



## WHAT IS THE VALUE OF TELECOM EXPENSE MANAGEMENT & MANAGED SOURCING TODAY?

Reston, Virginia – Enterprise businesses are more than ever seeking outside expert help to ensure they are properly managing their telecom and IT networks. The rationale for seeking outside help is as simple as the solution is complicated. Effective leaders know that they and their teams cannot be all things to all people. To strive for such a goal is an exercise in futility and a sure fire way to reap poor results and incur excessive costs. It's well understood that you must leverage your greatest strengths and minimize your liabilities to the greatest extent possible, in order to vigorously compete in the global marketplace, have expectations for success and still have peace of mind enough to pursue a social life. Fortunately for most communications network operations executives, they get it right. The solution: keep the competent and the willing on their existing internal telecom / IT network team and partner them with outside Telecom Expense Management (TEM) expertise capable of delivering a high-performing and operationally sound network at competitive market pricing. This pragmatic approach allows companies to retain the proper internal talent and control needed to effectively work with and manage the relationship with their chosen outside TEM provider, while still extracting the priceless niche expertise provided by the TEM provider. The stakes are high today and the choice of forgoing outside TEM help is often tantamount to driving your car fast through the fog or driving it for years on end without professional servicing. You may get away with it for a while, but it will catch up with you eventually. And when it does, you will wish you had made the proactive TEM choice as opposed to the reactive one of embracing complacency until an emergency dictates otherwise. The former choice is the responsible one and always the cheaper one in the long run. Because of these realities, the TEM industry has exploded in the past few years. Gartner reports that there are now over 100+ TEM firms offering their assistance to companies all along the enterprise spectrum, from companies with revenues of a few million to Fortune 50 giants. And the future looks bright for TEM providers, as the TEM arena is estimated to grow at an annual compounded rate greater than 30% through 2010, at which point it's estimated to total \$1.5 billion. What exactly is Telecom Expense Management (TEM)? Although definitions may vary between firms depending upon their focus and point of view, Telecom Expense Management (TEM) is generally defined as the discipline of effectively managing a communications network to achieve desired levels of service delivery / quality of service (QOS), while keeping costs contained to levels at or – even better - below current market levels. "For us, it's fairly straightforward," says Source Loop's Managing Director & Founding Principal Chris Lee, "We help companies realize maximum telecom cost savings and increase their Return on Investment (ROI), while ensuring improved operational and network performance. " That's certainly the result outsourcers are looking for, but how do you achieve these results, is a question many potential TEM clients will be interested in. According to Chris, "Source Loop drives telecom costs and network performance to optimal levels through our holistic Telecom Life Cycle Approach. Source Loop is a full service TEM, so our offerings include Auditing, Cost Avoidance / Telecom Cost Elimination (TCE), Rate Benchmarking, Network Optimization, Network Assessments and our TEM practice embraces an Industry Best Practices standard that we apply to all our TEM processes. Specifically, processes involving Invoice Management, Payments, Reporting, Budgeting, Cost Allocations, Order & Inventory, Vendor Management, Technology Alternatives, Contract Negotiations etcetera. Our clients essentially become our partners; we focus on their TEM needs so they can focus on their core business. Our TEM approach is proactive, integrated and committed to providing innovative best-in-class network solutions to our clients. Our TEM clients have averaged over \$1M in realized savings." What exactly is Managed Sourcing? If a solid TEM practice is essential to a healthy network, especially on a recurring basis, then Managed Sourcing acts as the spearhead at the vanguard of effective Telecom Expense Management. Managed Sourcing may generally be defined as the systematic procurement of telecom services at competitive rates. According to Source Loop Managing Director & Principal Daren Moore, "A good sourcing practice is arguably the best way to save on Telecom Network costs, since savings are realized up front, before ever leaving the company coffers. Our clients have averaged in excess of 38% realized savings to date." From Source Loop's perspective, Managed Sourcing is critical to controlling and managing your telecom spend, since this is often where the greatest opportunity for network savings is realized. It is perhaps one of the greatest services a competent TEM can provide. Source Loop's Managed Sourcing practice utilizes its sourcing experience and current market data to evaluate rates for data, LD, voice, local and wireless services; develop and manage the Request For Proposal (RFP) process; and ensure that best of breed terms and conditions are secured from selected vendors. Enterprises would find it difficult, if not impossible, to gauge the current telecommunications market without some form of outside assistance. "When selecting a TEM provider, I would highly recommend that you evaluate the firm's Sourcing capabilities, as this truly is a powerful driver of network cost savings," says Daren. Source Loop's managed sourcing solution includes: the development of a complete inventory of services; a comprehensive network assessment; full rate and term benchmark comparisons of existing services to best available for comparable spend; RFP development; leads negotiations with vendors; and provides full read-outs and recommendations to clients. \* Source Loop is a privately held (LLC) Telecom Expense Management & IT consulting firm based in Reston VA, with an office in Alpharetta, GA., offering both professional and managed services designed to enable companies to effectively manage their Telecom / IT networks and service providers. Source Loop provides Sourcing, Network and Operational Assessments, Audits and Optimization services. In addition, Source Loop also provides a recurring managed service for all telecom expenses. Source Loop may be reached by phone at 1-866-834-0476 or via website at <http://www.sourceloop.com>.

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