

Technology Expense Management RFP for Business Process Outsourcing



Enterprise Technology
Management Association

Executive Summary

This paper addresses how to develop and manage a Request for Proposal (RFP) for a Business Process Outsource (BPO) for Technology Expense Management. The Enterprise Technology Management Association, (ETMA) is publishing this information to help educate the market and reduce the time for organizations to buy a TEM solution.

Effective RFPs enable businesses and government agencies to evaluate competing proposals in an efficient and fair manner. ETMA's goal is to streamline the RFP process by ensuring that RFPs contain information that enable evaluation teams to select the best supplier for their needs, while avoiding common mistakes that come from using RFP templates and standard language that fails to address customization required for TEM programs.

Caution before Proceeding

RFPs are not always the best approach to buying a TEM solution. Organizations should avoid overloading themselves with RFPs that contain too much material to evaluate. Also, the RFP process can create barriers between customers and potential solution providers. Barriers can block the flow of information preventing solution providers from truly understanding customer challenges and developing tailored solutions to meet these challenges. Barriers to conversations during the RFP process, to ensure it is fair, can also prevent evaluation teams from making good decisions. Focusing too much on getting the lowest price can cost more over time since the fees for a TEM solution are a small fraction of the savings that an effective TEM program will produce.

ETMA has authored this paper. ETMA's mission is to raise awareness and knowledge of the benefits of TEM solutions, to improve the quality and value of TEM solutions through the development and promotion of open industry standards, and to cultivate shared industry knowledge among TEM providers, business partners, telecom service providers, and enterprise clients. ETMA is a nonprofit association, which receives its funding primarily from Technology Management Solution Providers.

How to Use This Guide

Please do not skip the first sections of this document. Learning about TEM, assessing your business needs, and goals are critical steps. Starting with these steps will avoid missteps and delays. It will also help streamline evaluation of RFPs and selection of a TEM Solution Provider.

This document also contains information to help justify TEM programs and establish a baseline to project benefits of a program. The RFP section will require tailoring of questions and omitting some items to meet the needs and circumstances of your company. ETMA welcomes the opportunity to receive [feedback](#) as you work through the RFP process and select the best TEM Solution Provider for your needs.

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Chapter One: Learn About TEM, MMS and IT/Telecom Management

Whether managers are evaluating a single Solution Provider or issuing a formal RFP, they should approach the selection process in the following stages:

1. Learn about TEM, MMS and IT/Telecom Management.
2. Assess business needs and goals.
3. Create a Statement of Work and clearly define the scope of work and what will be purchased.
4. Develop a cost justification for TEM and/or MMS and or/ IT/Telecom Management.
5. Evaluate solutions and service level agreements.
6. Make a decision.

I. Learn About TEM

Engagements vary considerably from one client to the next, and solution providers are not all the same. One challenge for organizations that are evaluating TEM is the lack of standards for TEM solutions. Early in the process, it is critical for managers to determine what they are buying. This will enable them to communicate their needs and make effective comparisons of capabilities. It will also streamline the buying process.

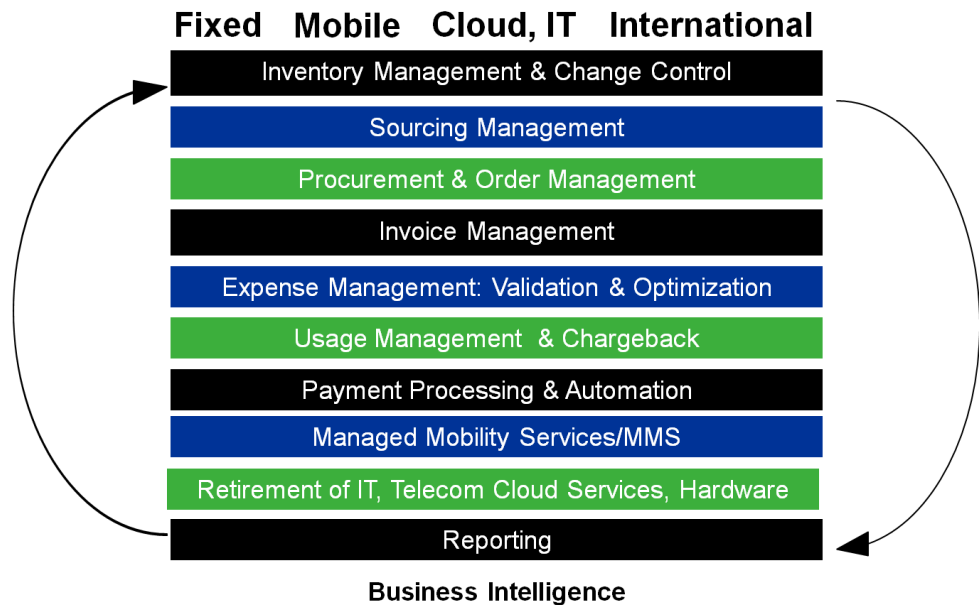
An effective TEM program manages the full lifecycle of a telecom expense. Increasingly it also includes IT expenses and management of IT and telecom functions. It focuses on 11 major domains:

TEM Domains

1. Inventory Management and Change Control
2. Sourcing Management
3. Procurement and Order Management
4. Invoice management
5. Expense Management: Validation and Optimization
6. Usage Management and Chargeback
7. Payment Processing
8. Managed Mobility Services
9. Retirement of IT, Telecom Cloud Services, Hardware
10. Reporting
11. Business Intelligence

Figure 1: TEM Domains

These domains have a direct link to TEM value, ROI, and should be linked to SLAs.



TEM Domains

- **Inventory Management and Change Control**

TEM inventory consists of inventory elements. This includes any item that appears on a bill or customer service record (CSR) for a line, circuit, mobile line, or service provided by a telecom service provider. It is different from a comprehensive inventory, which includes items that do not appear on bills. (For more information, [download ETMA's Inventory Standard for Fixed, Wireline, Mobile and IT.](#))

Some TEM Solutions Providers will go a step further adding telecom assets that do not appear on carrier bills. This could include mobile accessories, mobile software licenses, routers, customer premise equipment (CPE) network hardware and IT equipment. Equipment, especially the maintenance on CPE for a managed services network, will have invoices from Cisco, Avaya, and other managed network service providers. This expanded inventory offers opportunities for asset management, sourcing, validation, optimization, cost allocation, budgeting and reporting. There may also be opportunities to manage maintenance charges or find value in redeploying inventory when employees leave a firm or sites are closed. Since carriers do not usually sell these assets, they are usually not on Customer Service Records (CSRs). In addition, most international service providers do not use CSRs. Finally, CSRs do not capture information regarding wireless devices and mobile services. For enterprises that seek complete management of all telecom and network assets, it is important to understand how the information will be captured, who will be responsible for verifying its accuracy, entering data into the database and managing ongoing cost management functions.

Wireless inventories require additional information for optimization and other Wireless Expense Management (WEM) functions. Inventory for mobile devices should include:

- Employee name or identification number.
- Employee Status (active or no longer working for firm).
- Job role/function, department, general ledger code and cost center.
- Employee location, region and country.
- Mobile phone number.
- Mobile Service Provider.
- Plan activation and contract expiration date.
- Device make and model number.
- International Mobile Equipment Identity (IMEI number).
- Eligibility date for new hardware that is subsidized or free.
- Services: voice, texting, data, international use.
- How the bill is paid (direct by company, reimbursement, stipend).
- Subscriber Identification Module (SIM Number).

- **Sourcing Management**

Sourcing includes negotiation of contract rates, terms, special pricing and conditions. A TEM solution should provide monitoring of contract performance, and proactive notice of contract expirations at preset intervals.

- **Procurement and Order Management**

Procurement and order management enables enterprises to enter orders, manage workflow for approval of orders, and placement of orders with providers through a portal or service. Fulfillment of orders includes tracking order milestones and escalation if promised delivery dates are missed. Many TEM solutions offer these portals and services as a part of their solution to automate the workflow.

- **Invoice Management**

Carrier billing is highly complex with a wide range of services, special features, taxes and other line items. A lack of standards, and inconsistencies in how standards for electronic bills are implemented by carriers, makes it difficult to process bills without custom software. Invoice Management automates the manual labor-intensive process of receiving paper invoices. It includes conversion of paper bills to electronic media with software to centralize processing and management of bills to avoid data entry errors, reduce time and costs to manually processing paper bills.

- **Expense Management: Validation and Optimization**

Expense management includes validation of expenses and optimization of charges. Bill validation should include reconciliation to contracts, tariffs, and inventory. MACD activity must be reconciled with billing. This step includes identification of billing errors and overcharges, documentation and filing of claims with Service Providers. Optimization of enterprises' communications infrastructure and network expenses provide savings through cost avoidance.

Optimization savings come from reconciliation of usage and services with cost reduction for unused or underutilized lines and services; identification of services that do not have a contract, more competitive contracts; finding inactive lines and circuits; analysis of equipment leases; and grooming of services to higher capacity lower cost services.

- **Consumption Management and Chargeback**

TEM programs promote accountability and visibility of usage through expense chargeback. The level of detail for chargeback should include consumption detail tracking at various organizational levels including per user / per license level.

- **Payment Processing and Automation**

Although the customer may actually make payments to the service provider, some Solution Providers refer to batching and submission of bills to the customer as “payment”. In other cases, the supplier pays the bills for its clients. In this case, the TEM Solution Provider establishes an account for the customer to transfer funds and pay Telecom Service Providers on behalf of the customer.

Regardless of which approach is selected, TEM Solutions Providers can offer automated feeds with the client’s accounting system. The program should also track the invoice payment date, the amount that was paid, the name of the Service Provider, the address or account that received the funds and when the funds cleared.

- **Managed Mobility Services/MMS**

MMS Systems and Services focus on sourcing and logistics management, mobile service management, device and system management. The key to managing this process is the combination of administration and consistent, actionable reporting, as explained below.

- **Retirement of IT, Telecom Cloud Services, Hardware**

Organizations need a structured approach to send disconnect notices to service providers for IT, cloud and telecom services. Requests need to be tracked to insure the provider acknowledges receipt and the charges are removed from future bills. In some cases a contract will not allow for disconnecting the services, but savings may be possible through reassigning it to another employee or suspending the service until it can be reassigned to a new employee.

Before a mobile device or IT hardware permanently leaves an organization (i.e. when an obsolete mobile device is being recycled, resold to a third party or when a leased server’s lease expires) or it is reassigned to another user, the organization should remove any sensitive data from the hardware. This is often surprisingly difficult because of all the places where such data resides and the increasing reliance on flash memory instead of magnetic disks. Rather than attempting to manage this process internally, organizations will bring in specialists to provide clear tracking of hardware and maximization of its resale value.

- **Reporting**

Reporting provides detailed information on telecom and IT consumption, expenses, services, exceptions and budgets. Information should be available in a usable format that is accessible to managers. Effective reporting will help provide dashboard information in a graphical format with trending for expenses. This allows managers to take action based on the data. Export and scheduling of report distribution is a common feature in most TEM solutions.

Fixed, Mobile and International - What is the Scope?

Enterprises need to determine if the TEM project will include domestic wireline, wireless, and/or international expenses. With Wireless Expense Management, enterprises balance expense management with expectations of employees for mobile services and help desk support that will help make them more productive. Multi-national enterprises may seek to manage international telecom expenses.

The three areas of fixed, mobile and international telecom expenses have unique challenges. Telecom Service Providers use different billing systems for each of these services because regulations and revenue models vary for each. Enterprises may also have different teams that manage these three areas.

What is Wireless Expense Management?

Wireless Expense Management (WEM) focuses on mobile expenses. TEM programs can include wireless expenses, but there are areas of specialization for mobile programs. First, WEM programs' inventory management and change control rely on employee portals for procurement and fulfillment of devices and service plans to manage on-boarding and off-boarding of employees. A standard TEM program may offer a portal that is only used by a select group of enterprise TEM managers, but WEM solutions strive to meet the needs of a broader range of employees. In addition, WEM programs help automate the process of determining who is eligible for corporate paid plans and replacement devices.

Expense management for wireless services saves organizations money thru ongoing optimization of voice minutes and data plans, optimization of enterprise carrier voice and data bundles including APN's, the continual monitoring of new rate plans and selection of the best plans based on usage. WEM Providers may also source the best contracts and manage a competitive bidding process with carriers. Reporting and other tools provide exception reporting on services and data use that are not business related or those that may be fraudulent. Invoice processing for mobile devices can even identify zero use devices which should be disconnected or suspended. Similar to TEM programs, WEM invoice processing also includes steps to allocate costs and report usage to bring accountability for service consumption. WEM Solutions Providers present a batch file of invoices that are ready for payment; upon approval by the enterprise the solutions provider can pay on behalf of the enterprise, or the enterprise can pay the bill and provide a feed to the provider for payment tracking. In the absence of an MDM solution, the TEM platform should also allow for policy creation, threshold based alerts and where possible, carrier integration enabling SIM softlocking and unlocking.

What is MDM, MAM, EMM and MMS?

TEM and WEM focus on expense management. Mobile Device Management (MDM), Mobile Application Management (MAM), Managed Mobility Services (MMS) and Enterprise Mobility Management (EMM) suites strive to manage the full-lifecycle of deploying and supporting mobile devices, security.

1. **Mobile Device Management (MDM)** software secures, monitors, manages and supports mobile devices deployed across mobile operators, service providers and enterprises. MDM functionality includes:
 - Over-the-air distribution of applications, updates, Diagnostics
 - Remote Configuration and Provisioning
 - Security
 - Backup/Restore
 - Network Usage and Support
 - Server Deployment
 - Mobile Asset Inventory Tracking and Management
 - Remote Lock and Wipe

- Device Provisioning
 - Software Installation
 - Troubleshooting and Diagnostic Tools
 - Management of Mobile Application Policy (white listing black listing and blocking apps)
 - Logging and Reporting
 - Remote Administration
 - GPS Tracking and 'Breadcrumb' Mapping
2. **MAM software and services** provision and control access to mobile apps on both company-provided and “bring your own” smartphones and tablet computers.
3. **Enterprise Mobility Management (EMM)** suites consist of policy and configuration management tools and a management overlay for applications and content intended for mobile devices based on smartphone OS. They are an evolution from previous-generation mobile device management (MDM) products that lacked application and content management. IT organizations and service providers use EMM suites to deliver IT support to mobile end users and maintain security policies.
- EMM suites provide the following core functions:
- Hardware inventory
 - Application inventory
 - OS configuration management
 - Mobile app deployment, updating and removal
 - Mobile app configuration and policy management
 - Remote view and control for troubleshooting
 - Execution of remote actions, such as remote wipe
 - Mobile content management
4. **MMS Systems and Services** focus on
- Sourcing and logistics management to purchase, provision and activate carrier services, devices and applications for corporate liable and BYOD plans
 - Mobile service management, including Inventory network contracts and endpoints
 - Proactively manage usage for roaming
 - Device and system management
 - Make device-specific information visible to stakeholders
 - Measure device performance and health
 - Manage and optimize connection options (cellular, hot spot and Wi-Fi)
 - Help desk for service

MMS programs may offer some audit and optimization capabilities for mobile spending, but they rarely offer the comprehensive capabilities of WEM programs. They also don't help with fixed or wireline expenses. Many of the EMM capabilities do not have a direct tie into cost savings the way that TEM and WEM focus on these areas.

Enterprises see value and are able to build a business case for MDM, MAM, EMM and MMS offerings based on security compliance, indirect savings on IT capabilities and labor efficiencies. Organizations may use some or all of these features, depending on

how employees use communications, and the requirements to manage security and level of its fixed and mobile spending.

While TEM, WEM and MMS offerings have some areas that overlap, unless an enterprise is using three different providers, clients do not pay for any overlapping capabilities. A supplier will simply use different modules so there is no duplication of effort to meet the clients' needs.

Chapter Two: Assess Business Needs and Goals

Before selecting a solution provider or issuing an RFP, organizations should use the “*TEM Needs Analysis*” questionnaire, to gather information and data that it will use to establish a baseline for its current program. TEM Solution Providers can assist during this analysis phase by offering guidance on how to collect the information or even gathering this information for larger projects.

II. TEM Needs Analysis

A. How does the company manage its telecom services inventory?

- 1) Is there an accurate, up-to-date inventory of telecom services?
- 2) Is the inventory in spreadsheets? Is it in a corporate database or a database managed by a third party?
- 3) When there are Moves Adds, Changes and Disconnect (MACD) procurement orders, is there a manual or automated process to update the inventory?
- 4) What level of detail does the inventory have? (Does the inventory refer to everything as a circuit or does it contain more specific information like the type of service/circuit and actual service/circuit use such as private lines, MPLS, etc.?)
- 5) Is there a common process to manage inventory or do offices, regions, or corporate divisions have different approaches to managing inventory?
- 6) Does each group use common software to manage inventory?
- 7) Each month, is software used or do personnel manually reconcile bills with inventory?

B. How does your company manage sourcing?

- 1) Does a dedicated team manage all sourcing activity?
- 2) Does your company secure competitive bids for all services including long distance, fixed data, local, wireless, and international?
- 3) Does the process include formal RFPs?
- 4) When negotiating new telecom contracts, what benchmarks are used to compare rates?
- 5) Does your firm negotiate the terms and conditions in telecom contracts?
- 6) Is there software or personnel that track expiration dates and updates to telecom contracts from carrier’s addendums and other online updates?
- 7) Does the system automatically notify managers before contracts expire?
- 8) Is there software or do personnel monitor Minimum Annual Revenue Commitments (MARC) for each contract?
- 9) Is your sourcing strategy based on fact based reporting that accurately represents your current Information and Communication Technology (ICT) landscape?

C. How does your company manage procurement of new services?

- 1) What is the current volume of MACD items each month?
- 2) What reporting and tracking does the company have for monitoring MACD activity for reconciliation with invoices, contracts and SLA’s?

- 3) What changes in MACD volume will occur over the next 12 months? (Are there any plans for site moves, acquisition of other companies, divestures, transitioning of network services from carriers or new services i.e. MPLs, VoIP, etc.)?
- 4) Is there a common process to manage MACD activity or do offices, regions, or corporate divisions have different methods to manage and track this activity?
- 5) Does the enterprise have a portal to manage MACD activity?
- 6) How is reconciliation of MACD activity with billing performed each month? (Is there automation with software or is it a manual process?)
- 7) Are there plans to change how MACD activity is managed?

D. How are telecom and other technology related invoices managed?

- 1) Do offices, regions, or corporate divisions have different approaches to processing bills?
- 2) On average, how many days does it take to process and pay an invoice?
- 3) What are the costs and procedures for archiving telecom invoices?
- 4) What procedures identify lost and missing telecom bills?
- 5) What service providers, products, expenditures, number of billing account numbers (BANs) are processed each month? Please use the chart below to gather this information listing and each country separately.

Country								
Service Provider	Product Type	Monthly Spend (\$)	# of BAN's	# of Summary BAN's	Format of Bills			
					EDI	Paper	Web	CD

E. How are expenses managed? (Validation and Optimization)

- 1) Are all bills validated each month and claims submitted for billing errors?
- 2) Is there an internal team that performs this work or an outside firm?
 - a. If yes to either of the above, for the internal team, please provide average time investment per month and for an outside firm, please provide the average monthly cost.
- 3) What claims were submitted over the past two years and what were the actual refunds for the billing claims?
- 4) Please use the table below to identify optimization savings over the past two years for each category.

Savings Category	Savings
Disconnecting unused or underutilized lines and services and ensuring they are removed from billing	
Wireless service optimization through analysis of employee consumption to ensure that employees have the best plans based on their monthly usage. (Employees may be forfeiting unused minutes or not consuming enough data to justify the additional expense of extra minutes or an unlimited data plan. Alternatively, employee’s accounts may incur overage charges. Switching employees to a more appropriate plan based on their usage will reduce future expenses.)	
Identification of services that do not have contracts and securing a lower cost contract for the services	
Grooming of services to higher capacity lower cost services (The price of a T3 line is more competitive than six or eight T1 lines,. A T3 line is equivalent to 28 T1 lines. Grooming or replacing a number of T1 lines with a T3 reduces costs.)	

F. How do you manage usage allocation chargeback?

- 1) Are telecom expenses allocated based on actual usage using call accounting and monitoring of call activity through the PBX or call detail from EDI bills or is there a different approach to expense allocations?
- 2) What is the current level of detail for expense allocation:
 - Invoice, circuit, Universal Service Ordering Code (USOC), other?
 - Individual, department, region, business unit?
- 3) Who has access to reports on telecom spending, and what items are in the reports?
- 4) Does the current system capitalize installation charges?
- 5) Are taxes and surcharges broken out separate from monthly service fees?
- 6) What is the average number of allocations per Billing Account Number?
- 7) How often do expense allocation schemes for departments, regions, and business units change and how do you maintain the charge back structures / hierarchy?

G. How is bill payment for technology invoices performed?

- 1) How many people handle an invoice from receipt to payment?
- 2) Is there a way to monitor each step: who has the invoice, and whether it has been approved for payment, paid, and receipt of payments?
- 3) Over the past twelve months, was the cost for late payments penalties?
- 4) Over the past twelve months, what was the cost to business for services that were disconnected as a result of late / no payment?
- 5) Are journal entries manually entered or is there an automatic interface to the Accounts Payable system?
- 6) What accounting system does your company use?
- 7) Does your accounting system offer API integration?
- 8) Do you require any form of fiduciary approval (manager sign-off based on expense levels) of invoices before payment is made?

H. Will the scope of work include international locations?

- 1) Are there any international locations for telecom services? If not, skip to section I.
- 2) Where are international telecommunications expenses managed?
- 3) Do the processes for tracking and reporting of telecom expenses comply with local regulations for each respective territory or region including data storage, data privacy and protection, safe harbor and electronic billing?
- 4) For reporting, payment and accounting, what common currency and language(s) are used?
- 5) Where will purchases of a TEM and WEM solution originate? Will it be by geographic region or will there be one central approach?

I. Will the scope of work include wireless services?

- 1) Does the company provide company-paid wireless devices? If not, skip to section J.
- 2) How many company-paid wireless devices are there?
- 3) Is there a formal policy for use of corporate wireless devices?
- 4) Is there a consistent approval process to determine eligibility for corporate paid wireless services?
- 5) Is there a consistent process to deactivate devices and wipe data from devices?
- 6) Does the company have a capability to replace devices within a pre-established time to ensure end-user productivity?
- 7) Is there help desk support for wireless applications, and security?
- 8) Does the system track voice minutes and data to monthly plan allowances?
- 9) Is there exception reporting for spending that does not comply with corporate policy?
- 10) Does the company have a trusted data source for all the meta data that needs to be associated to MSISDN's, IE: username, cost centre, department etc...

J. Will call accounting be part of the program?

- 1) Is there a system to track and identify long calls, business versus private, calls to blocked numbers and suspicious call activity?
- 2) Does the system track: usage by employee, most expensive calls, most lengthy calls, most dialed numbers, and call detail (call time, numbers)?
- 3) Does the system track trunk utilization?
- 4) Does the system track Quality of Services (QoS)?
- 5) Does the call accounting program comply with local regulations including data protection and privacy?

K. Have historical audits been performed?

- 1) Have there been any previous telecom expense validation and optimization work? If yes, when was it complete?
- 2) What cost savings and refunds did these projects produce?

Collecting the information for the *TEM Needs Analysis* questionnaire is hard work. Organizations often want to move directly to an RFP template. This would be a mistake. A baseline understanding of the current activities and processes to manage telecom expenses is critical. As the information is collected, managers need to ask themselves:

- **What is the biggest challenge with the current process?**
- **What activities are missing from the current approach to telecom expenses management?**
- **What value and savings [both direct and indirect] would these activities provide?**

How many individuals are involved with managing the entire life cycle of a telecom expense and the following functions?

Activity	Number of employees, or portion of employee's time doing this activity
• Sourcing	
• Updating and managing inventory	
• Receiving bills	
• Pursuing missing bills	
• Validating bills for accuracy against contracts and other special pricing	
• Validating bills for accuracy of taxes	
• Reconciling bills with MACD inventory activity	
• Submitting and pursuing claims with providers	
• Managing usage expense charge-backs	
• Paying bills	
• Generating reports and analyzing spending trends	

Chapter Three: Statement of Work and Cost Justification

Creating a Statement of Work

The questions in “*Needs Analysis*” identify areas for improvement and goals for the TEM program. This will help define what you need, ensure the solution fits your specific needs. A Statement of Work captures and defines TEM activities, deliverables and the implementation timeline. It is part of the request for proposal and may also be used for a Service Level Agreement (SLA). The TEM *Needs Analysis* should be included in the Statement of Work. It should explain why the organization is seeking to procure a TEM solution and describe the work in detail. (More follows below in the TEM RFP.)

Executive Sponsorship

An organization must obtain internal consensus and alignment on the areas for improvement before creating a Statement of Work. Developing an internal consensus should include getting executive sponsorship for the TEM program. On average, enterprises spend between two and four percent of corporate revenue on telecom services for the voice and data network. Telecom expenses are one of their top five line-item expenses in the budget.

Telecom expenses have attractive opportunities for cost control and optimization, yet many organizations indicate that C-level executives do not play a role with TEM programs. CFOs and CIOs do not need to be involved in every detail of implementation and management of the program. Lack of technical knowledge may explain Chief Financial Officers’ reluctance to get involved with TEM, and Chief Information Officers often delegate TEM to other members of their team. But the most successful engagements have C-level involvement. Below are roles for CFOs and CIOs to impact the program.

CFOs Role

- Serve as a catalyst and establish an agenda for cost cutting.
- Set corporate standards and drive accountability for expenses.
- Establish rules for recognition and reporting of savings.
- Ensure employees supply information to implement the program.

CIOs Role

- Drive adoption of TEM applications across different departments.
- Ensure system integration of TEM with enterprise resource planning and financial enterprise applications.
- Eliminate duplication of effort that often results from employees continuing to enter data in legacy systems.
- Drive standardization to one application to manage and report telecom expenses.

TEM WEM MMS Business Case/Cost Justification/ROI

An effective business case and justification will help to ensure the program has ongoing support and secure funding. The justification falls into four main categories:

- Telecom/IT Savings
- Labor / Process Efficiencies
- Indirect Savings
- Security Compliance

*** Categories interact: savings in one category may reduce savings in other categories.**

The table below provides conversation-starters and baseline numbers on this topic:

Savings Category	Potential Savings*
Spend less on telecom/IT services	
A. Recovery of refunds for billing errors	
1) Audit and recovery of billing overcharges	2% - 15% of expenses
2) MACD reconciliation and recovery of billing overcharges	
B. Cost avoidance reduction of future spending	
1) Strategic Sourcing: better contracts and rates	5%-25%
2) Inventory management	5%- 30% of expenses
a) Wireline optimization higher capacity lower cost services	
b) Elimination of unused services	
3) Optimization	
a) Wireless service optimization of voice and data match consumption to plans (dynamic updates as plans change)	
b) Identification of services with no contracts, receiving better rates through quote requests and negotiation	
c) MARC (minimum annual revenue commitment) penalty avoidance	Depends on MARCs
4) Accountability chargeback visibility, reporting on usage	1%-3% of expenses
5) Elimination of late payment penalties and service disruption for late payments, nonpayment, or lost bills	.5-2% of expenses subject to penalties
Labor efficiencies automating manual processes or outsourcing	
A. Automate procurement processes	FTE reallocation or FTE cost - BPO cost
B. Automate inventory management	FTE reallocation
C. Consolidation of invoices to reduce the volume of payments	FTE reallocation
D. Automate invoice management and validation	FTE reallocation
E. Automate usage chargeback and reporting	FTE reallocation
F.Reducing help desk support	FTE reallocation or FTE cost - BPO cost
Indirect savings	
A. Consistent application of procurement policies	1%-5% of expenses
B. Unify processes and improving collaboration	1%-3% of expenses
C. Better information for improved decisions	benefit from better decisions
D. Free working capital - reconciliation with Accounts Payable	cost of funds X savings
E. Redirect staff to focus on income producing projects and areas where they add more value	income or value from new activities
Security	
A. Security enhancements and risk mitigation	Likelihood of breach X cost of lawsuit or penalties
B. Application of mobile policy and accounting rules globally	
C. Compliance to mobile policy and each country's regulations	

Cost savings listed above vary. In addition, telecom network expenses need to be adjusted annually for higher costs related to demand for new services from carriers, increases in corporate personnel, or inflation after factoring programs' savings. Do not create a zero based budget that relies completely on savings to fund the program.

The likelihood that a TEM or WEM program will produce savings to justify its expenses depends on the “*project*” sponsor activity, complexity of the telecom contracts, the amount of Move Add Change, and Disconnect (MACD) activity, quality of historical records and telecom services required for business activities. Controls the enterprise has prior to implementing the program will also impact historic audits and future savings. Having a defined benchmark prior to commencement is important for future performance tracking.

Savings in the first year from a historic audit and optimizations may be larger than future years because billing errors and inefficiencies have accumulated over time. After the program has been implemented, proactive measures will be in place to catch billing errors. The justification” or success shouldn’t be measured solely from the number of billing submissions or claims made on behalf of the client, credits or refunds that have been received from carriers. If the program is run properly, billing errors and refunds decline as proactive measures are implemented.

For cost avoidance, enterprises need to align savings calculations with corporate policies and a practical approach on how to recognize these benefits. The CFO or finance department may have precise rules for recognition and reporting of the savings. There are several different approaches for calculating savings:

- Savings for the budget year; Savings for the calendar year
- Savings for the term of the contract; Savings for a rolling 12-month term

The budget year or calendar year approach may create incentives to maximize the savings calculations by timing receipt or recognition of savings to the start of the budget. Using a calendar year approach to calculating savings would mean that a cost savings counts for just one month in December. In January the same cost savings issue could count for 12 months. A rolling 12 month term for calculating savings avoids the issue of incentives that lead to “finding” savings in January each year.

Ultimately, the cost justification should focus on areas that add value for the organization. Cost avoidance savings are an important part of justifying a program and evaluating its ongoing performance. Labor efficiencies, indirect savings and security considerations are also important considerations for the business case.

It is also important to consider the cost of not acting or delayed action. With telecommunications and IT expenses, there are costs for not acting because carrier contracts often limit the period of time in which customers can file claims for refunds. The statute of limitations for refunds is typically 6 months for long distance services and two years for local billing. Increasingly, telecom Service Provider Contracts are setting more stringent limits on the time to file a claim for a billing error.

Chapter Four: The RFP for TEM BPO/Managed Services

After learning about TEM, assessing business needs, creating a *Statement of Work*, and developing a cost justification for the TEM program, the next step is refining a Statement of Work (SOW) by meeting with TEM solution providers.

There are two critical objectives for these meetings. First, managers need to ensure that the SOW reflects enough information to receive RFP responses that address the entire scope of work. A second critical objective is to narrow the number of solution providers that will receive the RFP. Competition is healthy, but too much competition is not good. Attempting to evaluate too many RFP responses leaves less time to review each response and evaluate each supplier's capabilities.

The goal in selecting solution providers that will receive the RFP should be to include prospective firms that can meet your specific requirements and those that will provide a solid return for the program. It is also important to include only TEM Solution Providers that will be able to support your organization over the long term.

Issuing the RFP and evaluating responses is the next step. The following questions will help you pick the best TEM Solution Provider based on your goals.

Table 1: Buyers Checklist TEM/WEM

Buying? Yes/No	Service	Comments
	Inventory Management and Change Control	
	Sourcing	
	Procurement and Fulfillment	
	Invoice Management	
	Expense Management (Audit & Optimization)	
	Usage Chargeback	
	Bill Payment	
	Wireless Expense Management	
	Global TEM Program (Multi-national Locations)	
	Implementation	
	Historical Audit	

Request for Proposal: Telecom Expense Management

RFP Purpose

The purpose of this RFP is for [COMPANY NAME] to obtain bids from qualified Solution Providers to provide a Telecom Expense Management (TEM) and Wireless Expense Management (WEM) Solution. The services shall include inventory management, sourcing, procurement and fulfillment, invoice management, expense management (audit and optimization), usage charge-back reporting and bill payment.

The costs for developing and delivering responses to this RFP and any subsequent presentations of the proposal as requested by company are entirely the responsibility of the Bidder. [COMPANY NAME] is not liable for any expense incurred by the Bidder in the preparation and presentation of their proposal or any other costs incurred by the Bidder prior to execution of a contract.

This RFP does not obligate [COMPANY NAME] to enter into a business arrangement with bidders unless and until such time as a contract for the product/services in this RFP are executed between both parties and a written order for such products/services is issued to you by [COMPANY NAME].

Statement of Work

- S.1. Fixed wireline Scope of Services \$xx million annual spend;
- S.2. xx wireline telecom service providers, xxxx monthly invoices (xx% paper)
- S.3. Below is a breakdown of telecom service providers and expenses for the project.

Country								
Service Provider	Product Type	Monthly Spend (\$)	# of BAN's	# of Summary BAN's	Format of Bills			
					EDI	Paper	Web	CD

- S.4. The TEM Solution Provider that is awarded the project will be responsible to transition invoices to electronic format during implementation
- S.5. Locations: North American - 50 states and Canada supported (Phase II global locations in Africa, Europe, Latin America and Asia); 600+ locations •
- S.6. [COMPANY NAME] requirements are defined within this Statement of Work, RFP and associated documents
- S.7. All contracts, lists of stakeholders, providers, and accounts with invoices for the prior 3 months are readily accessible to begin project

- S.8. Paper invoice copies (paper copy, Adobe, or faxed invoice) are considered least desirable bill media and TEM Solution Provider will transition to electronic media where possible
- S.9. Inventory must be established and validated as part of the implementation. (The TEM inventory shall consist of inventory elements, which include all items that appear on a bill or Customer Service Record (CSR) for a line, circuit, mobile line, or service provided by a telecom service provider.) Wireless inventory shall include additional items as listed below.
- S.10. Cost allocation for fixed services shall include a hierarchy of accounts, circuit, location level and business unit
- S.11. Cost allocation for wireless services shall include chargeback at the individual employee level. (Pooled plans shall include usage chargeback with expenses proportional for the monthly consumption within the pool of employees with updates for consumption changes each month.
- S.12. Invoice and Order approval hierarchy requires up to two (2) approval levels. Client will provide an approver list, and it is fairly stable.
- S.13. One single AP system will be used to interface with TEM software
- S.14. One single HR system will be used to interface with TEM software
- S.15. Security requirements are addressed in the security section of the RFP
- S.16. The contract term is for a minimum period of thirty-six months with an additional four month migration and implementation period. Migration will begin [mm/dd/year]. After this period, both parties may mutually agree to renewals of the contract.

RFP Instructions

Bidders must organize their proposal into sections that follow the format of this RFP (A-F) with a cover sheet. Include a response to each individual question in sections A-F. If no explanation or clarification is required in the Bidder's response to a specific section, the Bidder shall indicate so in a point-by-point response.

Bidders failing to comply with these instructions may be subject to point deductions. [COMPANY NAME] may also deem the proposal non-responsive, and/or may disqualify from further consideration proposals that do not follow this RFP format, are difficult to understand, or are missing information.

All responses provided to [COMPANY NAME] for this RFP regarding service capabilities and software that support these services assumes that: 1) The provider has such capability developed in active production with their general / current client base, and 2) It will be provided to [COMPANY NAME] as part of the services included in the overall fee proposed.

Any exceptions to these regarding capability (e.g. currently in Beta testing) or pricing (e.g. this feature will cost an additional fee) must be SPECIFICALLY identified in the response. Failure to disclose this information may be grounds for elimination and/or termination of contract (if awarded the contract).

All bidders must respond factually to this RFP and its requirements. Please have an officer, with authority and knowledge of your firm’s capabilities to meet the requirements in this RFP, acknowledge this in your cover sheet accompanying your response.

Bidders with questions requiring clarification or interpretation of this RFP must address these questions in writing via e-mail to the RFP manager below on or before [mm/dd/year] as listed in the RFP timeline. Each question must reference the section, page and item in question. Receipt of questions after the deadline, will be considered, but due to time constraints, they may not receive a response.

Bidders must submit one original hardcopy proposal to the contact at the address below. Bidders must also submit one electronic copy of the proposal, preferably in PDF format, via e-mail or USB data stick. Electronic copies of the proposals must be received by procurement manager prior to X:00 p.m., local time, [mm/dd/year] with a hard copy by 4 PM the next day. Fax responses and late submissions will not be accepted.

Bidders may submit multiple proposals. These proposals shall be evaluated as separate documents.

RFP Timeline

Activity	Responsibility	Deadline*
Intent to Respond	Bidders	[mm/dd/year] and Time/Zone
Bidder Questions	Bidders	[mm/dd/year] and Time/Zone
Responses to all questions	[COMPANY NAME]	[mm/dd/year] and Time/Zone
RFP response due	Bidders	[mm/dd/year] and Time/Zone
Follow-up questions to Bidders	[COMPANY NAME]	[mm/dd/year] (if necessary)
Follow-up responses	Bidders	[mm/dd/year] and Time/Zone
Bidder presentations	Bidders	[mm/dd/year]
Bidder visits	[COMPANY NAME] & Finalist(s)	[mm/dd/year]
RFP evaluation	[COMPANY NAME]	[mm/dd/year]
Finalist(s) notified	[COMPANY NAME]	[mm/dd/year]
Contracting	[COMPANY NAME] & Finalist(s)	[mm/dd/year]
Implementation begins	Award Recipient(s)	[mm/dd/year]
Two hour face to face or phone discussion [^]	Bidders not selected and [COMPANY NAME]	[mm/dd/year]

*[COMPANY NAME] reserves the right to modify the RFP timeline.

[^] Ground rules for bidders not awarded the business:

- There will be no disclosure of confidential information.
- This is not a negotiation. It is an opportunity to learn for the future.

ISSUING DEPARTMENT INFORMATION	
RFP Manager: Name	Issue Date: [mm/dd/year]
Address	Phone: E-Mail: Website:
INSTRUCTIONS TO BIDDERS	
Return Proposal to: RFP Manager [COMPANY NAME] Address	Mark All E-mails and correspondence: RFP Number: RFP Response Due Date:
RFP Number:	RFP Title: Telecom Expense Management

BIDDERS MUST COMPLETE THE FOLLOWING	
Bidder Name/Address:	Authorized Bidder Signature: (Please print name and sign in ink)
Bidder Phone Number:	
Bidder E-mail Address:	
BIDDERS MUST RETURN THIS COVER SHEET WITH RFP RESPONSE	

Selection Criteria

- S.1. This RFP shall include a competitive evaluation with the following criteria:
- Industry Expertise, Relevant Experience and Financial Stability (25%)
 - Service Offerings and Solution Capabilities (25%)
 - Implementation and Ongoing Service (15%)
 - Data Visibility and Reporting Capabilities (15%)
 - Technology (10%)
 - Price and Contract Terms (10%)
- S.2. Bid proposals and actions related to the RFP will determine selection and award. Responses may not reference information located elsewhere, such as Internet websites or libraries, unless specifically requested.
- S.3. Information or materials presented by Bidders outside the formal response or subsequent discussion/negotiation, unless requested, will not be part of the evaluation. It may result in disqualification of the Bidder.

Bidder Company Background

- A.1. For each of the specific solutions in this RFP, how long have you provided them?
- A.2. What experience do you have implementing the solutions that you propose in this RFP with organizations of our size?
- A.3. If you win our business, what percentage of your annual TEM revenue would our contract represent?
- A.4. Provide the names and contact information of three existing customer references for this RFP.
- A.5. Describe your company's financial status, financial performance over the past three years, and growth plans over the next three years.
- A.6. What certifications (SAS 70, ISO 27001 certification, Safe Harbor, etc.) do you currently have for your TEM/WEM/MDM program?
- A.7. Describe your firm's employee training, certifications, special qualifications and retention programs for the staff that will manage the program in this RFP.
- A.8. What Service Level Agreements (SLAs) do you offer for the proposed solution? If you fail to meet these SLAs, what remedies do you propose?
- A.9. Are you currently a member of ETMA?

A. Service Offerings and Solution Capabilities

Briefly describe how you support each of the following components for the program. If your firm offers licensed software, Software as a Service (SaaS) or business process outsourcing, delivery mechanisms, please answer this RFP specifically for a business process outsource solution.

B.1. Inventory Management and Change Control

The TEM inventory shall consist of inventory elements, which include all items that appear on a bill or Customer Service Record (CSR) for a line, circuit, mobile line, or service provided by a telecom service provider. (Wireless inventory require more information as listed in section.)

B.1.1. Please describe the process to create and verify inventory.

B.1.2. When do you validate the inventory?

B.1.3. What level of detail will the system provide for the inventory? (Does the system refer to everything as a circuit or does it specify detail with private lines, frame relay, ATM, MPLS?)

B.1.4. Does the product combine everything into one consolidated database with voice, data, and wireless products, communications inventory (lines, trunks, circuits, toll free 800 and advanced features, frame relay, access services, wireless and associated hardware). Does it link inventory items to reflect network functions and infrastructure?

B.1.5. Can customers access the inventory and sort it with filtering by type (T1, T45, OC#, wireless, locations, etc)?

B.1.6. Does the proposed solution have the capability of linking one inventory item to multiple supplier billing accounts?

B.1.7. Describe in detail the capabilities and identify which functions require manual entry and functions that automatically update the inventory.

B.2. Procurement and Fulfillment

B.2.1. How does the system create, track, and manage orders through the procurement lifecycle from quote, MACD, milestone tracking, fulfillment to inventory update?

B.2.2. List all service provider / service type order templates available today that support automated provisioning/procurement.

B.2.3. When placing orders through the procurement solution, does it automatically reference special pricing, contracts or quotes?

B.2.4. In addition to an automated procurement portal, does your company manage, through professional services, order submissions and escalations if installation service dates and other commitments that are not met (for fixed and wireless services)?

B.3. Invoice Management

- B.3.1.** How does your team manage conversion of paper to electronic invoices? Is there an additional charge for this service?
- B.3.2.** How do you receive electronic invoice data from providers (mail of physical media, FTP, direct connection such as a T1, EDI)?
- B.3.3.** Describe the workflow from invoice receipt through payment. What is the average time between receipt of an invoice, when it is ready for customer approval and payment?
- B.3.4.** What is your procedure for processing paper invoices when electronic billing media is not available?
- B.3.5.** Describe your process of verifying receipt of invoices and your process for managing missing invoices.
- B.3.6.** What level of detail for telecom invoices will be entered into the system? Is it summary level for the amount due, line item billing detail, or call detail level of information? Will the level of detail vary for different billing media that you process?
- B.3.7.** What quality control procedures do you have to ensure accurate data entry and mapping?
- B.3.8.** Does the solution include on-going maintenance of your software to process invoices from carriers as carrier invoice formats change? How does your pricing address this?
- B.3.9.** How long is invoice information readily accessible and available for online viewing in the solution?

B.4. Expense Management (audit and optimization)

- B.4.1.** What items do you validate on invoices, and how do you identify billing errors?
- B.4.2.** How does the program reconcile customer service records and billing?
- B.4.3.** How does the program validate charges by comparing invoice with MACD activity (e.g., circuit disconnected or not active, but billed)?
- B.4.4.** How does the program verify the physical existence of services, reconcile physical inventories with billing and resolve issues with carriers?

- B.4.5.** How does the program validate invoice charges with contracts and other special pricing? Is this process automated?
- B.4.6.** How does the program validate surcharges and taxes on telecom bills?
- B.4.7.** What third party reference systems assist in invoice validation processes? Is there an additional charge for third party validation reference tools?
- B.4.8.** How are charges for cramming and slamming identified?
- B.4.9.** How do you verify credits, prorated charges and waivers?
- B.4.10.** What triggers audit activities (New service installations, service disconnections, new contracts, other items?)

Dispute Resolution

- B.4.11.** How does the program ensure timely and accurate resolution of billing errors?
- B.4.12.** What mechanisms provide information to customers regarding the status of pending and received refunds/credits? How do you monitor dispute “aging?”
- B.4.13.** How does the system associate dispute log items with circuit/service, invoice, and/or account?
- B.4.14.** How does the system communicate disputed items with service providers? (Please include sample reports or screenshots and escalation techniques to resolve issues.)
- B.4.15.** How does your system track and validate credits against dispute log items?

Optimization

- B.4.16.** If your program does provide this service, how does it address the identification of unused or underutilized services, recommendations for changes and savings verification?
- B.4.17.** If your program does provide this service, how does it identify services that do not have contracts and instances where the lowest available pricing is not utilized?
- B.4.18.** Do your optimization efforts include grooming of services to higher capacity lower cost services? (For example if the price of a T3 line is more competitive than six or eight T1 lines,. A T3 line is equivalent to 28 T1 lines. As part of this program, will you groom or replace T1 lines with a T3 to reduce costs.)
- B.4.19.** How do you charge clients for these optimization services?

B.5. Usage Chargeback and Reporting

- B.5.1.** What level of detail do you use for cost charge-back?
- Summary, invoice, circuit, and or USOC level
 - Individual, department, location, and or region level
- B.5.2.** How will the level of detail used for cost chargeback vary based on billing media (EDI, FTP, paper)?
- B.5.3.** Can chargeback rules include fixed percentages from some expenses and allocations based on consumption or a combination of these two approaches?
- B.5.4.** What type of system integration and/or process automation is available to propagate change from our Enterprise Resource Planning, Human Resource, Help Desk, and Accounts Payable systems?
- B.5.5.** List your standard and dashboard reports, and describe custom report capabilities.
- B.5.6.** Describe the capability of the application to support individual users or designated role requirements, custom search, and filtering capabilities.
- B.5.7.** Can reports be automatically scheduled and distributed to specific recipients (push technology), or do they have to be run manually?
- B.5.8.** Describe how you support accruals for:
- Missing Invoices - Invoices expected, but not received;

- Accruals for usage? (Do zero charge invoices, such as periodic usage, impact accrual calculations?)

B.5.9. Please provide a sample accrual report that your clients use.

B.6. Bill Payment

B.6.1. Are you able to send an electronic feed with payment and general ledger information to our accounting system? If so, which accounting systems do you currently support? Is development of this feed included in the pricing?

B.6.2. How does your solution address deductions of disputed amounts, short payments for invoices, accruing for an unpaid portion of an invoice and accruing for the full invoice amount?

B.6.3. How does your system track payment history detail at the supplier account and invoice level? What processes allow you to process electronic feeds from client's accounting systems with check/advice number, amount paid and date?

B.6.4. How does your program address late payment penalties, for missing bills or failure to process bills on time?

B.6.5. In your outsource environment, how are solution providers collection calls resolved and who is responsible for these issues?

B.7. Wireless Expense Management

Inventory Management

Wireless inventories will include:

- Employee name or identification number
- Employee Status (active or no longer working for firm)
- Job role/function, department, general ledger code and cost center
- Employee location, region and country
- Mobile phone number
- Mobile Service Provider
- Plan activation and contract expiration date
- Device make and model number
- International Mobile Equipment Identity (IMEI number)
- Eligibility date for new hardware is subsidized or free
- Services: voice, texting, data, international
- How the bill is paid (direct by company, reimbursement, stipend)
- Subscriber Identity Module (SIM number)

B.7.1 Describe the process to create the wireless inventory and verify it.

B.7.2 When is the inventory validated?

Wireless Service Procurement and Fulfillment for

B.7.3 Describe how your procurement portal supports mobile resources:

- Cellular and data devices (aircards, smartphones, tablets, etc.)
- Rate plans for voice and data services
- Accessories and other mobile items

B.7.4 Are accessories and other mobile resources available through one catalog/portal? Do any of these items require a different procurement portal?

B.7.5 Describe how your procurement system addresses a catalog and filters devices, rate plans, and services based on job function, job title, job description, title, region, and preferred providers?

B.7.6 Who maintains the catalog content including description, photos, and rates and how frequently is it updated?

B.7.7 Does your procurement system's catalog reflect negotiated pricing, discounts, contract terms, new device eligibility criteria such as number of months the service has been active?

B.7.8 Does your procurement system manage approvals or rejections for procurement requests through a workflow?

Optimization

B.7.9 How does your program identify wireless service optimization savings opportunities to ensure that employees have the most cost effective voice and data plans based on their consumption patterns?

B.7.10 How often are wireless plans optimized?

B.7.11 How do you charge for these optimization services?

B.8. Global TEM program (Multinational Locations)

- B.8.1.** What is your current volume of telecom expenses that you process from telecom carriers in the following regions
- United States
 - Canada
 - Europe
 - Asia-Pacific (including Australasia)
 - Latin America Mexico, South/Central America and Caribbean
 - Middle East, Africa, and other regions
- B.8.2.** What languages and currencies does your TEM program manage?
- B.8.3.** How do you manage invoices in adherence with local laws? How do you acquire invoices in countries whose laws preclude carriers from mailing invoices outside country borders?
- B.8.4.** Are you able to convert local billing into a single currency (e.g. Euros, Dollars, etc.)? Explain your processes and use of exchange rates.
- B.8.5.** What languages are currently available for reports?
- B.8.6.** How is auditing dispute management and optimization provided for global invoices?
- B.8.7.** What is your process for establishing capabilities in a country where you are not currently processing bills?
- B.8.8.** How does the pricing differ for managing global TEM services?

B.9. Professional Services: Sourcing

The scope of work shall include gathering contract information for all telecom voice and data services (long distance, fixed data, local, wireless, and international).

- All contracts that have renewal dates or can be renegotiated shall be identified
- The Solutions Provider shall gather client demand sets (traffic patterns, private lines, etc.) and provide an unbiased review balancing service quality with savings and costs of changing (provisioning costs, MARCs, penalties) telecom service providers
- The Solutions Provider shall make recommendations comparing existing providers and competitive offerings
- Where client approves, the Solutions Provider shall
 - Issue an RFP to telecom service providers
 - Evaluate responses
 - Make recommendations to client on changes
 - Negotiate new contracts
 - Mitigate risk (on behalf of client) in the terms, cancellation penalties, etc.,
 - Document cost savings and risk mitigation benefits

B.9.1. Does your firm offer this service?

B.9.2. Please outline the expertise of your professional sourcing telecom team including voice and data T1's, DSx, OCx, MPLS and DWDM, wireless services, and telecom contracts outside the US.

B.9.3. What resources do you use for telecom rates and how current are these benchmarks?

B.9.4. How do you compare telecom providers' quotes service levels, and determine the best offer?

B.9.5. Does the system automatically report on Minimum Annual Revenue Commitments (MARC) for each contract and contract expiration dates?

B.9.6. How do you manage contract updates from carrier's addendums and other online changes?

B.10. Professional Services: Historic Audit

B.10.1. Describe your process for obtaining refunds for billing errors. Include an explanation of your audit methodology, the statues of limitations that may affect refunds and your resolution process with Telecom Service Providers.

B.10.2. How does the pricing differ from ongoing audits?

C. Technology and Security

- C.1.** How often are product upgrades and patches made to your current platform? Are they optional or mandatory? Is there a fee associated with the upgrades or their installation?
- C.2.** Describe the hosting environment for outsource services. What hardware do clients need?
- C.3.** For the typical client, which enterprise systems does your application interface with, and how is security managed for these interfaces?
- C.4.** Describe your business continuity and disaster recovery plans.
- C.5.** Describe how you back-up and archive clients' data.
- C.6.** Provide an overview of your processes and methods for keeping client data secure at an application, network and operations level.
- C.7.** Describe how your platform user interface embodies a user friendly experience.

D. Implementation and Ongoing Service

- D.1.** Provide a detailed implementation plan for the program outlined in your proposal. List who is responsible for each step, include dependencies, and the expected time to complete each item.
- D.2.** Describe your acceptance testing and our involvement in it.
- D.3.** Provide an organizational chart with the team members that would be involved in our program and their relevant experience in performing projects similar to the scope of work in this project.
- D.4.** Describe your support, helpdesk and escalation process.
- D.5.** Do you offer supplemental project management support to transition from processing bills in multiple locations to your central process?
- D.6.** Describe your approach to user platform training.

F. Price and Contract Terms

- F.1.** What is your implementation price for the services listed below?
- F.2.** Please provide a price for each of the services outlined in your proposal.

F.3. List all of your pricing assumptions that could affect the costs in your proposal.

Chapter Five: Conclusion

RFPs are not always the best approach to buying a TEM solution. The RFP process can create obstacles to effective communications between customers and potential solution providers. This can block the flow of information needed to make informed selections. Many enterprises may find it is more effective to meet with a group of suppliers, establish common direction and use this process to get competitive quotes rather than using a formal RFP.

Organizations that commit to an RFP, should start by understanding their own business processes for managing telecom expenses. It is important to know limitations, strengths and weaknesses with the current process. Staff may have concerns about their own jobs, so keep them informed. Open communication should carry through every stage of the RFP with internal parties and Solutions Providers competing for the business.

An approach that focuses too much on getting the lowest price can cost more since the fees for a TEM solution are a small fraction of the savings that an effective TEM program will produce from:

- Spending less on telecom services
- Labor efficiencies
- Indirect savings

Better results will come if you can stay with an effective supplier for several years. Work to achieve this goal by establishing metrics and using Service Level Agreements as part of planning for TEM, supplier selection and contracting. Avoid vague SLAs that do not directly contribute to business value or ROI. SLAs should meet the criteria listed below.

- **Openness** Each measure, its definition, and calculation must be completely open and visible through reporting to all interested parties.
- **Quantitative vs. qualitative** The standards should provide clear quantifiable measures that are objective, granular, and comprehensive.
- **Universally applicable** The standards must be able to be applied and provide valid outputs or results and immune to variances in methods, process or tools applied. **Standards must apply regardless of whether the TEM program is managed internally, licensed software installed behind a corporate firewall, hosted software, or a business process outsource solution.**
- **High inter-rater reliability** No matter who applies the metrics, the results will be the same given the same input data. There will be minimal variance between measures, given the same data.
- **Enforceability** avoids penalties that exceed the cost of the program or rely on termination of the contract.

About ETMA

ETMA, the Enterprise Technology Management Association, is an independent non-profit association that was established by Solutions Providers for Solutions Providers. Through its executive board, Solutions Providers set the association's agenda and priorities.

All actions are designed to serve our member companies, not to profit from them.

Mission/Purpose

- Elevate the industry by helping members develop standards, best practices and engage in the Technology Expense Management Industry.
- Help members grow through a network of ecosystem partners, sales channel expansion, and alliance partnerships.
- Grow the size of the Enterprise Technology Management market.
- Foster ongoing performance improvement through open industry standards and best practices.
- Promote fair, ethical business practices to ensure a positive industry image, and take action on ethics complaints.
- Influence and educate enterprises of the value proposition and to reduce the time it takes to close deals and avoid “no decision” situations.

Core Values

- Share and Network
- Engagement and Participation / Idea Exchange / Peer Learning
- Neutral and Ethical
- Openness and Adaptability

Why Do Firms Join ETMA?

C-Level networking, business development and collaboration to...

1. Help members grow through a network of ecosystem partners, sales channel expansion, and alliance partnerships to extend their capabilities through partnerships or sell capabilities to business partners.
2. Gain knowledge and innovative ways to increase their firms' profits.
3. Increase market intelligence, learn new trends.
4. Acquire a competitor, sell their firm or raise capital to expand.
5. Raise their industry profile through ethics and industry standards.
6. Support ETMA's mission of advocating for the industry.
7. Show internally and externally attainment of an important milestone and maturation of their company through membership in the industry association.
8. Raise their stature in the industry through ETMA membership.
9. Partner with ETMA and its PR / social media activities to help grow brand awareness and SEO.

Learn more about ETMA online at <https://etma.org>

ETMA has reports on Inventory Standards and other items online at: www.ETMA.org/resources/download-reports.

We also welcome your feedback on this document, at info@ETMA.org