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# MANAGING HIDDEN TELECOM COSTS

VITAL IN COMPLEX IP SERVICES WORLD

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Gaining visibility into telecom assets, services and use traits can be a complex and sometimes overwhelming process. The issue is so acute that the AOTMP is calling for standardization in the telecom expense management sector. AOTMP believes that greater standardization will help address the fact that heavy competition in the telecom sector makes it difficult for organizations to adequately identify the best solutions for their needs.

Telecom services are, on their own, incredibly complex. If the market behind managing them is similarly difficult to analyze effectively, businesses can be left in a challenging situation. The good news is that leading TEM providers are building their technology around demystifying technology and creating transparency within the telecom environment. This goal of visibility is critical not only for expense management, but also to maximize ROI and ensure technologies are actually delivering value.

An AOTMP study found that global spending on telecom services is \$1.5 trillion, but only a quarter of businesses are actually using technologies to manage their expenses. This is particularly problematic as many telecom costs can slip under the radar in an increasingly complex industry. Three areas where hidden costs may be lurking are within your IP-based services, in unused services and through unnecessary hardware.



## HIDDEN COSTS IN IP SERVICES

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Today's telecom world is filled with services that use the internet to handle everything from voice and data to fax and messaging services. In many cases, these solutions bring together multiple distinct services into a unified communications suite, create a sense of simplicity for businesses that want to package their solutions together into a more cohesive payment model. However, these strategies often focus heavily on the service being delivered, not the total cost of ownership associated with maintaining telephony systems over IP connections.



Bandwidth, in particular, stands out as a significant cost. The move to VoIP came with promises of reduced expenses because organizations could make long-distance and international calls over the internet, eliminating the high fees for land lines. Similarly, videoconferencing reduces the need for travel and hosting the underlying hardware behind these services in a third-party data center diminishes the capital expenses of getting everything set up.

The problem with all of this is that moving these services to the internet makes businesses more dependent on their WAN systems, which also happens to typically be the most limited enterprise connection and most expensive to upgrade. As voice use increases, companies ramp up their WAN subscriptions because of call quality issues. When video conferences buffer, they make similar upgrades. Before long, businesses are left spending heavily on bandwidth without clear visibility into exactly how much throughput capacity they need at

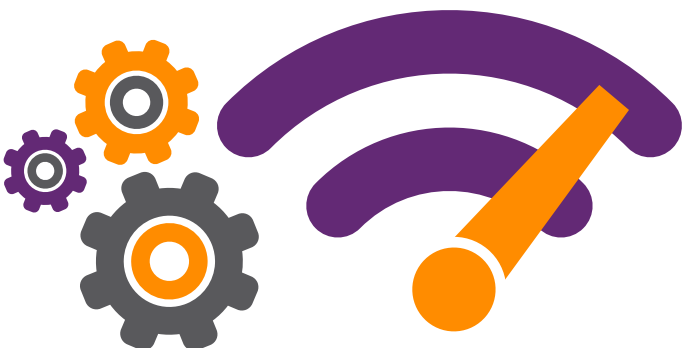
any given time.

Bandwidth isn't the only unpredictable and difficult-to-monitor cost associated with IP services. Companies must also contend with disruption when they change vendors, the possible need to pay for mobile data capacity when employees work on their personal mobile devices and similar expenses that come when moving away from traditional services. These hidden costs aren't enough to make IP services prohibitive, but they are significant enough that businesses need to get them under control to avoid excess and wasteful spending.

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## UNUSED SERVICES

This issue extends back to the bandwidth problem, but also includes a wide range of other areas of concern that arise as the lines between telephony and IT services blur. In many cases, an organization will invest in a set of communications apps or services they want users to take advantage of, only to have a small portion of employees fully leverage the technology. In other instances, a company may be so bogged down maintaining day-to-day operations that they neglect to properly remove users from software service licenses associated with the telecom plan. Sometimes, a company simply maintains a buffer of network capacity or service licenses to handle demand without taking a comprehensive approach to evaluating how much excess is







really necessary.

Regardless of the reason for a service going unused, the costs of this neglect can add up quickly. Businesses must gain visibility into their full telecommunications configuration, including understanding how users leverage the technology, so they can right-size their service environment and keep costs from escalating.

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## UNNECESSARY HARDWARE

The telecom industry has entered an era of specialization. Devices with the ability to handle voice and video calls have proliferated to such a degree that businesses rarely need to keep traditional handsets around. However, organizations do have an opportunity to invest in endpoints that offer specialized functionality for specific use cases. These include:

- Conferencing-focused endpoints built with high-quality microphones and speakers.
- Integrated handsets that provide data from backend apps to users while they are on the phone.
- Wide-lens videoconferencing systems that make it easy for participants to see the whole room.

These types of solutions can be invaluable to a business as long as they are used frequently enough to justify the cost. Purchasing an expensive teleconferencing setup isn't going to be useful if the conference room is rarely



used because workers are hopping on their mobile phones for calls. However, these personal devices create a problem of their own. As organizations work to manage their configurations and rely on personal devices to replace dedicated work hardware, there can be demand for businesses to subsidize the cost of personal devices, a process that can create plenty of management overhead.

Telephony services may be going digital, but businesses can't afford to neglect hardware along the way.

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## COMBATING HIDDEN TELECOM COSTS

TEM solutions play a critical role in helping organizations identify hidden costs, pin down why those expenses are emerging and deal with the root cause. A TEM system serves as a one-stop configuration management tool



where organizations can track all of the services and endpoints within their telecommunications system and understand exactly what they are being charged for at any given time. The technology offers considerable cost savings opportunities by helping companies simplify what is typically a complex billing situation.

**As telecom systems become more complex and essential in the modern enterprise, organizations must work to understand their spending at a deeper level. At Teligistics, we offer a full suite of TEM solutions to give companies the visibility they need to not only identify hidden telecom costs, but also address the underlying issues causing the expenses to emerge.**



