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## Managing Wireless Expenses on a Global Scale

By Joanie Wexler

It's no secret that enterprise wireless plans and billing models vary widely and change frequently. That makes it extra tough to stay on top of the best rate plans and ensure that invoices are legit.

Throw an international twist into the mobile equation, and your hair could easily catch fire.

Whether as part of your existing TEM platform or separately, then, it might be time to start looking at a global wireless expense management (WEM) strategy if you operate in multiple countries around the world.

The state of the nascent discipline of global WEM is reflected in a February 2008 report from Aberdeen Research based on a survey of 250 enterprises. The researcher concluded that just less than a third (28%) had production WEM systems in place, compared to 80% with traditional TEM systems.

Another 14%, however, were testing WEM systems or had concrete plans to implement them within the year. Still another 19% said they planned to use WEM sometime in the future.

Aberdeen concluded that there are particularly substantial savings to be had in the emerging data services area. The company calculated that the differential in spend between best-in-class companies using WEM for wireless voice services compared with all other companies was less than 1% (\$55/user/month compared with \$59/user/month). However, the savings was far more dramatic for wireless data: \$32/user/month versus \$55/user/month, or a savings of 42% when using a global WEM system or service.

### Getting a Grip

To garner such wireless savings, this growing crowd of global companies is getting a grip on continually fluctuating wireless service prices, dissimilar-looking invoices from different countries and the growing use of usage-based wireless data services. All these variables coexist in a world where unpredictable roaming charges also run rampant.

The usual recommendation for taking on big honking tasks applies to mastering such a formidable global WEM challenge: Break your program down into smaller, do-able pieces. To begin, note that there are two primary categories of international mobile services to worry about:

- 1) If you are a multinational company, you must procure mobile services for the users who need them within their country of origin.
- 2) If some percentage of that mobile population roams to other countries, you need a way for them to use local wireless services in each country without breaking the bank. That requires profiling the users and sorting them into groups based on service requirements and then figuring out a strategy for each group.

These two areas of responsibility have added a specialty to the traditional telecom expense management discipline for global WEM. If you have local telecom people in each of your operating countries, you can attempt to take this on internally. In addition, traditional TEM companies with global roots – such as MDSL, Rivermine and Tangoe – have begun making international WEM software and managed services available.

Very few domestic WEM providers also have a global presence and are thus limited in the global WEM services they can provide. However, some, such as Cellution and Avalon Technology, are said to be seeking partnerships with the TEM/WEM companies that do operate internationally to better serve global WEM needs.

Either way, experts recommend having someone dedicated to wireless procurement and invoice tracking in each of the countries where you operate, whether that individual is internal to your organization or a WEM partner. The ability to speak the language, understand the cultural nuances of the bidding process, build intimate carrier relationships and understand local currency goes a long way in helping you reduce your over-the-air expenses.

### Conquering Multinational Challenges

Some of the challenges with global WEM are similar to those with wired international TEM: You need to understand and respect differences across local rate structures, terms and conditions and cultures.

However, one in particular could throw you for a loop: The biggest U.S. telecom carriers with both wireline and wireless businesses – AT&T and Verizon – have tended to invest far more heavily in their wired infrastructures overseas. On the wireless side, by contrast, they rely heavily on roaming partnerships to accommodate U.S.-based companies with global operations and travelers. But roaming fees can cost a fortune.

The roaming partnership model makes having a single global contract with one of these companies less desirable. U.S.-based carriers have less clout to cut you a good global deal when their wireless network is a patchwork of partner networks, subject to fluctuating country-to-country roaming rates set by non-U.S. regulatory bodies.

While it seems attractive to have one global account for wireless services, 80% of your bill can end up in roaming charges, according to Philippe Lignac, sales director at global TEM/WEM company MDSL, based in the U.K. “It’s better to negotiate per-country rates,” he says.

### Getting Started

Michael Voellinger, senior vice president at telecom consultancy Telwares, offers a few tips to domestic-based multinational companies for getting started with wireless international expense management:

1. Determine, to the degree possible, global standards for handsets and services and determine your ability to enforce the standards across your organization.
2. Get someone with global clout in your organization behind your global mobile project (such as a global CIO). Doing so avoids fragmented standards and strategies created by individual business units that result in unnecessarily higher spend.
3. Gather market insight into the dynamics in each country in which you operate – what kinds of services are available, what constitutes aggressive pricing, who are the technical influencers. This is where a WEM partner might come in handy, if you don’t have the local per-country resources.
4. Think global; act local. Local laws, technical differences, business obstacles and cultural disparities often disrupt global plans. Voellinger’s advice is to create a global strategy that’s executed using local expertise for the greatest ROI.

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Note that while wireless provider Vodafone offers services in 65 countries and touts a single point of contact on its Web site, separate invoices arrive from each country in which you have service, Lignac says, because billing platforms aren't integrated. And even in Europe, "you can't get one carrier with coverage everywhere," he says.

Michael Voellinger, senior vice president at Telwares, says that if you have fewer wireless service contracts than the number of countries in which you operate, you're doing pretty well. He advises that "if you have a boatload of domestic users, play the card to get a better deal overseas."

This card is limited, however, when it comes to domestic users who roam to other countries.

"There are things U.S.-based mobile operators can do for domestic users traveling overseas. What they're not going to do is dictate [pricing] to their roaming partner. That crossing of contractual boundaries isn't going to happen right now," Voellinger says.

Another alternative is to invest in per-country subscriber identity module (SIM) cards and simply hand 'em out to users as they travel to each locale. Using local SIM cards at least gets the temporary in-country users onto the local wireless rate plan, though it will likely be at the carrier's highest per-minute rate.

Bear in mind that the SIM-card approach could start to mess with your unified communications strategy, if you have one, for capabilities such as having a single number reach a user regardless of location and across multiple phones. But let's leave the topic of disparate global wireless contracts and their impact on your convergence strategy for another day.

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