

A Common Sense Guide to Solving the Conundrum of TEM Performance Evaluation

By Joe Basili

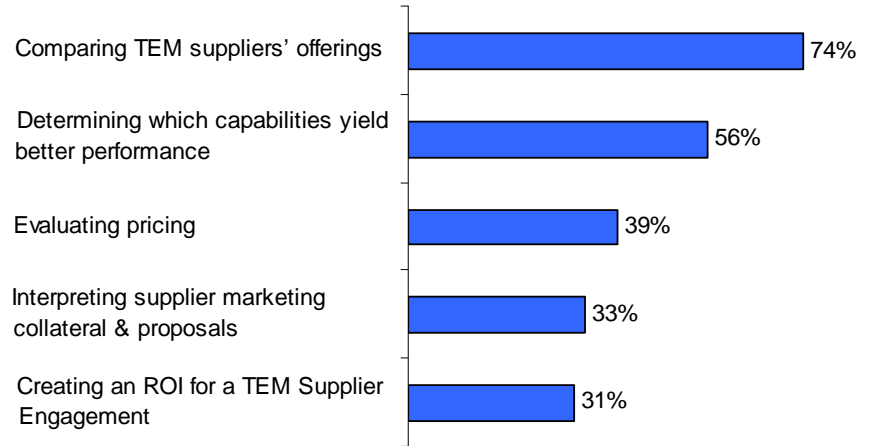
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Executive Summary

An effective Telecom Expense Management (TEM) program will drive down network costs and optimize enterprise spending over time for voice and data services. However, in many cases, TEM programs and services are needlessly shrouded in a veil of complexity. Best practices in managing telecom expenses are not well understood. In fact, 74% of enterprises report that the top challenge of evaluating TEM Suppliers is comparing the offerings, and 56% struggle with determining which capabilities produce better performance. This lack of clear measurement and processes leads to poor program results and disappointing ROIs.

Figure 1: Top Challenges of Enterprises Evaluating TEM Suppliers



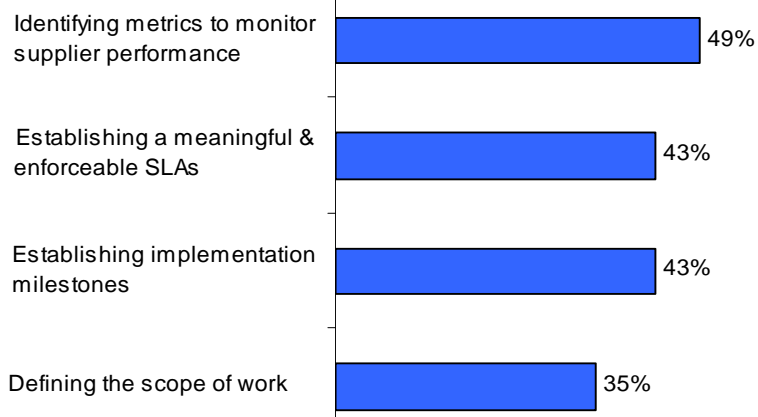
Source: AOTMP

TEM Performance metrics take the guess work out of TEM by telling you exactly what is wrong and what to do to correct the problem.

Why Are TEM Metrics Needed?

Enterprise buyers also grapple with defining the scope of work, establishing measurable Service Level Agreements (SLAs), and creating enforceable SLAs that drive meaningful business results. Measuring service delivery or program outcomes does not provide the insights to identify root cause issues and actions that can be taken to improve performance. This would be like a coach that only relied on the final score and did not watch the team during game. TEM performance metrics are necessary to address gaps in client expectations and program results. They can be used to monitor the health of the components or domains that make up a TEM program.

Figure 2: Top Challenges after Selecting a TEM Supplier



Source: AOTMP

If you are unable to establish clear, quantifiable metrics and then track results, how can you prepare a valid ROI case and evaluate its success?

ROI Considerations

TEM performance metrics continually measure the inputs that drive Return On Investment (ROI) in a repeatable, sustainable, and scalable process. On the other hand, if you are unable to establish clear, quantifiable metrics and then track results, how can you prepare a valid ROI case and evaluate its success?

TEM data can help in corporate restructuring, mergers, and acquisitions by identifying equipment consolidation opportunities and redundant services. Business intelligence from a TEM program should be used to support budgeting and planning.

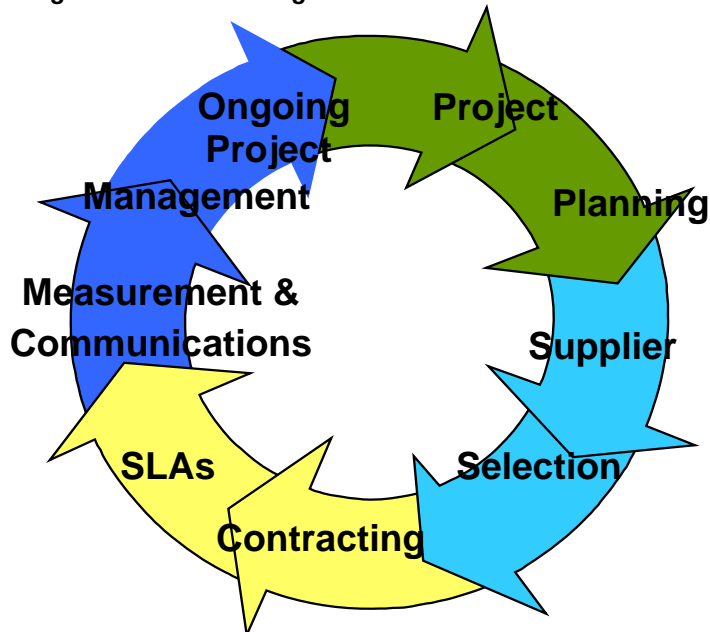
Analysis of spending and usage for business units and locations provides a more accurate profit and loss statement of individual business units. Data from TEM programs can be leveraged to evaluate the financial impact of migration of voice services to VoIP, frame relay to MPLS, and unified communications. There may also be ways to measure the impact of network communications technology on worker productivity.

Data on spending may also be leveraged to negotiate more favorable contracts. Enterprises can link compensation for the procurement staff to the savings they deliver by comparing the actual spending for telecom services before and after a new contract has been implemented. In fact, an effective TEM program will speed the implementation of new contracts and services, thereby increasing the effective yield of negotiated rates.

When Should TEM Performance Metrics Be Used?

TEM performance metrics should be used for pre-project planning, TEM supplier selection, contracting, SLAs, project management, measurement, and communication.

Figure 3: Understanding When to Use TEM Performance Measures



TEM Programs deliver cost reductions on telecom spending and operation savings by streamlining the supply chain for network services.

Effective metrics enable organizations to create SLAs that are necessary to make a TEM program operational. In the project-planning phase, organizations must develop a clear understanding of goals for the TEM program and map these goals to measures that will define the program. For example, if the business objective is to gain an ROI from reducing costs by eliminating billing errors, streamlining labor intensive invoice processing, and cutting late payment penalty fees, then threshold values must be established to measure performance in each of these areas. A common mistake is to engage with suppliers before the goals and business requirements have been established. This is like going to a crowded mall without a shopping list. You may get what you need, but usually you fail to compare different options and miss critical items because you run out of time. You may also buy things that you don't really need.

Project planning makes it possible to identify goals and develop highly structured requirements with consistent questions to compare supplier capabilities. It streamlines the process and allows for TEM vendor contracts with SLAs for performance requirements that are necessary to drive program objectives, business impact, and projected ROI. With this approach, project management, measurement, and communications can focus on the achievement of specific performance metrics instead of the usual flurry of Gant charts and other information that may distract from actual results.

Critical Factors for TEM Metrics-Based Performance Analysis

Measures should provide clear points of comparison and guidance for TEM programs like "miles per gallon" for a car. Performance measures should work equally well for programs that are managed internally, licensed software installed behind a corporate firewall, hosted software offerings, or business process outsource solutions. The metrics must be relevant and capable of being applied without bias to a particular supplier's offering, delivery, methods, process, or tools. Performance metrics must also meet four characteristics of providing measures that are:

- ❖ Objective
- ❖ Quantifiable
- ❖ Granular
- ❖ Comprehensive.

This report is a call to action for enterprises and suppliers to adopt consistent industry standards to measure performance which align with the core elements of TEM: sourcing management, ordering and provisioning management, inventory management, invoice management, usage management, and dispute management. These measurements provide a critical framework that enterprises must use for evaluating TEM solutions in request for proposals, pricing evaluations, service level agreements, performance monitoring, and measuring TEM results.

Table of Contents

Executive Summary	1
Why Are TEM Metrics Needed?	1
ROI Considerations	2
When Should TEM Performance Metrics Be Used?.....	2
Critical Factors for TEM Metrics-Based Performance Analysis	3
Chapter One.....	5
What Is TEM?	5
Aligning TEM Performance Metrics to TEM Components	5
Chapter Two.....	6
Mapping TEM Domains to Performance Metrics and Calculations	6
I. Sourcing Management	6
II. Ordering and Provisioning Management	7
III. Inventory Management.....	9
IV. Invoice Management.....	10
V. Usage Management.....	11
VI. Dispute Management	13
Chapter Three	14
Implementing TEM Performance Metrics	14
Avoiding Unpleasant Surprises	14
Research Analyst Profile	16
About Cerylion.....	17

Figures & Tables

Figure 1: Top Challenges of Enterprises Evaluating TEM Suppliers.....	1
Figure 2: Top Challenges after Selecting a TEM Supplier	1
Figure 3: Understanding When to Use TEM Performance Measures.....	2
Figure 4: Mapping the Six Service Domains to Metrics	5

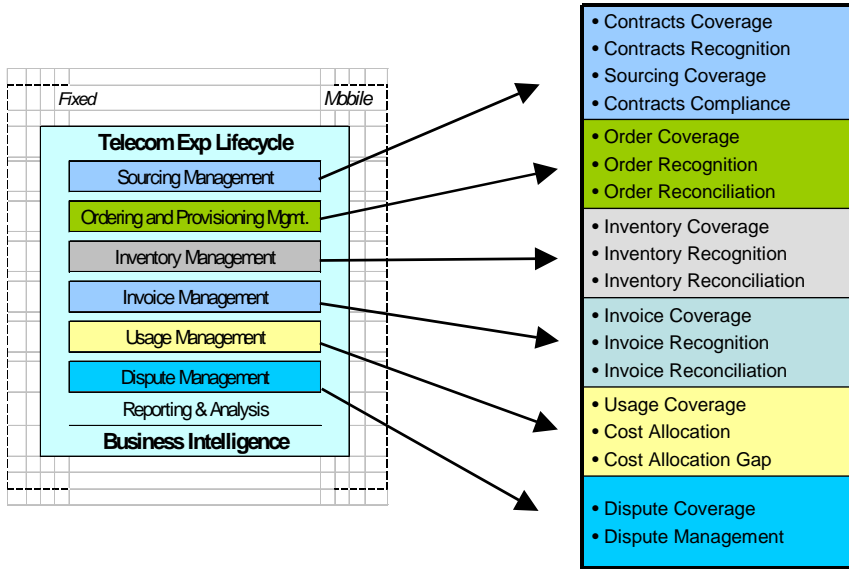
Chapter One

What Is TEM?

A TEM program should optimize enterprise spending on telecom services, control over expenses, and operational costs by streamlining the supply chain for telecom services. An effective TEM program manages the full lifecycle of a telecom expense with a focus on six major service domains of sourcing management, ordering and provisioning management, inventory management, invoice management, usage management, and dispute management. The diagram below provides the performance metrics that are associated with each domain.

After you define what TEM is, you can map each component or service domain to a unit of measure. Performance metrics are calculations that are objective, quantifiable, granular, and comprehensive.

Figure 4: Mapping the Six Service Domains to Metrics



Aligning TEM Performance Metrics to TEM Components

Each TEM service domain maps to a unit of measure, performance metrics, and calculations that are objective, quantifiable, granular, and comprehensive. The next section will provide an explanation of the performance measures and outline specific calculations for each metric.

Readers will learn the business goals that are addressed by each TEM service domain, what can be learned from the metrics, and the actions that must be taken when positive or negative results are identified with each metric. This review will show how metrics can identify things that often go wrong within TEM programs. The goal is to provide critical information that enterprises can use to keep their TEM program on track. Enterprises or TEM Suppliers may have different names for service domains or their units of measure, but the information that follows makes it possible to understand the information and translate the nomenclature.

Chapter Two

Mapping TEM Service Domains to Performance Metrics and Calculations

I. Sourcing Management

Service Domain	Performance Metric	Calculation
Sourcing Management	<ul style="list-style-type: none"> • Contracts Coverage • Contracts Recognition % • Sourcing Coverage % • Contracts Compliance % 	<ul style="list-style-type: none"> = # of Contract Elements = # of recognized Elements / # Covered = # of purchased Elements / # Covered = 100% - (Cost Discrepancy / Expected Cost of recognized Elements)

Sourcing management metrics provide an objective quantifiable measure of the completeness and granularity of sourcing coverage and contract compliance. These performance metrics access the size and scope of the contract catalogue, its usefulness in network financial analysis, and the alignment of sourcing/contracting efforts with actual ordering and procurement activities. Value from these metrics includes reduced costs from rapid contract implementation and optimization of the costs for items that are purchased.

Low scores for contract recognition suggest an inability to capture contract elements or an inability to correctly map the permutations and combinations of rates and terms.

Poor contract analysis will defeat the entire TEM program.

The primary Contract Management Performance Metrics are Sourcing Coverage and Contract Compliance.

- **Contract Coverage** is the number of contract elements (rates, terms and conditions) captured in the contract catalogue database.
- **Contract Recognition** is the percentage of billed contract elements that are correctly identified in the contract database.
- **Sourcing Coverage** is the percentage of contract rate elements actually found in bills for the period being analyzed.
- **Contract Compliance** is the percentage of billed amounts that conform to contracted rates and rate elements. It is the primary internal indicator of contract management results and it is often used in billing quality reviews and vendor contract negotiations.

Contract Recognition is the primary indicator of TEM performance and service level agreements in this domain.

How Do Things Go Wrong?

- Inability to capture the complete range of contract terms and conditions
- Inability to map the permutations and combinations of rates and terms
- Enterprise disconnect between orders placed and contracts managed
- Carrier disconnect between orders placed and contracts in effect
- Inability to align rates/terms applied across a range of accounts

Learning from Results/Corrective Actions

Low scores for contract coverage are an indication that the contract elements (rates, terms, and conditions) have not been captured or it could show that entire contracts have not been included in the contract catalog. Low scores for contract recognition suggest an inability to capture the complete range of contract elements in effect or low scores could reveal an inability to correctly map the permutations and combinations of various rates and terms. If the results show that the technology cannot map contract permutations to items on the bill, the mapping and technology must be improved. Poor contract analysis will defeat the entire TEM program.

A high percentage value for sourcing coverage indicates optimized sourcing results while a low percentage indicates a poor alignment of contracted services versus those actually being purchased and used. In effect, contracts have been negotiated for the wrong items. Enterprises will need to re-focus their sourcing efforts on services in use and items whose usage is growing.

Projected over time, rising or falling values for contract compliance indicate a corresponding trend in compliance and billing quality. A low result for contract compliance will require submissions of claims with carriers for billing errors and follow up work to investigate why the carrier is not applying the contract to lines, circuits, and services on a bill. Corrective action may require escalation meetings with the carrier account team and more senior managers.

II. Ordering and Provisioning Management

Service Domain	Performance Metric	Calculation
Ordering and Provisioning Management	<ul style="list-style-type: none"> • Order Coverage • Order Recognition % • Order Reconciliation % • Order Compliance % 	<p>= # of Order Elements = # of Recognized Elements / # Covered = # of Confirmed order elements/# Covered = 100% - (Cost Discrepancy / Expected Cost of recognize elements)</p>

Ordering and Provisioning Management performance metrics provide an objective, quantifiable measure of the granularity and comprehensiveness of the number and detail of orders captured. They are closely related to sourcing metrics. They provide key performance indicators for the level of alignment and optimization of new orders to contracted rates, and all related cost savings. The ordering and provisioning element reduces costs by eliminating sub-optimal orders that are placed with carriers.

The primary Order Management Performance Metrics are Order Reconciliation and Order Compliance.

Service order MACD activity creates a moving target that enterprises must reconcile with their billing. Automated reconciliation of inventory to orders will produce savings by identifying billing errors.

- **Order Coverage** is the number of granular order elements (inventory elements, quantities and rates) captured by the system.
- **Order Recognition** is the percentage of order elements that are analyzed and aligned with contractual and billing elements. A low score suggests the inability to complete the range of order elements in effect, or an inability to correctly capture the detail required for completion of the analysis.
- **Order Reconciliation** is the percentage of order elements that have been confirmed as valid and that also map to valid contract elements. A high percentage value indicates optimized ordering/provisioning results while a low percentage indicates a poor alignment of ordered services versus those being sourced/contracted.
- **Order Compliance** is the percentage of billed amounts for new or changed service orders that conform to contracted rates and rate elements. High percentage scores indicate optimal order placement and lower service costs. It is the primary internal indicator of order management results and is often used for vendor order processing and billing quality reviews. Projected over time, rising or falling values indicate a trend in order to contract compliance and billing quality.

Order Recognition is the primary indicator of TEM performance and service level agreements for the Ordering and Provisioning Management domain.

How Do Things Go Wrong?

- Inability to capture detailed order data and/or inventory changes
- Inadequate detail results in low completion of analysis
- Inability to align order detail w/ contracts results in unexpected costs

Learning from Results/Corrective Actions

Failure to collect the baseline volume of move, add change, and disconnect (MACD) service order activity could be a function of maverick activity from decentralized regional offices that are not placing orders using the enterprise's established technology and processes. Enterprise TEM program managers can work to establish contract provisions that require carriers to redirect service orders to the appropriate parties to approve all activity. In addition, it may be necessary to establish clear internal procedures and policy on who can place orders with carriers. Periodically it will be necessary to reinforce the message internally with employees and externally with carriers.

Low scores for recognized elements may require updates to the catalog of service items or upgrades to the software. Poor scores for order reconciliation require detailed reviews with carriers to determine if the orders are being entered properly. Alternatively, a poor score may help to identify problems with a carrier's fulfillment of orders or disconnects between their provisioning and billing systems.

III. Inventory Management

Service Domain	Performance Metric	Calculation
Inventory Management	<ul style="list-style-type: none"> • Inventory Coverage • Inventory Recognition % • Inventory Reconciliation % 	<p>= # of Inventory Elements = # of Recognized Elements/ # Covered = # of Confirmed inventory elements /# Covered</p>

Inventory Elements are the foundation of inventory management. For many carrier or network services inventory elements are represented as Universal Service Order Codes (USOCs). Inventory elements correspond to a Monthly Recurring Cost (MRC) service property, a unit of order, and/or a unit of billing.

Inventory Management performance metrics provide an objective quantifiable measure of the completeness and granularity of the service inventory and ability to track and manage inventory changes over time. Telecom inventory is difficult to track because it includes tangible assets (lines and circuits) with decentralized inventory spread over multiple locations.

The primary Inventory Management Performance Metrics are Inventory Reconciliation and Inventory Recognition.

- **Inventory Elements** are the most granular unit of tracking and analyzing inventory data. In telecom financial management, they serve as the key enabler of inventory management. The higher the number of inventory elements, the broader the scope and coverage of inventory management.
- **Inventory Recognition** is the percentage of service inventory elements that are analyzed with sufficient detail and accuracy as required for complete financial analysis. A high percentage of inventory recognition is critical for inventory reconciliation.
- **Inventory Reconciliation** is expressed as the percentage of all inventory elements that are billed and recognized by the TEM application, and confirmed as belonging to your organization. A high reconciliation percentage is ideal, and enables an automated reconciliation of inventory to new service orders and new bills. A low percentage indicates potential problems in the service inventory that may be related to inventory maturity or accuracy.

Inventory Recognition is the primary indicator of TEM performance and service level agreements for the Inventory Management domain.

How Do Things Go Wrong?

- Inability to capture inventory data and inventory updates over time
- Inadequate detail results in coarse granularity, poor analysis
- Inability to analyze and confirm apparent service inventory

Learning from Results/Corrective Actions

Low scores indicate that the system is not tracking inventory elements. Low scores for inventory recognition will result in an inability to complete the analysis, or an inability to analyze new billing due to MACD inventory changes. As a result, low inventory recognition rates drive low rates of inventory reconciliation.

An effort must be made to identify the missing inventory elements through building an inventory from customer service records, billing, calling surveys, and physical inventories. If the recognition levels for inventories are low, the system may require updates to the inventory catalog or other upgrades to the software. Low scores for inventory reconciliation show problems related to inventory coverage and recognition. There may be issues with the system recognizing carriers' billing or problems reconciling the classification of inventory items. Enterprises should not overlook inventory because it is the foundation of a TEM program. A poor system must be upgraded or replaced.

IV. Invoice Management

Service Domain	Performance Metric	Calculation
Invoice Management	<ul style="list-style-type: none"> • Invoice Coverage • Invoice Recognition % • Invoice Reconciliation % 	<p>= # of Invoice Elements</p> <p>= \$ value recognized / \$ total value</p> <p>= \$ value reconciled / \$ total value</p>

TEM programs should capture all bills, but decentralized receipt of telecom bills and a myriad of complex carrier billing make it difficult for many programs to attain 100% coverage.

Invoice Management performance metrics provide an objective quantifiable measure of the completeness and granularity of the invoices under management. Automation of invoice processing drives savings by eliminating manual labor-intensive receipt and capture of billing information. Automation can provide a structured workflow for approving expenses and tracking of missing bills to avoid late payment penalties and uncontrolled service disconnects for nonpayment of bills.

The primary Invoice Management Performance Metrics are Invoice Recognition and Invoice Reconciliation.

- **Invoice Elements** are the number of invoice elements that have been captured for analysis.
- **Invoice Coverage** is the invoice elements captured as a percentage of all services billed.
- **Invoice Recognition** is the percentage of invoice elements actually found in bills and confirmed as valid service elements. A high percentage value enables a high rate of analysis. Low invoice recognition rates signify that the analysis and effective level of invoice management is low.

- **Invoice Reconciliation** is the percentage of invoiced amounts that are confirmed and can be mapped to active contracts, a service guide, or tariff rates. A low rate of invoice reconciliation results in a high rate of billing errors that will remain undiscovered. Invoice reconciliation can also be used to measure the level of invoice processing automation and cost reduction from automation of manual invoice processing.

Invoice Reconciliation is the primary indicator of TEM performance and service level agreements for the Invoice Management domain.

How Do Things Go Wrong?

- Inability to process/parse/bundle varied carrier billing data elements from paper, EDI, CD ROM, E-mail, HTML, Magnetic Tape, FTP, and website download
- Inability to process/parse/bundle carrier billing data elements from international billing due to language barriers
- Inability to capture complete account hierarchies from each carrier
- Inability to capture adequate detail for each billed element
- Inability to align billing detail with inventory and/or contracts
- Inability to align account-level charges w/ non-line specific rates/terms
- Inability to apply rates/terms across a range of accounts

Learning from Results/Corrective Actions

Invoice recognition and reconciliation provide insights into the granularity and dollar value of invoices being managed. There may be issues with identifying who is receiving bills, problems getting carriers to redirect bills to the right contact for processing, or technical issues in creating readers to accurately process the billing. It may be necessary to prioritize the largest bills to improve coverage ratings, escalate with carriers to improve cooperation, or escalate with suppliers to develop new bill readers.

V. Usage Management

Service Domain	Performance Metric	Calculation
Usage Management	<ul style="list-style-type: none"> • Usage Coverage • Cost Allocation % • Cost Allocation Gap 	<p>= # of Service Instances = \$ Cost Allocated / \$ all Invoice Elements = # of unallocated Invoice Elements x Cost of post-payment transaction process</p>

Usage Management performance metrics provide an objective quantifiable measure of the completeness and granularity of the ability to allocate usage to the consuming cost centers. The business case for usage management centers on efficiencies gained from reducing the costs for invoice processing, general ledger (G/L) coding of expense charge-backs, cost accounting, more accurate service cost forecasting, and automated cost accounting/reporting.

Improved visibility for usage management makes it possible to drive reduced consumption of services through better awareness and accountability for the costs of services that are being consumed. Organizations also use expense charge-backs to meet Sarbanes-Oxley requirements for publicly traded firms in the US, and other compliance requirements related to expense accountability for private, government, and international organizations.

The primary Usage Management Performance Metric is the percentage of Cost Allocation.

- **Usage Coverage** is the number of service elements that have been captured in the analysis.
- **Cost Allocation** is the percentage of service amounts allocated to valid cost centers (or G/L codes) versus all services billed for the period being analyzed.
- **Cost Allocation Gap** is the cost associated with post-processing of un-allocated service elements. These excess costs are the direct result of gaps in the analysis process, which may be driven by incomplete or inadequate input data.

Cost Allocation is the primary indicator of TEM performance and service level agreements for the Usage Management domain.

Poor coverage for Usage Management will undermine efforts to drive lower consumption of services through better accountability to the consuming cost center.

How Do Things Go Wrong?

- Inability to capture detail for usage-based services
- Inability to correctly match cost and general ledger (GL) codes to invoice elements
- Use of out-of-date expense allocation codes
- Inability to follow a fixed and usage-based allocation scheme

Learning from Results/Corrective Actions

Poor scores for usage coverage, percentage of costs that have been allocated, and gaps in cost allocation expose problems in managing usage elements. A low score for service instances could mean that the software being used to read the bills cannot capture and/or interpret billing detail for usage-based services.

If the percentage for cost allocation of expenses that are allocated to invoice elements is low, either the allocations are not being performed or the GL coding for charge-backs may not have been provided when the software was implemented. It may be necessary to get the information from the finance or accounts payable department. A low value also may result from an inadequate level of service detail or an inability to correctly or completely parse/map service amounts to each cost center. A high value indicates an optimized usage management and reporting process.

A large cost allocation gap will drive increased costs to re-work cost allocation needed to ensure that telecom expenses meet internal controls for expense accounting and comply with regulatory requirements.

VI. Dispute Management

Service Domain	Performance Metric	Calculation
Dispute Management	<ul style="list-style-type: none"> Dispute Coverage Dispute Reconciliation % 	= # of Erroneous Invoice Elements = \$ reconciled Errors / \$ Total Errors

A common mistake is to focus on large refunds to determine the effectiveness of a TEM program. Refunds matter, but they are the result of a program that is able to match achieves high rates of invoice coverage, contract coverage, and dispute tracking.

When it comes to TEM programs, refunds from billing errors receive the most attention. Dispute Management performance metrics provide an objective quantifiable measure of the completeness and granularity for the number and value of erroneous billed service elements, the degree to which these errors are validated, and resolution tracking. An effective program provides automated and timely identification of billing errors, documentation to support claims, and information to manage short-pay and no-pay decisions. It also contributes to reducing costs of manual bill auditing.

The primary Dispute Management Performance Metric is Dispute Reconciliation.

- **Dispute Coverage** is the number of erroneous invoice elements.
- **Dispute Reconciliation** is the amount of erroneous service elements tracked to resolution as a percentage of total errors.
- **Dispute Elements** are the number and value of billed service elements identified as discrepancies with respect to deployed service inventories and valid contracts, service guides or tariffs.

Dispute Reconciliation is the primary indicator of TEM performance and service level agreements for the Dispute Management domain.

How Do Things Go Wrong?

- Lack of granularity needed to identify the complete set of errors
- Low element recognition or resolution rates leads to incomplete results
- Post-payment analysis limits ability to recover costs economically

Learning from Results/Corrective Actions

A high percentage rate for dispute reconciliation equates to a high level of diligence. It is easy to get distracted by securing large refunds for billing errors, but the real litmus test of the performance for a TEM program comes from knowing what portion of the bills are validated. A low percentage rate ultimately results in a high rate of un-recovered billing errors.

Chapter Three

Conclusion

TEM programs can be complex, but monitoring program performance and determining how to improve the program is not complex when performance metrics are used. TEM performance metrics provide reliable and consistent standards to measure performance. They work equally well for programs that are managed internally, licensed software installed behind a corporate firewall, hosted software offerings, or business process outsource solutions. Performance metrics can be applied evenly to suppliers' offerings, delivery, methods, process, or tools.

Implementing TEM Performance Metrics

Enterprises must start with TEM's six core service domains of: sourcing management, ordering and provisioning management, inventory management, invoice management, usage management, and dispute management. Large organizations often have different functional groups that manage each of these areas. A common mistake is to establish relative scoring when buying a solution based on particular functional groups' areas of interest or past experience. The problem with relative scoring is that each of the TEM domains is interrelated. Poor performance in one area will adversely affect results in other areas.

Avoiding Unpleasant Surprises

TEM performance metrics should be used for pre-planning, supplier selection, contracting, SLAs, project management, performance management and communications. Effective metrics enable organizations to create the framework to make a TEM program operational.

For organizations that already have a program in place, TEM performance metrics can be introduced to establish a baseline as part of project management. Most programs focus on the cost savings with the view that a program that generates more savings than it costs meets the bottom line for a positive ROI. A positive ROI is the end result that comes from an effective program. It measures outcomes, but organizations need leading indicators tied to the drivers of effective TEM programs in order to maximize ROI results.

Reports that solely track cost savings do not provide any insights into how each domain is working. This might not seem to matter if the savings are large, but how does one quantify the effectiveness of the overall program? Are there opportunities to improve performance? After a few months pass, if there are no new billing errors that have been identified, there are few indicators that can help to improve the results. Managers have to assume that there are no billing errors or that greater effort and more knowledgeable people need to dig deeper to find savings.

Without performance metrics it is likely that organizations will fall into an approach of “trial by error” guessing or conflicting solutions to improve performance. Managers can also be distracted by “quick fixes” or large one-time savings opportunities. These detours fail to address the real destination of consistent performance through improving program execution. TEM Suppliers that are unable to document results using performance metrics are likely to be displaced by suppliers that carefully measure performance and the entire TEM program ROI.

Using these performance metrics, managers can make adjustments to the sourcing management domain through improved contract coverage, recognition and sourcing coverage. Improvements can be found in ordering and provisioning for order reconciliation. Inventory recognition and reconciliation, invoice coverage, invoice recognition, invoice reconciliation, usage coverage, dispute reconciliation and dispute elements all provide opportunities for managers to upgrade performance that will produce more savings.

Opportunities to gain a deeper understanding of performance in each domain provide program managers with meaningful opportunities to collaborate with the internal team or supplier that is operating the program. The metrics not only tell where problems lie, but they also tell how to improve performance for the domain. Service level agreements can be used to set threshold values for performance with common goals that are shared with the project team. Project management and communications can focus on granular information about performance in managing the full lifecycle of telecom expenses.

With this approach, project management, measurement, and communications can focus on understanding key relationships. Managers can understand the cause-and-effect relationships of enterprise activities and carrier processes that impact TEM domains and the ultimate ROI. If performance falls below the SLA threshold, the TEM supplier can be proactively alerted about problems with its performance. In addition, there are opportunities to correct enterprise activities and carrier processes that are adversely impacting performance. People can quickly focus their time and energy where it will positively impact the program.

This report has not focused on penalties. Instead, the plan calls for a collaborative approach with realistic goals. Enterprises and TEM Suppliers must know exactly what performance they are agreeing to deliver. All of the data elements are mapped and clear in the pre-planning phase and communicated through the supplier selection and contracting phases. Thresholds should be set to establish when the program is ready to move from pre-deployment testing to operational status. Ongoing project management should provide automated reporting that alerts the enterprise and supplier on any issues that impact the SLA. Adoption of TEM performance metrics by enterprises and suppliers will help the entire industry align customer expectations, performance, and client satisfaction with communications that provide for continual performance improvements.

Research Analyst Profile

Joe Basili is President and Research Director of [Network Trends Now](#). He is a recognized thought leader has conducted research, developed benchmarks, and written extensively on topics that include Telecom Expense Management, wireless mobility management, unified communications and network performance management. He is a keynote speaker at conferences and contributor to publications for IT, finance and procurement professionals.

Experience

Drawing on a career that includes work in marketing, sales, operations, and management, Joe offers market insights, trend analysis, and customer research. His recent work includes business case analysis, research, professional service consulting, analysis of Business Process Outsourcing, hosted and licensed software for TEM, invoice management, billing and e-media, SAS 70 Type II processes, Sarbanes-Oxley compliance, and payment automation. Through research reports, public speaking, and advisory meetings he helps organizations optimize their telecommunications network costs, operations, and procurement.

The [Network Trends Now](#) motto from Dr W. Edwards Deming states: *"In God we trust, all others bring data."* Our customer insight model relies on customer interviews and surveys that collect thousands of data points to gain insights into enterprise needs, best practices, benchmarks, and market conditions. The research is compelling because industry knowledge is matched with statistical analysis and a real passion for answering questions.

Education

Joe holds a B.A. with a double major in Economics and Political Science from Vanderbilt University. He is a runner, swimmer, technology enthusiast, and music fanatic with over 9,300 songs on his iPod. Joe lives, with his wife and two children, in the village of South Orange, New Jersey. He continues his education with an active interest in technology's application to business problems.

About Cerylion

Cerylion's mission is to deliver business solutions that unlock the essential value locked within enterprise IT assets, providing new value and opportunity above and beyond the data locked within disparate legacy infrastructures.

[CommADVISOR](#)[™] is Cerylion's full life-cycle solution for network financial management. The performance metrics discussed in this white paper are fully implemented in CommADVISOR. CommADVISOR users are able to gain access and real-time updates to each of these metrics as part of the standard SaaS-based service delivery.

[Cerylion](#) and its partners use CommADVISOR's performance metrics to determine readiness for initial enterprise deployments and on-going program management. Cerylion also uses these metrics as the basis for its client service level agreements (SLAs), which are unique in the industry as they tie CommADVISOR performance results to real-life business impacts.