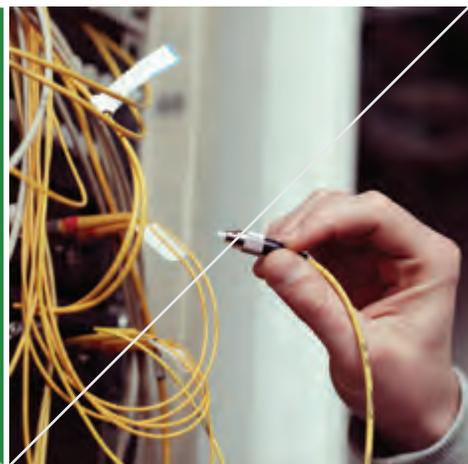


WHY TELECOM MANAGEMENT ISN'T WORTH YOUR I.T. DEPARTMENT'S TIME



INTRODUCTION

Let's face it, corporate telecommunications can be a mess: a tangle of providers, contracts and technologies that your I.T. staff would be better served not wasting its time on.

And they don't have to: ***Outsourcing the management of your telecom department can put all these costly, chaotic distractions into the hands of experts who devote all their time to enterprise-level telecommunications.*** That lets a company's I.T. staff stay focused on the department's mission.

The mere mention of "outsourcing" used to scare companies, but that's starting to change. In the 1990s, companies doubted the value of outsourcing as they strived to "own, manage and directly control" their operations, according to the 2012 Global Outsourcing and Insourcing Survey by Deloitte Consulting. Now, the study says, outsourcing is "going mainstream" and is "becoming another standard business practice that should be evaluated as business needs mandate."

This paper will explore ***three reasons a company should explore outsourcing telecommunications management:***

- ▶ ***Focusing I.T.'s efforts on strategic initiatives.***
- ▶ ***Harnessing the value of telecom-specific expertise.***
- ▶ ***Total cost of telecom (TCT).***

Exploring these reasons systematically will make it clear that companies should consider a holistic, outsourced solution for telecommunications management.

FOCUSING I.T.'S EFFORTS ON STRATEGIC INITIATIVES

Most companies rely on their I.T. departments to handle telecommunications because they aren't aware of other options. But that's not a good use of highly trained (and highly paid) I.T. employees who've spent years mastering computer science and systems development. *Most talented I.T. employees enjoy strategic technology activities and projects vs. tactical events like these:*

- ↓ *Wading through contract renewals.*
- ↓ *Responding to outages.*
- ↓ *Ordering services for new locations.*
- ↓ *Providing end-user support.*



I.T. should be woven into the strategic goals of a company. Handing off the tactics of telecommunications management lets companies focus on strategic I.T. initiatives such as:

- ▶ *Developing key applications for enterprise growth.*
- ▶ *Coping with data-security issues.*
- ▶ *Using technology to achieve business goals.*



RESULT: “MORE VALUE-ADDED SERVICES”

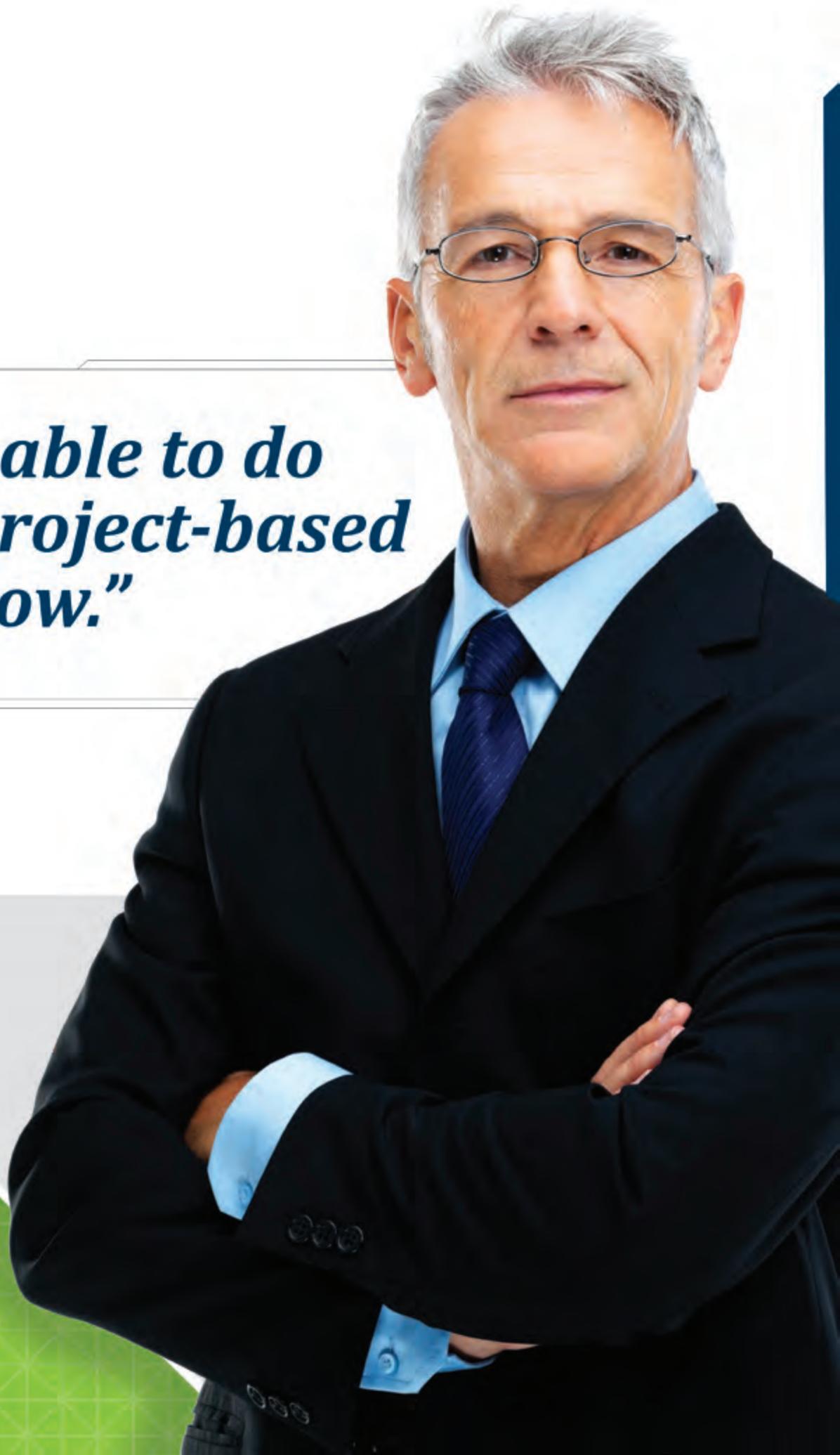
How can outsourcing telecommunications management help a company? Let’s take a look at what happened at Red Wing Shoe Co.

“It’s allowed us to do more value-added services versus managing boilerplate telecom functions,” says Joe Topinka, CIO and vice president of multichannel commerce at Red Wing. *“We’re able to do more project-based work now.”*

Topinka wants his I.T. team focusing on the company’s strategic initiatives, not getting bogged down in day-to-day telecom tasks. “These strategic initiatives have to do with expanding market strategy. That’s a big deal for us,” he says. *“Telecom management is important -- it’s the dial tone of the organization. But it’s not what differentiates us, so we looked for a partner.”*

Red Wing hit the tipping point when it began considering its mobile device “footprint” and expanding its retail network. The company had only a small staff devoted to mobile communications and would have had to hire more people to keep pace with demand, Topinka says. *“We figured there’s got to be a better way, and decided it makes sense to outsource.”*

***“We’re able to do
more project-based
work now.”***



HARNESSING THE VALUE OF TELECOM-SPECIFIC EXPERTISE

Outsourcing began to take off in the 1990s as companies began to shed functions they had to do -- such as payroll -- that were not part of their core missions.

Since then, outsourcing has grown substantially. According to the Deloitte study, **60 percent of respondents said that outsourcing was a “standard practice” at their companies** and 19 percent said they were considering it. Companies reported that they expected continued increases in the rate of outsourcing in all categories -- finance, human resources, real estate and others.

Outsourcing these functions allows companies to harness the deep expertise that specialty firms can take the time to develop because:

- ▶ *Experts have day-to-day experience with evolving systems.*
- ▶ *People trained to do specific tasks perform better than those without training.*
- ▶ *Outsourcing to experts ensures the job gets done right.*

Just as these principles have been applied successfully to human resources, accounting and other functions, they can also be extended to telecommunications management.

RESULT: “I NO LONGER HAVE TO BE THE EXPERT”

The world of telecom management is changing rapidly and growing even more complex, making it difficult for nonexperts to keep pace.

“Traditionally, I.T. is inside the wall with network design, system design, computing, desktop support,”

says Tim Colwell, senior vice president of global analytics at AOTMP, an Indianapolis-based information services company that focuses on telecommunications. “Outside the wall, there’s this monumental complexity in carrier services, plans and tariffs. It’s ever-changing and rapidly evolving.”

Colwell says *many companies just don’t have the in-house expertise for telecom jobs such as:*

↓ *Providing mobile help-desk support.*

↓ *Overseeing mobile-device management.*

↓ *Managing inventory.*

↓ *Leading dispute resolution and negotiating with carriers.*



Contracting with companies that understand all aspects of telecommunications management brings that expertise on board. Working with experts that have the day-to-day knowledge of what’s going on in the industry can help a company take advantage of that expansive knowledge, Colwell says.

Intertech Inc. in Minneapolis jumped at the chance to tap into outside expertise rather than worry about having an on-site telecom expert. With outsourcing, ***“I no longer have to be an expert on that topic,”*** said Doug Laing, Intertech’s MIS/operations manager. ***“It’s especially helpful in the event that I’m no longer here -- it’s easily transferred from one person to another.”***

MAKING TELECOM A PROCESS, NOT AN EVENT

Too often, companies treat telecommunications problems as a series of crises to be addressed rather than processes to be managed, says Myron Braun of Renodis, a leading telecommunications outsourcer.

“When telecommunications is viewed as ‘events’ instead of a process, it becomes impossible to manage outcomes with excellence,” Braun says. *“Most firms recognize they may not have the expertise to handle these events, so they look for partners. Managing telecommunications as a process minimizes risk and optimizes rewards for the business, the end users and the I.T. staff.”*

Renodis' solution applies a holistic and comprehensive approach. Their Turnkey Telecom Management (TTM) service handles all aspects of telecommunications vs. isolated pain points. Braun points to a national manufacturer/retailer that turned to Renodis so it could keep its I.T. staffing low in the middle of several strategic I.T. initiatives. The results were clear:

- ▶ ***Successful redeployment of key I.T. talent.***
- ▶ ***Higher end-user satisfaction.***
- ▶ ***Cost reduction of 17% over three years.***



REDUCING TOTAL TELECOMMUNICATIONS COSTS

The Deloitte study found that *62 percent of respondents listed “reducing operating costs” as a very important factor in outsourcing decisions, and another 25 percent described it as “important.”*

“Finance tends to be the tip of the spear,” Colwell says of companies considering outsourcing. *“When you understand what the dollars are about, then you can look at the operational side and ask ‘how are we going to control expenses?’ Maybe you can figure it out, but is that your core business? It’s important, but the doing of it is not central to your I.T. mission.”*

Notably, the Deloitte study also found that *improved customer service was the second-most-important reason for outsourcing, with 42 percent calling it “very important” and 31 percent saying it was “important.”*

RESULT: ‘IMPROVING COST STRUCTURE’

Topinka says outsourcing telecommunications management made a difference for his company’s bottom line. *“It makes sense to outsource,”* he says. *“Our CFO, like most CFOs, was looking for efficiencies and cost savings while wanting to improve service. It really answered both those questions. The result was better service and improving cost structure.”*

Braun says that I.T. must deliver value to an organization at the lowest possible cost. Working with a vendor that manages all the metrics of a telecommunications system -- technical, economic, asset management, vendor performance and end-user support -- offers a better way, Braun says. *“It frees up your I.T. talent and your financial resources, and it increases productivity of your end users. You don’t have to accept mediocrity.”*

Braun described a large national retailer that worked with Renodis to battle challenging financial conditions because of the recession. The company:

- ▶ ***Cut its direct costs for wireline and mobile expenses by 14 percent.***
- ▶ ***Deployed the right telecommunications technology to hold costs down, improve customer support and free internal I.T. staff members to focus on key I.T. initiatives.***

“Companies can’t afford to accept the waste and frustration of the status quo,” Braun says.

CONCLUSION

Companies enjoy three benefits when they outsource to a partner that provides all aspects of telecommunications management:

- ▶ ***I.T. teams get to focus on strategy.***
- ▶ ***Experts handle complicated telecom tactics.***
- ▶ ***Companies save money and improve service.***

According to the Deloitte survey, ***49 percent of companies that outsource said a spirit of partnership between the client and the vendor is very important to the relationship’s success, while another 15 percent said it was important.*** “The more complex the world gets, the more you need partners that understand business and what’s important to us and that take a proactive interest in our success,” Topinka says.

The survey also found that vendor-management organizations find themselves “underutilized when it comes to driving strategic value.” In light of that, Braun says,

“Outsourcing the management of anything truly tactical that businesses are not equipped to optimize efficiently internally should be profoundly self-evident as a good decision.”

ABOUT

RENODIS is the first and only company in America to offer a comprehensive, integrated, outsourced solution for managing telecom.

Called Turnkey Telecom Management™, or TTM™, our approach is the result of more than 10 years' experience helping hundreds of enterprises solve telecom management problems. Through our end-to-end telecom management solution, Renodis delivers the unique benefits of a holistic, objective and professional approach: Greater efficiency and accountability. Dramatically improved service, based on customer-driven SLAs. And lower Total Cost of Telecom, saving money throughout the telecom environment -- immediately and in the future.



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