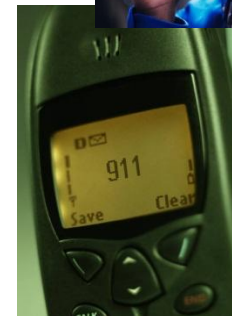# Strategies To Effectively Source & Manage Telecom Services

David McMinn, VP Operations

Mary D. Lewis, MA, MBA

Topics

- An understanding of the wireless marketplace and the players in it
- The four key elements that comprise the lifecycle of all wireless assets [*Procurement, Implementation, Management, EOL Disposition*]
- How to compare carrier solutions using "apples-to-apples" attributes
- How to translate client requirements and determine the wireless solution that's right for your business and the people that run it
- Licensing considerations for cloud-based services
- Performance-based measures that should be negotiated in advance
- Environmental and social responsibility questions you should be asking your carrier and why it makes a difference
- How to stay current with technology —without breaking the bank
- What it takes to prevent your IP from walking out the door when an employee leaves

Telecom Services Then & Now

THEN

- 1985: 340,000 subs
- Analog technology
- P-O-T-S
- Pay per minute
- Limited users – luxury
- Hard-wired into car
- Bag phone
- Bricks were 'whiz-bang'
- Company plans – CL vs reimbursement
- Device was obsolete by the time purchase decision was made HR Benefit/Perk vs way of doing business
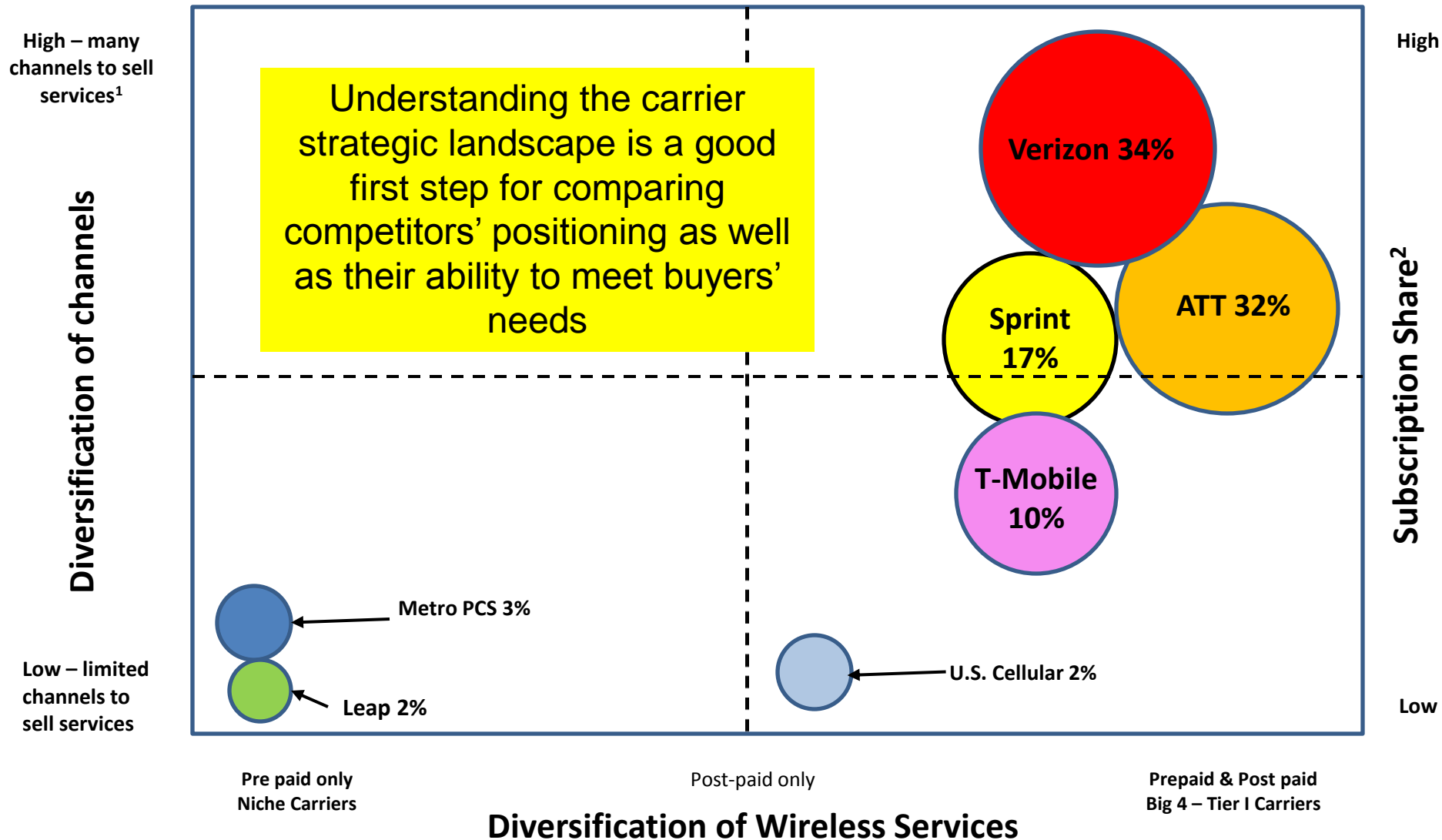
NOW

- 2012 = 321,700,000 subs
- Pre-paid: >100 Million subs
- Smartphones = >50% [non M2M]. 70% of total sales
- Dizzying array of plans
- Apps vs features
- Revenue from new subscriptions <5%
- User vs company-data
- Licensing - liability
- Integration with systems (e.g. expense reimbursements, etc.)
- Means of doing business
- Extension of office
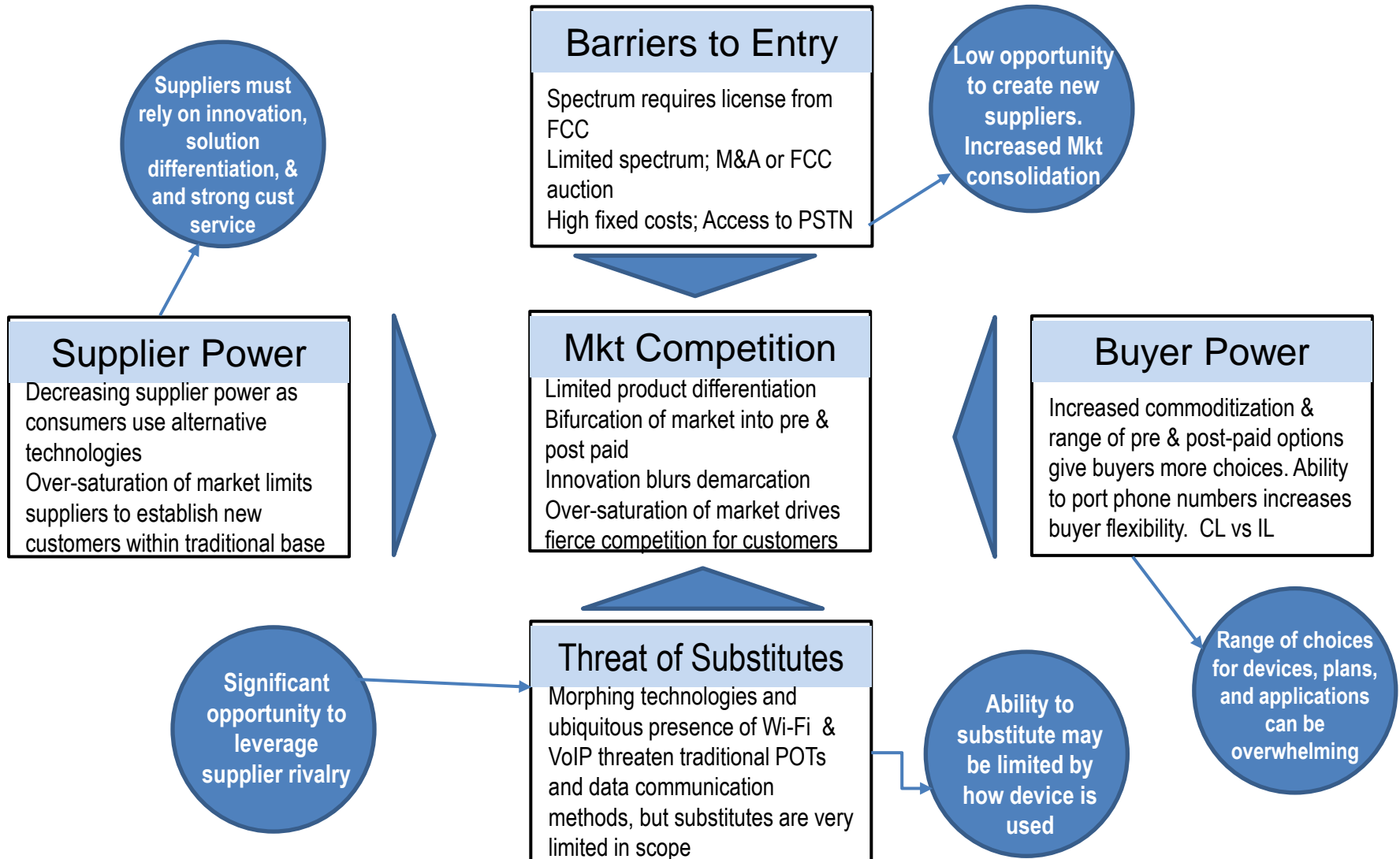- Multiple devices
- Segregation of personal vs company data

greenapple-pie

Strategic Grouping Map – U.S. Wireless Carriers

High – many channels to sell services[1]

High

Diversification of channels

Understanding the carrier strategic landscape is a good first step for comparing competitors' positioning as well as their ability to meet buyers' needs

Verizon 34%

ATT 32%

Sprint 17%

T-Mobile 10%

Subscription Share[2]

Metro PCS 3%

U.S. Cellular 2%

Leap 2%

Low – limited channels to sell services

Low

Pre paid only
Niche Carriers

Post-paid only

Prepaid & Post paid
Big 4 – Tier I Carriers

Diversification of Wireless Services

[1]Online, Retail, 3rd party merchants, agents, branded affiliates, MVNO [resale of capacity under another company's brand]; applications such as Kindle; WI-Fi. [2]Share of "Big 4" includes pre-paid & post paid as of 2Q2012. Subscription Share statistics from www.chetansharma.com

A Porter's Five Forces Analysis Provides a Map of the Competitive Nature of the U.S. Wireless Industry

Suppliers must rely on innovation, solution differentiation, & and strong cust service

Barriers to Entry

Spectrum requires license from FCC

Limited spectrum; M&A or FCC auction

High fixed costs; Access to PSTN

Low opportunity to create new suppliers. Increased Mkt consolidation

Supplier Power

Decreasing supplier power as consumers use alternative technologies

Over-saturation of market limits suppliers to establish new customers within traditional base

Mkt Competition

Limited product differentiation

Bifurcation of market into pre & post paid

Innovation blurs demarcation

Over-saturation of market drives fierce competition for customers

Buyer Power

Increased commoditization & range of pre & post-paid options give buyers more choices. Ability to port phone numbers increases buyer flexibility. CL vs IL

Significant opportunity to leverage supplier rivalry

Threat of Substitutes

Morphing technologies and ubiquitous presence of Wi-Fi & VoIP threaten traditional POTs and data communication methods, but substitutes are very limited in scope

Ability to substitute may be limited by how device is used

Range of choices for devices, plans, and applications can be overwhelming

The KEY ELEMENTS of TELECOM LIFECYCLE of all types of Wireless Assets

Solution Items to Consider

- ✓ Understand the issues and needs
- ✓ Define the process
- ✓ Enforce policy
- ✓ Manage the program
- ✓ Provide security options
- ✓ Manage inventory
- ✓ Find savings and track
- ✓ Report on performance
- ✓ Technical and support help desk
- ✓ Monthly reviews
- ✓ Consulting
- ✓ Training
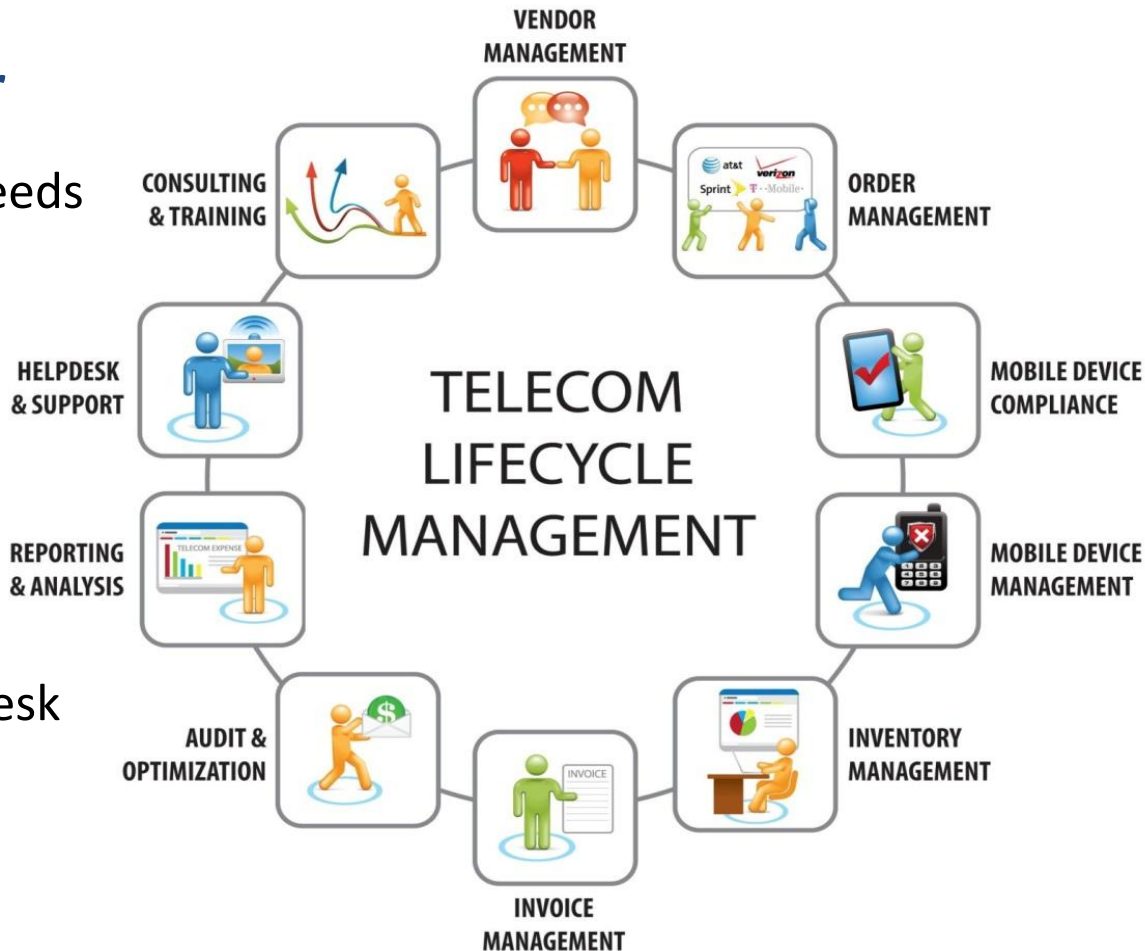
How to Compare Carrier Solutions Using "Apples-To-Apples" Attributes

You MUST KNOW….

1. Defined issues you need resolved
2. Your Mobile Policy defined
3. Security requirements defined
4. Define Internal team to support the program
5. Process Flow overview defined
6. Order and day to day expectations
7. What type of Help Desk is needed
8. How will you communicate and Train employees
9. Small Budget, more Outsourcing
10. BYOD or Company Owned
11. Is your program Rigid or Nimble
12. All the Solutions you're considering

NOW You're Ready To Go….

1. You have a high level requirements document to compare vendors against
2. You can look for the right fit for your corporate structure
3. Your focused on the key elements to build your wireless program
4. Prepared to make a quick, well thought out, complete decision
5. Can perform an apples to apples financial and solution review
6. Achieve a High Success Rate!

Comparing Carrier Solutions using "APPLES-TO-APPLES" Attributes

WHAT to Compare….

1. Company History, Length in business, Their Goals and Available Solutions
2. Their Solution Apps/Tools
3. How do they manage your data and SLA's to get your data
4. Does their System and Solution allow for some flexibility to accommodate your unique model
5. See their Lifecycle Flow, or Solution Work Flow

WHY you Compare….

1. Need to know they will be around to support you, their solutions are in line with your needs.
2. Do they work, do they meet your needs, are they scalable.
3. Need to make sure they get the data direct from the source, Fast SLA's so you are not behind in making decisions to impact your business.
4. If you need to change a process, or modify a work flow, can they accommodate quickly.
5. Make sure it meets your needs completely and not partially.

Comparing Carrier Solutions using "APPLES-TO-APPLES" Attributes *(continued)*

WHAT to Compare….

6. Where is their Application/ Website development work performed?
7. What and How does their Account Management team support the program?
8. Help Desk Support, both technical and general.
9. Security, Storage and Data Ownership.
10. Pricing, Solution, Deliverables

WHY you Compare….

6. Do they do it in house for better control and faster turn around times or off shore, potentially longer SLA's. Are they Flexible?
7. Are you going to have a single contact or many? Is there someone looking out for my business or do I have to do it? What do they do for me to help me determine my teams support requirements.
8. Do they help my users or only my team, the support they provide, is it what I need?
9. Need to make sure your data is protected in line with your companies policy and if we depart, I need my data back.
10. Do they Solve all of Your Needs & Meet Your Budget?

How to Translate Client Requirements and Determine the Wireless Solution that's Right for Your Business and the People that Run It

When getting started to build your mobility program think about these key items...

1. Device Selection and/or Certification
2. Order Approval Work Flow
3. Mobile Device Compliance / Staging & Logistics
4. Device Monitoring
5. Asset and Inventory Management
6. BYOD Program Desire or Needs

1. Device Selection and/or Certification
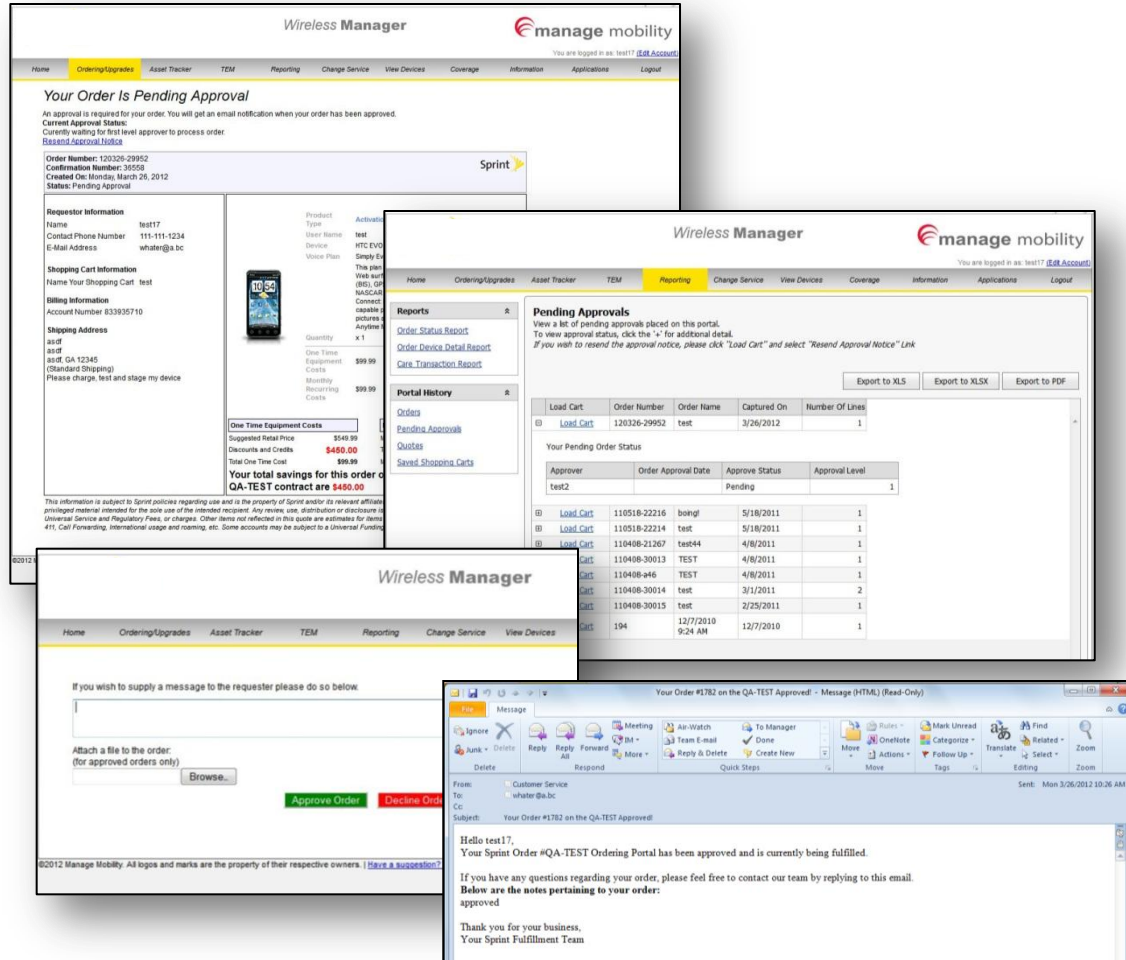
1. Identify user needs by department.
2. Determine if devices are similar and can be used across many departments.
3. Minimize device types and service plans to simplify overall management and audits.

For BYOD…

1. What devices does your system or MDM support?
2. Are you able to support Android?
3. Certify a select group of devices.
4. Documented policy employees accept.

2. Order Approval Work Flow

1. Who can order devices
2. Hierarchy level support
3. Order approval system
4. Approval tracking
5. Order Status tracking
6. Enforce Company Policy

3. Mobile Device Compliance / Staging & Logistics

- *Policy Enforcement*
  Device or OS (We can disable cameras/texting/etc, install company screen savers, remove apps, configure encryption/talk groups & more)
- *Quality Control*
- *Loading 3rd Party Carrier Agnostic Applications*
- *M2M Preparation & Set up*
- *Custom Staging*
  Kitting and Packaging devices as required by the customer: 15 point device inspection, bundled user kits, instruction sheets, asset tagging & RECYCLING

4. Device Monitoring

Allows Companies to manage budgets and control data spend, real time – Virtually eliminating overage charges

Features

- Internet usage monitoring & alerts
- Configurable alerts based on usage
- Suspend data plan mid cycle to avoid overage charges
- Gives IT departments full control of data usage and spend
- Provides usages reports to ensure compliance
- International usage alerts – network cross over
- Identify trends and historical usage

Case Study:
- **100 devices deployed on 5 gig plan;**
- **$35,000 in overage first month**
eMonitoring Paid for itself in the first Month!
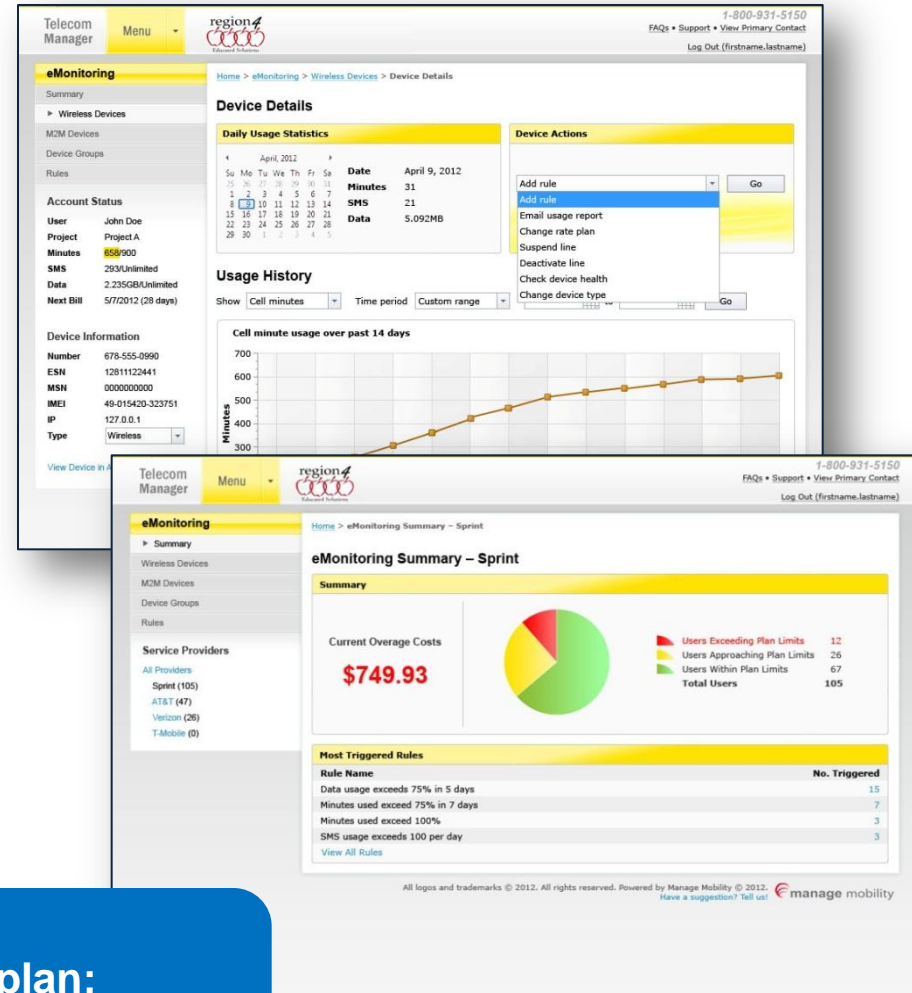
5. Asset and Inventory Management

Detailed Account Information

- Summary of all your assets and locations
- Wireless and Wireline
- Local data and asset support
- Inventory device details
- Set up to mirror your business
- View usage trends
- Manage by hierarchy
- Reporting at your fingertips
- Provide your department managers with their specific reporting performances
- Saving Opportunities with Better Inventory Management

6. BYOD Program Desire or Needs

BYOD Features

- Display customer specified product list
- Pricing based on customer specified device and plan discounts or stipends
- Requires acknowledgement of customer crafted BYOD agreement
- Highlighted BYOD approved devices
- Support for customer specific IL/CL/CRIL pricing
- Forced credit card entry for orders with any employee responsible cost

BYOD Employee View

- Opt in with existing line of service or create new carrier account
- Specify hierarchy location at time of checkout
- Stipend Management
- Tie ordering account information to customer hierarchy

BYOD Telecom Manager View

- Enforce standard shipping address
- Asset and Inventory details management
- Employee total lifecycle management
- Network security management

6. Scalable BYOD Program

1. Sustainability

2. Device Choice

3. Liability

4. User Experience and Privacy

5. Maintenance & App Design

6. Financial Goals

7. Internal Communications

Licensing Considerations for Cloud-Based Services

Sublicensing

1. Know your Support Needs
2. What SLA's do you require; minutes, hour, hours, day, 24/7/365 or 5 – 9's?
3. How Many Users?
4. How Many Running Applications?
5. Budget?

Pass through

1. How deep does license extend?
2. Outsource/Offshoring?
3. CL and IL licensing & services?

Cloud Based Services and Support
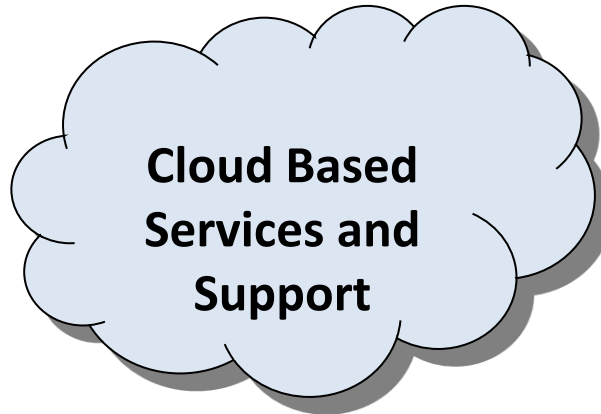
Privacy

1. Is your data protected
2. Back up
3. Encrypted
4. Multi-tenant or private
5. Shared load balancing or private

Security

1. Data secure
2. Access point management
3. Data storage
4. Certifications always current
5. 24/7/365 support team
6. Alert management

Performance-SLA Based Measures Negotiated in Advance – WHY?

- ✓ Does there support cover your business needs?
- ✓ Do they provide the support your business requires?
- ✓ Will the support take care of your employees or is there a gap?
- ✓ Need to have a clear communication plan for your needs, Phone #, Email, Chat and Website forms.
- ✓ Think through your current scenarios and be sure the vendor has a solution for each of them.
- ✓ Can the vendors' support system eliminate some of your issues?

Contract SLA Based Expectations

#	Task	Expected SLA
1	Contract Signing	2wks or less
2	First Onboarding/Kick off Meeting	Within 7 to 10 days
3	SOW / Work Flow Document / Project Plan	Within 10 days of Signing Contract
4	Implementation	
5	*TEM (Telecom Expense Management)*	90 days is average, can be done in 60 days
6	*MDM (Mobile Device Management*	Within 2 weeks if On-Site, 3 days if Cloud based
7	*Monitoring*	Within 30 days, carriers drive this in some cases
8	BYOD Program	Within 2 to 3 weeks depends on integration
9	Order Processing Time	Should be Within 2 business hours
10	Help Desk Support Time	Should be 90% single call resolution, 2 business hour return call, Should expect at least 5 / 9's
11	Account Manager / POC Response Time	Within 2 business hours

Environmental and Social Responsibility
Why It Makes a Difference

Did you know…
- In 2011, of the 152 Million wireless devices that were disposed, 135 Million were trashed and only 17.4 Million (11%) were recycled?
- According to the U.S. EPA, 35,000 pounds of copper, 772 pounds of silver, 75 pounds of gold, and 33 pounds of palladium can be recovered by recycling one million cell phones. At this rate, $3,738,960* in gold alone, *was thrown away last year!*
- Gold is one of the four conflict minerals (tungsten, tantalum, titanium are the other 3). Mined from DRC
- For every 5,000 cellphones recycled, 11,000 KWh of energy are saved – enough to power an average household for an *entire year!*

You need to ask…
- Does your carrier have a buyback plan?
- Does your carrier use a reputable, ethical recycler (e-Stewards)?
- Is your device environmentally sustainable? RE: Executive Order 13514, Section 13
- How does your carrier evaluate the responsibility of its supply chain?

*Gold price as of 11/9/2012 was $1,731/oz

How to Stay Current with Technology Without Breaking the Bank

When beginning you device selection, check on how long the device has been in service, is it near or at EOL?

- When negotiating your carrier contract, be sure that Refreshes/ Upgrades are clearly spelled out
  - ✓ Timing
  - ✓ Discount/Buyback program
  - ✓ VIP's

- When it is time to Refresh your devices, Be sure your Lifecycle Support Vendor has a process to support this event.
  - ✓ Should be simple
  - ✓ Replacement process should not last more than 20 minutes
  - ✓ Must have a good communication plan for employees

What it Takes to Prevent Your IP from Walking Out The Door When an Employee Leaves

Protection and Security are a MUST with the Smart Phone Explosion and BYOD. You have to protect your companies Network and Data!

- Find a MDM application that meets your IT departments Security needs

- Be sure the MDM application supports your device types

- The MDM application needs to fit your company's Mobile Policy and can support your policy for each business hierarchy

- Your MDM choice should be able to support version control

- Virtually All MDM's support the basic lock, wipe and kill activity, BUT is that all you need?

- Operating platforms allow MDM's to do specific tasks so not all events can be equally applied across all device types (iPhone, Android, Windows Mobile, Blackberry)

Contract Considerations

For Most, Contracts are No Fun BUT a Necessary Requirement
So be sure you have addressed the following items!

1. **Term & Termination**;
    1. Does it provide you with the support you need?
    2. Can you get out for performance if they don't meet your needs?
    3. Does it protect your pricing?
2. **Privacy**;
    1. Must protect your data, your employees information
    2. Ensure the data is returned to you if you part ways
    3. Be sure there is a solid confidentiality section, including for a period of 2 to 4 years after termination of the agreement.
3. **SLA's**;
    1. Be sure the support models, response times and resolution times are clearly identified
4. **Limitation of Liability**;
    1. Be sure you have a solid liability statement protecting you from data, defects in their support tools and data integrity, data storage.
5. **Indemnification**;
    1. Be sure you are indemnified, listed as an additional insured. If the Vendor incurs a data breach you need to be sure you are financially protected to resolve the data loss.

Thank you

Online Resources

http://wholesale.sprint.com/solutions/products/cloud-services

www.managemobility.com

www.sprint.com

www.sprint.com/responsibility

http://www.epa.gov/osw/conserve/materials/ecycling/

http://www.chetansharma.com/US_Wireless_Market_Q2_2012_Update_Aug_2012_Chetan_Sharma_Consulting.pdf

www.vintagetechrecyclers.com

http://mobithinking.com/mobile-marketing-tools/latest-mobile-stats

http://www.epa.gov/osw/education/pdfs/life-cell.pdf

http://www.pwc.com/us/conflictminerals

About the Presenters

Mary D. Lewis, MA, MBA

Mary D. Lewis, MA, MBA has been with Sprint Nextel Corporation 30 years in a variety of management positions. She has extensive experience in sourcing, negotiating, and managing complex equipment, software, and services procurement agreements with strategic suppliers. She currently works in Sprint's Procurement & Real Estate organization as a Sourcing Manager, with a dual focus of "greening" Sprint's supply chain and advancing the skill level of the organization's sourcing professionals.

A former graduate-level university adjunct, Mary delivers seminars and workshops on a broad range of supply chain management and sustainability topics.

Mary received a B.A. from Penn State University, an MA from Webster University, Kansas City, MO, and an Executive MBA from Rockhurst University, Kansas City, MO. Mary is a member of ISM and she is on the editorial review board of ISM's *eSide Supply Management* online publication. Mary's civic involvement currently includes board-membership in two Kansas City-area not-for-profit organizations.

Mary.lewis@sprint.com

David McMinn

Dave started his career in the retail auto parts industry, in which he held a variety of positions from operating stores to managing merchandising departments. David's executive experience includes holding VP of Sourcing positions at Office Depot, Office Max, and Unisource Worldwide. He was instrumental in leading the office supply industry in product development, store development and SKU rationalization.

At Unisource Worldwide, Dave built a new centralized sourcing department, rationalized 400,000 SKUs and 4,000 vendors. Dave joined Manage Mobility in 2006, as Partner and VP Operations, and has helped to build the company into an industry leader with innovative solutions for the Wireless/Wireline telecom marketplace.

David, born and raised in Scottsdale, Arizona, holds a B.S. in Business Administration from Alameda University. He has been an instructor/coach of several Dale Carnegie courses, and is a graduate of both Babson College and Northwestern Executive Business Management programs. David is married with 4 children and 2 grandchildren

david.mcminn@managemobility.com