

# WIRELESS EXPENSE MANAGEMENT GUIDE

Wireless devices and services are proliferating through organizations at a breakneck pace. Management of these assets and expenses is a relatively new and increasingly critical discipline. This Guide shares recommendations from leading experts and analysts to help organizations master wireless expenses, assets and policies. To learn more about Telecom Expense Management (TEM) and to access additional Resources, please visit [www.temsource.com](http://www.temsource.com)

## Wireless Expense Management Best Practices

1. Involve senior stakeholders from the start. While the information-technology department might take the lead in implementing wireless expense management software, other divisions, such as finance, purchasing and operations--and telecommunications, of course--are affected by processes and policies and should have a say in the project.
2. Establish a measurement system. The only way to know if your program is working is by setting targets for key metrics, such as average cost per device and maximum spending per division.
3. Create an internal communications program. Sodexo's wireless management initiative included apprising employees of the new wireless purchasing, ownership and usage policies, and how to transfer the ownership and liability of their devices (if they chose) and phone numbers to the company.
4. Improve negotiation skills with wireless providers. Find a good negotiator--internally or externally.
5. Call on outside experts. Having a trusted adviser was a big help early on in the project. ... Some telecommunications consultancies help negotiate with wireless providers, set benchmarks and determine the optimal rate plans for a business.
6. Understand your growth. When wireless or other telecom expense growth goes unchecked, ...it is difficult to maintain a low-cost position with service providers.
7. Keep an eye on business needs. Limiting the number of available devices and standardizing them is a good approach.

**Elizabeth Bennett, Baseline Magazine**

[7 Tips for Planning a Wireless Expense Management Program](#)

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Enterprises need to include fixed and mobile TEM as part of their outsourcing strategies, along with cellular, data, long-distance, Wi-Fi hotspots, dial-up and any other remote access services.

**Phillip Redman, Gartner**

[IT Infrastructure & Operations Leaders Key Initiatives: Mobile and Remote Working](#)

Background: "This time last year, Title Resource employees could use any cell phone they wanted for work, even personal devices that they, not the company, owned. Corporate calling plans for managers, sales reps and other employees allowed for a few hundred minutes per month. Some employees used a personal plan, even on a company-owned device. Other employees submitted cell phone charges on monthly expense reports."

Solution:

- 1) Make a business case for reining in cell phone expenses.
- 2) Business intelligence specialists in IT worked with corporate finance to collect the data from invoices and expense reports.
- 3) Armed with specifics, Title Resource then negotiated contracts with two preferred cell providers, AT&T and Verizon, that give the company better rates.

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4) Employees were then categorized as minimal use, voice-only use and voice-and-data use. Minimal-use employees are capped at \$40 per month in usage. Voice-only people get plain cell phones, not smart phones. Those allowed voice-and-data plans can get BlackBerrys or other smart phones.

5) Title Resource enforces the limits by sending spending reports to senior managers every month, detailing whose monthly bills were highest.

**Kim S. Nash, Computerworld**

[Use BI to Cut Cell Phone Bills](#)

"If I had to pick only one way to reduce wireless spend within an organization, I would let each subscriber see their own bill. This usually cuts cost at least 10%. Typically, enterprise subscribers have no idea what their monthly usage is. However, once they start seeing their own spend, waste and abuse goes down significantly as they know they are being monitored. Subscriber visibility and accountability are critical components in controlling wireless usage."

**John Tyl, Smart Thought Technologies**

[Cut Wireless Spend by 10%](#)

"By looking outside the bounds of the IT organization to put a figure on [mobile device] costs and devising better ways to control and manage them-without making things harder for mobile workers-IT teams can help keep their companies on the cutting edge of competition. The IT manager looks like a hero."

**iPass**

[The Hidden Costs of Enterprise Mobility](#)

1. Conduct an inventory of wireless devices across the company.

2. Analyze current bill plans to determine whether employees are submitting bills directly to the IT department or are simply putting cell phone bills on their expense accounts.

3. Determine the need. This requires an employee-by-employee analysis of how much service people typically use on a monthly basis, and what type of service – voice only, voice plus data, SMS, Internet, e-mail.

4. Create policies for the use of wireless devices that are being paid for by the company. Make sure those policies are widely distributed across the company. And make sure they are enforced.

5. Create pools of coverage. For example, if several people in a department use a cell phone sparingly, get them a group plan with shared minutes.

6. Be sure to educate your service provider on your particular needs. Don't assume that your service

provider is familiar with the unique usage patterns within your company.

7. Wherever possible, consolidate your service plans, dropping Mom and Pop service providers and hooking up with Tier 1 providers, as long as they can provide the same coverage.

8. Don't consolidate too much. You don't want to go with a single carrier, both for coverage reasons and for cost reasons. Your best bet is to have two or three carriers; that way you can negotiate better deals by playing one off against the other.

9. Don't forget foreign travel. If your execs travel abroad, those bills could be significant. Negotiate a plan that includes international coverage.

10. Drive a hard bargain. Try to get your carrier to include things such as SMS, roaming charges, voice mail and call forwarding, so you won't get nickel-and-dimed to death.

**Brad Reed, Network World**

[10 Ways to Cut Wireless Telecom Costs](#)

Unique Issues to Wireless TEM (compared to Wireline TEM):

- Plans change frequently and carriers don't let you know
- One-month pricing, with substantially higher per-minute prices for overruns
- Individuals can order new features right over the cell phone
- Restrictions: deciding whether to reimburse employees for their usage, or run a corporate-liable plan
- Contract Sub-commitments: keeping up-to-date on frequently changing options and pricing plans
- Contract end dates: Users often need help upgrading and synchronizing new mobile devices
- Unused circuits and services: telecom managers have much less visibility and control over mobile handsets.

**Robert Lee Harris, No Jitter**

[Wireless TEM: Why Managing Mobile Phones Is Different](#)

"In every [federal government] agency, there are probably drawers full of discarded equipment-mostly cell phones." Team Leader of the General Services Administration's Federal Strategic Sourcing Initiative  
Paulette Gemmer

Federal government agencies have recognized a need to account for all those cell phones and avoid paying for services they no longer use.

Representatives of 14 federal agencies serve on the FSSI Wireless Team, whose purpose is to establish a

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set of contracts through which agencies can buy wireless TEM services. The 14 agencies are working together on a strategic-sourcing approach to the problem. Those agencies estimate they spend about \$122.7 million a year in wireless-service fees for nearly 218,700 wireless devices.

**Matthew Weigelt, Federal Computer Week**  
[The Next Big Thing: TEM](#)

"If you can tell your BlackBerry users just one thing, tell them not to use their device as a modem. It is not uncommon for a user to rack up over \$5,000 in monthly data charges by doing this. In most cases, this is not an intentional act. They feel that they are being productive and innovative. However, they exhaust their data plan quickly and then are subject to enormous data charges (assuming you do not have an unlimited data plan). At this point, the highest I have seen is \$20,000 for one subscriber in one month!"

**John Tyl, Smart Thought Technologies**  
[How to Save \\$5,000 On Your Wireless Invoice](#)

With wireless usage exploding, corporate telecom managers are faced with the specter of untold numbers of wireless devices chewing up voice and data services, not to mention creating major risks for corporate security ... But as with any new technology, the widespread adoption of wireless devices will require corporate IT departments to make adjustments in how they manage telecom expense and security issues.

**Brad Reed, Network World**  
[How to Cut Mobile Telecom Costs](#)

Paying for the mobile telephony needs of your enterprise is an issue near the top of the agenda for almost every corporate telecom manager. But if you thought it would be a break from the world of wireline contracts—with their crazy quilt of dollar commitments, discount layers and irrational mix of tariffs and service guides—well, think again. Wireless deals live in their own alternate universe where the line between consumer and business calling plans are blurred, where the cost of unmanaged usage can balloon out of control, and where what works for contracts in North America may not work in Europe and Asia.

Quick Wireless Savings wins:

- 1) You may well find a lot of cell phones with zero usage that can be discontinued.
- 2) You may also find users who have signed up for plans that aren't best for them and can be optimized—such as those who seldom use their phone yet are paying for loads of inclusive minutes.
- 3) Unauthorized international usage, excessive usage, and calls to information services and other inappropriate destinations.

Even without a new, more comprehensive contract, you can start enforcing some policy-based initiatives on any ballooning wireless expense.

**Ben Fox and Joe Schmidt, Business Communications Review**  
[How To Do A Wireless Deal](#)

Key questions to ask (and answer) related to a mobile device policy:

- 1) Should your company procure and manage mobile devices? If so, who gets which type?
- 2) How will you enforce security policies and protect corporate data—especially when employees are allowed to purchase their own mobile devices? What risks is the company willing to take?
- 3) What level of support will you provide for different types of mobile devices?
- 4) How will you handle requests for exceptions to mobile device policies?
- 5) How will you maintain visibility and control over what data is on different mobile devices, especially as employees leave the company?"

**Nokia**  
[A Guide for Creating a Corporate Mobility Policy](#)

"In the wake of these new [unlimited calling] plans, some analysts have speculated that carriers have started offering them to attract new business customers. With more businesses requiring more mobility from their employees, they note, adopting an unlimited calling plan might be a good way to meet their workers' needs without having to worry about overage or roaming charges."

**Brad Reed, Network World**  
[What Do Unlimited Calling Plans Really Offer Businesses?](#)

## Wireless Expense Management Adoption & Stats

Wireless Expense Management is also growing in demand. With the proliferation of cell phones, smartphones, PDAs, pagers and other devices, organizations are facing a growing management challenge and rising costs.

Aberdeen's research shows that only 16 percent of companies had a wireless expense management solution in place (in 2006), but now 60 percent of the companies surveyed by the firm worldwide either have a WEM solution or plan to implement one.

Aberdeen Group Analyst Ralph Rodriguez: "This general trend mirrors the adoption of wireless devices, since 82 percent of companies show an increase in wireless devices over the last two years. It's not something that everybody is doing, but it's something that everybody should be doing. The challenge is choosing the right [TEM or WEM] provider, based on your needs."

**Ralph Rodriguez, Aberdeen Group**  
[Cost Controls](#)

Not only have most organizations in InformationWeek's recent survey of 307 business technology managers not adopted mobile device management strategies, most of them--52%--don't even have plans to buy or implement tools that would help them corral proliferating wireless devices. IT leaders need to get ahead of this issue. Mobile device management will become a must-have capability for most IT departments over the next few years--and we think it's closer to two than five.

**Richard Martin, InformationWeek**  
[Trouble Ahead: Most Companies Don't Have A Mobile Device Management Plan](#)

Unmanaged Wireless Drives Higher Costs: Effective costs are still two times higher than contract rate.

By 2011, (there will be support for) more mobile phones vs. desk phones in the enterprise in North America

**Phillip Redman, Gartner**  
[IT Infrastructure & Operations Leaders Key Initiatives: Mobile and Remote Working](#)

Over one-half (52%) of Healthcare mobility decision-makers allocate more than 15% of IT spend towards mobile and wireless technologies.

**Healthcare Review**  
[2008 Enterprise Mobility Market BarometerHealthcare](#)

On average, according to the Enterprise Mobility Market Barometer, manufacturing mobility decision makers allocate 15.9% of their IT and telecom budget for mobile and wireless technologies - under pacing the mean industry peer average of 18.5%.

**Motorola**  
[2008 Enterprise Mobility Barometer: Manufacturing Industry](#)

We're reaching a point where cell phones are going to start replacing desk phones as the contact point for enterprise extensions. Cell phones have already also started replacing computers as the contact point for the enterprise network. Without having an adequate policy for keeping track of the expenses and inventory that touch the company network on a regular basis, your company could be subject to a host of new risks that have never surfaced before.

**Hyoun Park, Aberdeen Group**  
[Who Controls Your Telecom Policies?](#)

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## Telecom Expense Management Reference Materials

The Telecom Expense Management (TEM) Resource Guide is an online source of high-quality telecom information available. Visit the guide at: [www.temsource.com](http://www.temsource.com) :

- To learn how leading organizations are implementing TEM,
- To help you make better decisions about telecom services and spend for your organization,
- To gain access to valuable TEM best practices, and
- To save time learning about the latest trends and insights from industry experts,