency, manage inventory and generate business intelligence. Asentinel is headquartered in Memphis, Tenn., and has offices throughout the US and in Amsterdam and Bucharest. For more information, please visit www.asentinel.com.