

WHITE PAPER
**Managing Technology
Expenses as a Multinational**

TABLE OF Contents

- 3 A Major Connection
- 4 How the Right TEM Provider
Can Help
- 5 Breadth of Automation
- 5 Standardization of Procurement
- 6 Interoperability and Management
- 6 The Primary Pre-requisite

There's no standard operating manual for multi-national corporations. There really couldn't be. Too many differences. Beyond each individual company being different from any other, each region is different. Each has its own regional customs, standards of behavior and conduct. They each have their own tariffs, their own taxation rules, regulatory compliance issues, laws, customs, and idiosyncrasies.

These differences challenge any company when operating globally to develop strategies for coping with them.

A Major Connection

At the same time, there are a few things that do connect all these varied regions to one another. Primary among these is communication, most especially telephone, video, and VoIP communication. Even here colleagues across borders must cope with language differences and many other customs, but the connections are shared among them.

This in no way exempts corporations from having to contend with similar challenges as those they face with everything else. Each region is served by different carriers, both wireline and wireless, and very few serve enough regions to become a de facto standard. Instead, corporations must establish relationships and management procedures for transacting business with a wide variety of carriers and related service providers around the world.

Some corporations have solved this dilemma by assigning responsibility for telecom and technology expense management (TEM) separately to each region. This, of course, results in widely varying TEM policies and procedures from region to region. With each region procuring circuits, services, and equipment individually and separately, economies of scale and pricing concessions based on aggregated purchasing volume across the enterprise are squandered. Costs increase while discount opportunities are lost.

How the Right TEM Provider Can Help

Much benefit can be obtained by centralizing that which can be centralized, and putting strong controls in place on those functions which must remain regional.

The few professional TEM providers with global capability have clearly established that the benefits of centralized procurement, payment, and management of TEM assets does not have to be an “all-or-nothing” proposition. Much benefit can be obtained by centralizing that which can be centralized, and putting strong controls in place on those functions which must remain regional.

The ways in which a globally-capable TEM provider can help are all dependent upon their ability to create a uniform interface between the various activities which must be regional, automation of those processes which can be standardized across many or all regions, and deep familiarity with the localized customs of as many included regions as possible. While some functions remain unique, the TEM provider can monitor and manage those processes, adding all data in their reporting along with all other regions, and converting everything into one easily consumable interface for client senior management to consult when making decisions and crafting strategic plans.

When centralization improves consistency and this is added to TEM interpretation of data that could not be included, the result is significantly enhanced visibility, the most important key to effective management and planning.

Breadth of Automation

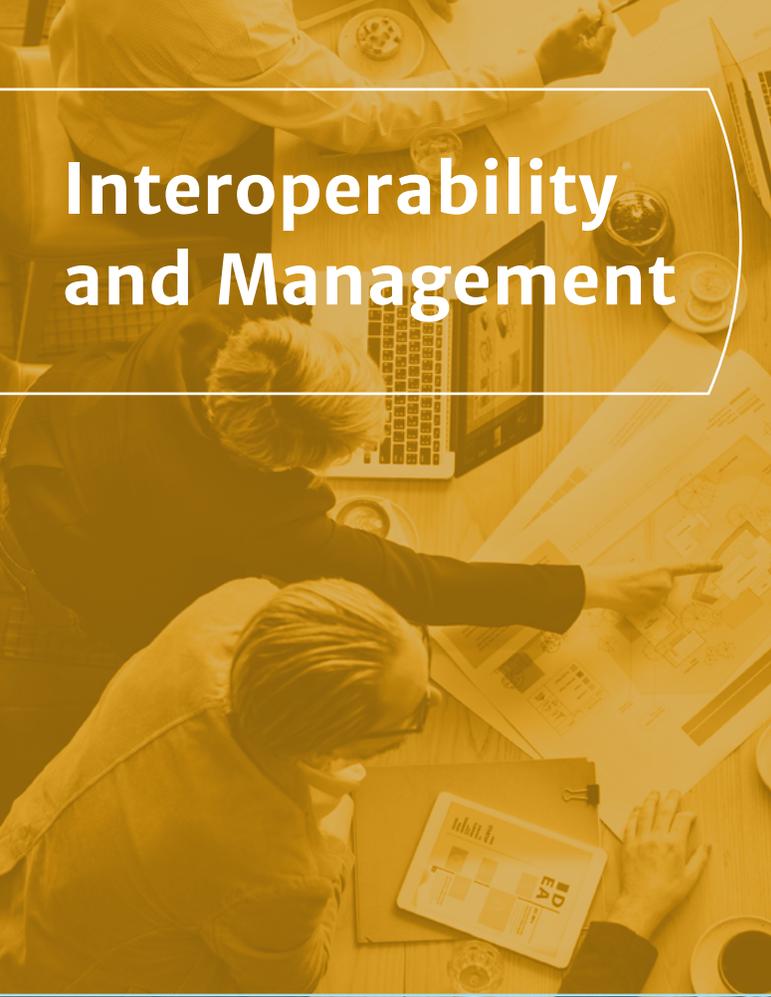
TEM providers in the leader's quadrant have developed automation that adapts readily to the standard processes present within more and more regions of the world. With local experts headquartered in many of these regions, they can provide effective deployment of consistent TEM operations in a major proportion of the client's global footprint. To be successful these systems must readily interface with a wide variety of carriers serving each of these regions.

Some of these adaptations include not only financial issues such as taxation, tariffs, financial laws, and currency exchanges, but also simple differences in language. If their client portal is not available in German, for example, they will have a difficult time serving clients operating in Germany.

Opportunities for economies and savings begin with procurement policies. Left to their own devices some regions may take excess quantities of equipment or surplus circuits into inventory that exceed their useful life before they can be put to use. This is pure waste, and there is usually no tracking against metrics to identify waste so it can be avoided in future cycles. Others may accommodate each employee with the device of their choice, which often vastly exceeds their needs.

Newfound visibility of information regarding contracts across regions, when taken in aggregate, may often create significant advantage when negotiating renewals and new contracts.

Standardization of Procurement



Interoperability and Management

Compute and communications technology continues to pervade every facet of business life. Much strategic planning is centered around achieving superior IT maturity, better leveraging technology to create strategic advantage. What is often missed is that management of the costs of operating these technologies is as important a factor in effective management as is optimized technology deployment.

As the Internet of Things becomes more and more the model for all business operations, interoperability between diverse components becomes more and more critical. Those who pay attention to the technology but not to the operating costs encumber extraordinary long-term risk.

The Primary Pre-requisite

From the perspective of the client's people working in each region, the TEM provider presents as an interloper telling them how they must change the way in which they do various things. Even though the additional control achieved should ultimately benefit them, most people will be resentful, suspicious, even outright hostile.

The foundation of the ability to conquer this is to establish top corporate buy-in and sponsorship

from the highest levels. Once that sponsorship is properly expressed to the regional personnel impacted their resistance should fade. At the very least it can now be managed.

Perhaps the best strategic approach to working toward standardization and centralization of global TEM operations is to begin with C-Level sponsorship, then to discuss needs and requirements with leadership in each region to develop an optimized plan for TEM. The more these local leaders participate in the planning process, the more they will own it.

The TEM provider's primary pre-requisite is to remember that they are not driving strategy here, but rather providing data that supports superior decision-making and enables superior strategic planning.

For more information about Calero-MDSL,
please contact us:

+1.866.769.5992
info@caleromdsI.com