

Telecom Expense Management RFPs for Business Process Outsourcing



Telecom Expense Management
Industry Association



Executive Summary

This paper addresses how to develop and manage a Request for Proposal (RFP) for a Business Process Outsource (BPO) for Telecom Expense Management. The Telecom Expense Management Industry Association, (TEMIA) is publishing this information to help educate the market and reduce the time for organizations to buy a TEM solution.

Good RFPs enable businesses and government agencies to evaluate competing proposals in an efficient and fair manner. TEMIA's goal is to streamline the RFP process by ensuring that RFPs contain information that enable evaluation teams to select the best supplier for their needs, while avoiding common mistakes that come from using RFP templates and standard language that fails to address customization required for TEM programs.

Caution before Proceeding

RFPs are not always the best approach to buying a TEM solution. Smaller companies should work to avoid overloading themselves with RFPs that contain too much material to evaluate. Also, the RFP process can create barriers between customers and potential solution providers. These barriers can block the flow of information preventing solution providers from responding to customer challenges and evaluation teams from making good decisions. Focusing too much on getting the lowest price can cost more over time since the fees for a TEM solution are a small fraction of the savings that an effective TEM program will produce.

TEMIA has authored this paper. TEMIA's mission is to raise awareness and knowledge of the benefits of TEM solutions, to improve the quality and value of TEM solutions through the development and promotion of open industry standards, and to cultivate shared industry knowledge among TEM providers, business partners, telecom service providers, and enterprise clients. TEMIA is a nonprofit association, which receives its funding primarily from TEM and WEM Solution Providers.

How to Use This Guide

Please do not skip the first sections of this document. Learning about TEM, assessing your business needs, and goals are critical steps. Starting with these steps will avoid missteps and delays. It will also help streamline evaluation of RFPs and selection of a TEM Solution Provider.

This document also contains information to help justify TEM programs and establish a baseline to project benefits of a program. The RFP section will require tailoring of questions and omitting some items to meet the needs and circumstances of your company. TEMIA welcomes the opportunity to receive feedback as you work through the RFP process and select the best TEM Solution Provider for your needs.

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Chapter One: Learn About TEM

Whether managers are evaluating a single TEM Solution Provider or issuing a formal RFP, they should approach the selection process in the following stages:

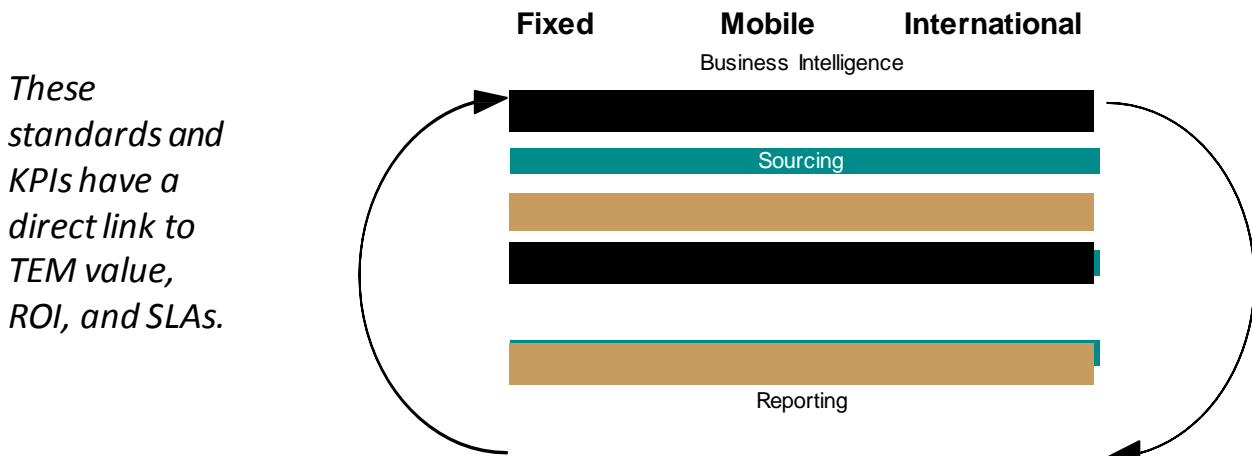
1. Learn about TEM
2. Assess business needs and goals
3. Create a *Statement of Work* and clearly define what you will be buying
4. Develop a cost justification for TEM
5. Evaluate solutions and service level agreements
6. Make a decision

I. Learn About TEM

TEM engagements vary considerably from one client to the next, and solution providers are not all the same. One challenge for organizations that are evaluating TEM is the lack of standards for TEM solutions. Early in the process, it is critical for managers to determine what they are buying. This will enable them to communicate their needs and make effective comparisons of capabilities. It also streamlines the buying process.

An effective TEM program manages the full lifecycle of a telecom expense. It focuses on eight major service domains, which include inventory management and change control, sourcing, procurement and fulfillment, invoice management, expense management (including validation and optimization), usage chargeback, bill payment, and reporting.

Figure 1: TEM Components



- **Inventory Management and Change Control**

A TEM inventory consists of inventory elements, which are any item that appears on a bill or customer service record (CSR) for a line, circuit, mobile line, or service provided by a telecom service provider. This is different from a comprehensive inventory, which includes items that do not appear on bills.

Some TEM Solutions Providers will go a step further adding telecom assets that do not appear on carrier bills. This could include mobile accessories, mobile software licenses, routers, network hardware and other customer premise equipment (CPE). Equipment, especially the maintenance on CPE for a managed services network, will have invoices from Cisco, Avaya, and other managed network service providers with opportunities for asset management, sourcing, validation, optimization, cost allocation, budgeting and reporting. There may also be opportunities to manage maintenance charges or find value in redeploying it when employees leave or sites are closed. Since carriers do not usually sell them, these items are usually not on CSRs. For enterprises that seek complete management of all telecom and network assets, it is important to understand how the information will be captured and who will be responsible for: verification of its accuracy, its entry into the database and ongoing cost management functions.

In addition, most international service providers do not use CSRs, and CSRs do capture information regarding wireless devices and mobile services. Wireless inventories require additional information for optimization and other Wireless Expense Management (WEM) functions. Inventory for mobile devices should include:

- Employee name or identification number
- Employee Status (active or no longer working for firm)
- Job role/function, department, general ledger code and cost center
- Employee location, region and country
- Mobile phone number
- Mobile Service Provider
- Plan activation and contract expiration date
- Device model number
- International Mobile Equipment Identity (IMEI number)
- Eligibility date for new hardware that is subsidized or free
- Services: voice, texting, data, international use
- How the bill is paid (direct by company, reimbursement, stipend)

Sourcing and expense management use inventory for optimization, bill validation, and usage charge-back. Change control refers to the tracking, management and control of Move Add Change and Disconnect (MACD) activity. Tracking the MACD activity is critical because the inventory is a moving target. Bills may contain disconnected items so enterprises must reconcile inventory with invoices to ensure billing accuracy.

- **Sourcing**

Sourcing includes negotiation of contract rates, special pricing, terms and conditions. A TEM solution should provide monitoring of contract performance, and proactive notice of contract expirations at preset intervals. An important precondition for sourcing of telecom services is establishing conditions in which telecom service providers will compete on pricing, service quality and reliability.

- **Procurement and Fulfillment**

Procurement and fulfillment enables enterprises to enter orders, manage workflow for approval of orders, and placement of orders with carriers through a portal or service. Fulfillment of orders includes tracking order milestones and escalation if promised delivery dates are missed.

- **Invoice Management**

Invoice Management consists of a process to receive all invoices. It should include conversion of paper billing to electronic media and software to centralize processing and management of bills. Carrier billing is highly complex with a wide range of services, special features and line items. A lack of standards for Telecom Service Provider billing formats makes it difficult for organizations to process bills in electronic format without custom software. Automation and conversion of bills to electronic media reduces the costs of manually processing paper bills, avoids data entry errors and streamlines the time to process bills.

- **Expense Management (Audit and Optimization)**

Expense management includes validation of expenses and optimization of charges. Bill validation should include reconciliation to contracts, tariffs, and inventory. MACD activity must be reconciled with billing. This step includes identification of billing errors and overcharges, documentation and filing of claims with Telecom Service Providers.

Optimization of enterprises' communications infrastructure and network expenses provide savings through cost avoidance. Savings come from reconciliation of usage and services with reduction from unused or underutilized lines and services; identification of services that do not have a contract or those that have uncompetitive contracts; finding inactive lines and circuits; analysis of equipment leases; and grooming of services to higher capacity lower cost services.

- **Usage Chargeback**

TEM programs promote accountability for the service consumption and visibility through expense chargeback. The level of detail for chargeback can include call detail tracking.

- **Payment**

A number of TEM Solution Providers refer to the step of batching and submission of bills to the customer as payment when the customer is actually making the payment to the service provider. In other cases, the supplier is actually referring to paying the bills on behalf of its customers. In this case, the TEM Solution Provider establishes an account for the customer to transfer funds and pay Telecom Service Providers.

Regardless of which approach is selected, the program should also include a feed that allows for tracking the invoice payment date, the amount that was paid, the name of the Service Provider, the address or account that received the funds, and when the funds cleared.

- **Reporting**

Reporting provides detailed information on telecom expenses and budgets. The data should be available in a usable format that is readily accessible to managers. Effective reporting will help provide dashboard information in a graphical format with trending for expenses.

Fixed, Mobile and International

Enterprises need to determine if the TEM project will include domestic wireline, wireless, and/or international expenses. With Wireless Expense Management, enterprises must balance expense management with expectations of employees for mobile services that will help make them more productive and help desk support. Multi-national enterprises may seek to expand the program to manage international telecom expenses.

The three areas of fixed, mobile and international telecom expenses have a number of unique challenges. Telecom Service Providers use different billing systems because regulations and revenue models vary for each of these services. Enterprises may also have different groups that manage these three areas. The sample RFP addresses these challenges and differences.

Chapter Two: Assess Business Needs and Goals

II. TEM Needs Analysis

Before selecting a solution provider or issuing an RFP, organizations should use the “Needs Analysis” questionnaire, to gather information and data that it will use to establish a baseline for its current program. TEM Solution Providers can assist during this analysis phase by offering guidance on how to collect the information or even gathering this information for larger projects.

TEM Needs Analysis

A. How does the company manage its telecom services inventory?

- 1) Is there an accurate, up-to-date inventory of telecom services?
- 2) Is the inventory in spreadsheets or is it in a database?
- 3) When there are Moves Adds, Changes and Disconnect (MACD) procurement orders, is there a manual or automated process to update the inventory?
- 4) What level of detail does the inventory have? (Does the inventory refer to everything as a circuit or does it contain more specific information like the type of service/circuit private lines, frame relay, ATM, MPLS?)
- 5) Is there a common process to manage inventory or do offices, regions, or corporate divisions have different approaches to managing inventory?
- 6) Does each group use common software to manage inventory?
- 7) Each month, is software used or do personnel manually reconcile bills with inventory?

B. How does your company manage sourcing?

- 1) Does a dedicated team manage all sourcing activity?
- 2) Does your company secure competitive bids for all services including long distance, fixed data, local, wireless, and international?
- 3) Does the process include formal RFPs?
- 4) When negotiating new telecom contracts, what benchmarks are used to compare rates?
- 5) Does your firm negotiate the terms and conditions in telecom contracts?
- 6) Is there software or personnel that track expiration dates and updates to telecom contracts from carrier’s addendums and other online updates?
- 7) Does the system automatically notify managers before contracts expire?
- 8) Is there software or do personnel monitor Minimum Annual Revenue Commitments (MARC) for each contract?

E. How are telecom expenses managed? (Validation and Optimization)

- 1) Are all bills validated each month and claims submitted for billing errors?
- 2) Is there an internal team that performs this work or an outside firm?
- 3) What claims were submitted over the past two years and what were the actual refunds for the billing claims?
- 4) Please use the table below to identify optimization savings over the past two years for each category.

Savings Category	Savings
Disconnecting unused or underutilized lines and services and ensuring they are removed from billing	
Wireless service optimization through analysis of employee consumption to ensure that employees have the best plans based on their monthly usage. (Employees may be forfeiting unused minutes or not consuming enough data to justify the additional expense of extra minutes or an unlimited data plan. Alternatively, employee's accounts may incur overage charges. Switching employees to a more appropriate plan based on their usage will reduce future expenses.)	
Identification of services that do not have contracts and securing a lower cost contract for the services	
Grooming of services to higher capacity lower cost services (The price of a T3 line is more competitive than six or eight T1 lines,. A T3 line is equivalent to 28 T1 lines. Grooming or replacing a number of T1 lines with a T3 reduces costs.)	

F. How do you manage usage allocation chargeback?

- 1) Are telecom expenses allocated based on actual usage using call accounting and monitoring of call activity through the PBX or call detail from EDI bills or is there a different approach to expense allocations?
- 2) What is the current level of detail for expense allocation:
 - Invoice, circuit, Universal Service Ordering Code (USOC), other?
 - Individual, department, region, business unit?
- 3) Who has access to reports on telecom spending, and what items are in the reports?
- 4) Does the current system capitalize installation charges?
- 5) Are taxes and surcharges broken out separate from monthly service fees?
- 6) What is the average number of allocations per Billing Account Number?
- 7) How often do expense allocation schemes for departments, regions, and business units change?

G. How is bill payment for telecom invoices performed?

- 1) How many people handle an invoice from receipt to payment?
- 2) Is there a way to monitor each step: who has the invoice, and whether it has been approved for payment, paid, and receipt of payments?
- 3) Over the past twelve months, was the cost for late payments penalties?
- 4) Are journal entries manually entered or is there an automatic interface to the Accounts Payable system?
- 5) What accounting system does your company use?
- 6) Do you require any form of fiduciary approval (manager sign-off based on expense levels) of invoices before payment is made?

H. Will the scope of work include international locations?

- 1) Are there any international locations for telecom services? If not, skip to section I.
- 2) Where are international telecommunications expenses managed?
- 3) Do the processes for tracking and reporting of telecom expenses comply with local regulations including data privacy and protection, safe harbor and electronic billing?
- 4) For reporting, payment and accounting, what common currency and language(s) are used?
- 5) Where will purchases of a TEM and WEM solution originate? Will it be by geographic region or will there be one central approach?

I. Will the scope of work include wireless services?

- 1) Does the company provide company-paid wireless devices? If not, skip to section J.
- 2) How many company-paid wireless devices are there?
- 3) Is there a formal policy for use of corporate wireless devices?
- 4) Is there a consistent approval process to determine eligibility for corporate paid wireless services?
- 5) Is there a consistent process to deactivate devices and wipe data from devices?
- 6) Does the company have a capability to replace devices within a pre-established time to ensure end-user productivity?
- 7) Is there help desk support for wireless applications, and security?
- 8) Does the system track voice minutes and data to monthly plan allowances?
- 9) Is there exception reporting for spending that does not comply with corporate policy?

J. Will call accounting be part of the program?

- 1) Is there a system to track and identify long calls, calls to blocked numbers and suspicious call activity?
- 2) Does the system track: usage by employee, most expensive calls, most lengthy calls, most dialed numbers, and call detail (call time, numbers)?
- 3) Does the system track trunk utilization?
- 4) Does the system track Quality of Services (QoS)
- 5) Does the call accounting program comply with local regulations including data protection and privacy?

K. Have historical audits been performed?

- 1) Have there been any previous telecom expense validation and optimization work? If yes, when was it complete?
- 2) What cost savings and refunds did these projects produce?

Collecting the information for the *TEM Needs Analysis* questionnaire is hard work. Organizations often want to move directly to an RFP template. This would be a mistake. A baseline understanding of the current activities and processes to manage telecom expenses is critical. As the information is collected, managers need to ask themselves:

- **What is the biggest challenge with the current process?**
- **What activities are missing from the current approach to telecom expenses management?**
- **What value and savings would these activities provide?**

How many individuals are involved with managing the entire life cycle of a telecom expense and the following functions?

Activity	Number of employees, or portion of employee's time doing this activity
• Sourcing	
• Updating and managing telecom inventory	
• Receiving bills	
• Pursuing missing bills	
• Validating bills for accuracy against contracts and other special pricing	
• Validating bills for accuracy of taxes	
• Reconciling bills with MACD inventory activity	
• Submitting and pursuing claims with service providers	
• Managing usage expense charge-backs	
• Paying bills	
• Generating reports and analyzing spending trends	

Chapter Three: Statement of Work and Cost Justification

Creating a Statement of Work

The questions in “Needs Analysis” identify areas for improvement and goals for the TEM program. This will help define what you need, ensure that the solution fits your specific needs and help to avoid a program that is too small or too large. A Statement of Work captures and defines TEM activities, deliverables and the timeline that a TEM Solution Provider will execute for a client. It is part of the request for proposal and may also be used for a Service Level Agreement (SLA). The TEM *Needs Analysis* should be included in the Statement of Work. It should explain why the organization is seeking to procure a TEM solution and describe the work in detail. (More follows in the TEM RFP)

Executive Sponsorship

An organization must obtain internal consensus and alignment on the areas for improvement before creating a Statement of Work. Developing an internal consensus should include getting executive sponsorship for the TEM program. On average, enterprises spend between two and four percent of corporate revenue on telecom services for the voice and data network. Telecom expenses are one of their top five line-item expenses in the budget. With this high level of expenditures, it would seem natural for C-level executives to play a role overseeing TEM programs.

Telecom expenses have attractive opportunities for cost control and optimization, yet many organizations indicate that executives do not play a role with TEM programs. This is unfortunate, because the most successful engagements have C-level involvement. Lack of technical knowledge may explain Chief Financial Officers’ reluctance to get involved with TEM, and Chief Information Officers often delegate TEM to other members of their team.

CFOs and CIOs do not need to get involved in every detail of implementing a TEM program and management of the program. Below are areas where CFOs and CIOs can affect the success of a TEM program.

CFOs Role

- Serve as a catalyst and establish an agenda for cost cutting
- Set corporate standards and drive accountability for expenses
- Establish rules for recognition and reporting of savings

CIOs Role

- Drive adoption of TEM applications across different departments
- Ensure system integration of TEM with enterprise resource planning and financial enterprise applications
- Eliminate duplication of efforts that result from employees continuing to enter data in legacy systems
- Drive standardization to one application for managing and reporting of telecom expenses

TEM Cost Justification

In addition to the *TEM Needs Analysis*, an effective cost justification for TEM will help to avoid buying a solution that exceed the needs of the organization or buying a solution that fails to meet its the needs.

Savings from TEM programs fall into three main categories:

- Spending less on telecom services
- Labor efficiencies
- Indirect savings

Savings Category	Potential Savings
Spending less on telecom services	
A. Recovery of refunds for billing errors	
1) Audit and recovery of billing overcharges	2% - 15% of expenses
2) MACD reconciliation and recovery of billing overcharges	
B. Cost avoidance by reducing future spending	
1) Strategic Sourcing: better contracts and rates	5%-25%
2) Inventory management	5%- 15% of expenses
a) Grooming to higher capacity lower cost services	
b) Elimination of unused services	
3) Optimization	
a) Wireless service optimizations of voice and data matching consumption to service plans	
b) Identification of services with no contracts, receiving better rates though quote requests and negotiation	
c) MARC penalty avoidance	Depends on MARCs
4) Accountability chargeback visibility, reporting on usage	1%-3% of expenses
5) Elimination of late payment penalties and service disruption for late payments, nonpayment, or lost bills	.5-2% of expenses subject to penalties
Labor efficiencies automating manual processes or outsourcing	
A. Automating procurement processes	FTE reallocation or FTE cost – BPO cost
B. Automating inventory management	FTE reallocation
C. Consolidation of invoices to reduce the volume of payments	FTE reallocation
D. Automating invoice management and validation	FTE reallocation
E. Automating usage chargeback and reporting	FTE reallocation
F. Reducing help desk support	FTE reallocation or FTE cost – BPO cost
Indirect savings	
A. Consistent application of procurement policies	1%-5% of expenses
B. Unifying processes and improving collaboration	1%-3% of expenses
C. Risk mitigation from improved compliance to mobile policy	Likelihood of breach X cost of lawsuit or penalties
D. Better information for improved decisions	benefit from better decisions
E. Freeing working capital	cost of funds X savings
F. Redirecting staff to focus on income producing projects and areas where they add more value	income or value from new activities or staff cost
G. Application of corporate business, mobile policy and accounting rules globally	"Priceless"
H. Compliance to each country's regulations	"Priceless"

In general, the likelihood that a TEM program will produce savings to justify its expenses depend on the complexity of the telecom contracts in the program, the amount of Move Add Change, and Disconnect (MACD) activity, the quality of historical records, telecom services in the program, and some other factors.

Ultimately, the cost justification should focus on areas that add value for the organization. Cost avoidance savings are an important part of justifying a TEM program and evaluating its ongoing performance.

Enterprises also need to align savings calculations from cost avoidance measures with their corporate policies and a practical approach. The CFO can help by establishing rules for recognition of savings and reporting of those savings. There are several different approaches for calculating savings:

- Savings for the budget year
- Savings for the calendar year
- Savings for the term of the contract
- Savings for a rolling 12-month term

The budget year or calendar year approach may create incentives to maximize the savings calculations by timing receipt or recognition of savings to the start of the budget. Using a calendar year approach to calculating savings would mean that a cost savings counts for just one month in December. In January the same cost savings issue will count for 12 months. A rolling 12 month term for calculating savings avoids the issue of incentives that lead to “finding” savings in January each year.

It is also important to consider the cost of not acting or delayed action. With telecommunications expenses, there are costs for not acting because carrier contracts often limit the period of time in which customers can file claims for refunds. The statute of limitations for refunds is typically 6 months for long distance services and two years for local billing. Increasingly, telecom Service Provider Contracts are setting more stringent limits on the time to file a claim for a billing error.

Chapter Four: The RFP for TEM BPO/Managed Services

After learning about TEM, assessing business needs, creating a *Statement of Work*, and developing a cost justification for the TEM program, the next step is refining a Statement of Work (SOW) by meeting with TEM solution providers.

There are two critical objectives for these meetings. First, managers need to ensure that the SOW reflects enough information to receive RFP responses that address the entire scope of work. A second critical objective is to narrow the number of solution providers that will receive the RFP. Competition is healthy, but too much competition is not good. Attempting to evaluate too many RFP responses leaves less time to review each response and evaluate each supplier's capabilities.

The goal in selecting solution providers that will receive the RFP should be to include prospective firms that can meet your specific requirements and those that will provide a solid return for the program. It is also important to include only TEM Solution Providers that will be able to support your organization over the long term.

Issuing the RFP and evaluating responses is the next step. The following questions will help you pick the best TEM Solution Provider based on your goals.

Table I: Buyers Checklist TEM/WEM

Buying? Yes/No	Service	Comments
	Inventory Management and Change Control	
	Sourcing	
	Procurement and Fulfillment	
	Invoice Management	
	Expense Management (Audit & Optimization)	
	Usage Chargeback	
	Bill Payment	
	Wireless Expense Management	
	Global TEM Program (Multi-national Locations)	
	Implementation	
	Historical Audit	

Request for Proposal: Telecom Expense Management

RFP Purpose

The purpose of this RFP is for [COMPANY NAME] to obtain bids from qualified Solution Providers to provide a Telecom Expense Management (TEM) and Wireless Expense Management (WEM) Solution. The services shall include inventory management, sourcing, procurement and fulfillment, invoice management, expense management (audit and optimization), usage charge-back reporting and bill payment.

The costs for developing and delivering responses to this RFP and any subsequent presentations of the proposal as requested by company are entirely the responsibility of the Bidder. [COMPANY NAME] is not liable for any expense incurred by the Bidder in the preparation and presentation of their proposal or any other costs incurred by the Bidder prior to execution of a contract.

This RFP does not obligate [COMPANY NAME] to enter into a business arrangement with bidders unless and until such time as a contract for the product/services in this RFP are executed between both parties and a written order for such products/services is issued to you by [COMPANY NAME].

Statement of Work

- S.1. Fixed wireline Scope of Services \$xx million annual spend;
- S.2. xx wireline telecom service providers, xxxx monthly invoices (xx% paper)
- S.3. Below is a breakdown of telecom service providers and expenses for the project.

Country								
Service Provider	Product Type	Monthly Spend (\$)	# of BAN's	# of Summary BAN's	Format of Bills			
					EDI	Paper	Web	CD

- S.4. The TEM Solution Provider that is awarded the project will be responsible to transition invoices to electronic format during implementation
- S.5. Locations: North American – 50 states and Canada supported (Phase II global locations in Europe, Latin America and Asia); 600+ locations •
- S.6. [COMPANY NAME] requirements are defined within this Statement of Work, RFP and associated documents
- S.7. All contracts, lists of stakeholders, providers, and accounts with invoices for the prior 3 months are readily accessible to begin project
- S.8. Paper invoice copies (paper copy, Adobe, or faxed invoice) are considered least desirable bill media and TEM Solution Provider will transition to electronic media where possible

- S.9.** Inventory must be established and validated as part of the implementation. (The TEM inventory shall consist of inventory elements, which include all items that appear on a bill or Customer Service Record (CSR) for a line, circuit, mobile line, or service provided by a telecom service provider.) Wireless inventory shall include additional items as listed below.
- S.10.** Cost allocation for fixed services shall include a hierarchy of accounts, circuit, location level and business unit
- S.11.** Cost allocation for wireless services shall include chargeback at the individual employee level. (Pooled plans shall include usage chargeback with expenses proportional for the monthly consumption within the pool of employees with updates for consumption changes each month.
- S.12.** Invoice and Order approval hierarchy requires up to two (2) approval levels. Client will provide an approver list, and it is fairly stable.
- S.13.** One single AP system will be used to interface with TEM software
- S.14.** One single HR system will be used to interface with TEM software
- S.15.** •Security requirements are addressed in the security section of the RFP
- S.16.** The contract term is for a minimum period of thirty-six months with an additional four month migration and implementation period. Migration will begin [mm/dd/year]. After this period, both parties may mutually agree to renewals of the contract.

RFP Instructions

Bidders must organize their proposal into sections that follow the format of this RFP (A-F) with a cover sheet. Include a response to each individual question in sections A-F. If no explanation or clarification is required in the Bidder's response to a specific section, the Bidder shall indicate so in a point-by-point response.

Bidders failing to comply with these instructions may be subject to point deductions. [COMPANY NAME] may also deem the proposal non-responsive, and/or may disqualify from further consideration proposals that do not follow this RFP format, are difficult to understand, or are missing information.

All responses provided to [COMPANY NAME] for this RFP regarding service capabilities and software that support these services assumes that: 1) The provider has such capability developed in active production with their general / current client base, and 2) It will be provided to [COMPANY NAME] as part of the services included in the overall fee proposed.

Any exceptions to these regarding capability (e.g. currently in Beta testing) or pricing (e.g. this feature will cost an additional fee) must be SPECIFICALLY identified in the response. Failure to disclose this information may be grounds for elimination and/or termination of contract (if awarded the contract).

All bidders must respond factually to this RFP and its requirements. Please have an officer, with authority and knowledge of your firm's capabilities to meet the requirements in this RFP, acknowledge this in your cover sheet accompanying your response.

Bidders with questions requiring clarification or interpretation of this RFP must address these questions in writing via e-mail to the RFP manager below on or before [mm/dd/year] as listed in the RFP timeline. Each question must reference the section, page and item in question. Receipt of questions after the deadline, will be considered, but due to time constraints, they may not receive a response.

Bidders must submit one original hardcopy proposal to the contact at the address below. Bidders must also submit one electronic copy of the proposal, preferably in PDF format, via e-mail or USB data stick. Electronic copies of the proposals must be received by procurement manager prior to X:00 p.m., local time, [mm/dd/year] with a hard copy by 4 PM the next day. Fax responses and late submissions will not be accepted.

Bidders may submit multiple proposals. These proposals shall be evaluated as separate documents.

RFP Timeline

Activity	Responsibility	Deadline*
Intent to Respond	Bidders	[mm/dd/year] and Time/ Zone
Bidder Questions	Bidders	[mm/dd/year] and Time/ Zone
Responses to all questions	[COMPANY NAME]	[mm/dd/year] and Time/ Zone
RFP response due	Bidders	[mm/dd/year] and Time/ Zone
Follow-up questions to Bidders	[COMPANY NAME]	[mm/dd/year] (if necessary)
Follow-up responses	Bidders	[mm/dd/year] and Time/ Zone
Bidder presentations	Bidders	[mm/dd/year]
Bidder visits	[COMPANY NAME] & Finalist(s)	[mm/dd/year]
RFP evaluation	[COMPANY NAME]	[mm/dd/year]
Finalist(s) notified	[COMPANY NAME]	[mm/dd/year]
Contracting	[COMPANY NAME] & Finalist(s)	[mm/dd/year]
Implementation begins	Award Recipient(s)	[mm/dd/year]
Two hour face to face or phone discussion^	Bidders not selected and [COMPANY NAME]	[mm/dd/year]

*[COMPANY NAME] reserves the right to modify the RFP timeline.

^ Ground rules for bidders not awarded the business:

- There will be no disclosure of confidential information.
- This is not a negotiation. It is an opportunity to learn for the future.

ISSUING DEPARTMENT INFORMATION	
RFP Manager: Name	Issue Date: [mm/dd/year]
Address	Phone: E-Mail: Website:
INSTRUCTIONS TO BIDDERS	
Return Proposal to: RFP Manager [COMPANY NAME] Address	Mark All E-mails and correspondence: RFP Number: RFP Response Due Date:
RFP Number:	RFP Title: Telecom Expense Management

BIDDERS MUST COMPLETE THE FOLLOWING	
Bidder Name/Address:	Authorized Bidder Signature: (Please print name and sign in ink)
Bidder Phone Number:	
Bidder E-mail Address:	
BIDDERS MUST RETURN THIS COVER SHEET WITH RFP RESPONSE	

Selection Criteria

- S.1.** This RFP shall include a competitive evaluation with the following criteria:
- Industry Expertise, Relevant Experience and Financial Stability (25%)
 - Service Offerings and Solution Capabilities (25%)
 - Implementation and Ongoing Service (15%)
 - Data Visibility and Reporting Capabilities (15%)
 - Technology (10%)
 - Price and Contract Terms (10%)
- S.2.** Bid proposals and actions related to the RFP will determine selection and award. Responses may not reference information located elsewhere, such as Internet websites or libraries, unless specifically requested.
- S.3.** Information or materials presented by Bidders outside the formal response or subsequent discussion/negotiation, unless requested, will not be part of the evaluation. It may result in disqualification of the Bidder.

Bidder Company Background

- A.1.** For each of the specific solutions in this RFP, how long have you provided them?
- A.2.** What experience do you have implementing the solutions that you propose in this RFP with organizations of our size?

- A.3.** If you win our business, what percentage of your annual TEM revenue would our contract represent?
- A.4.** Provide the names and contact information of three existing customer references for this RFP.
- A.5.** Describe your company's financial status, financial performance over the past three years, and growth plans over the next three years.
- A.6.** What certifications (SAS 70, ISO 27001 certification, Safe Harbor, etc.) do you currently have for your TEM/WEM/MDM program?
- A.7.** Describe your firm's employee training, certifications, special qualifications and retention programs for the staff that will manage the program in this RFP.
- A.8.** What Service Level Agreements (SLAs) do you offer for the proposed solution? If you fail to meet these SLAs, what remedies do you propose?
- A.9.** Are you currently a member of TEMIA?

A. Service Offerings and Solution Capabilities

Briefly describe how you support each of the following Telecom Expense Management components. If your firm offers licensed software, Software as a Service (SaaS) or business process outsourcing, delivery mechanisms, please answer this RFP specifically for a business process outsource solution.

B.1. Inventory Management and Change Control

The TEM inventory shall consist of inventory elements, which include all items that appear on a bill or Customer Service Record (CSR) for a line, circuit, mobile line, or service provided by a telecom service provider. (Wireless inventory require more information as listed in section.)

- B.1.1.** Please describe the process to create and verify inventory.
- B.1.2.** When do you validate the inventory?
- B.1.3.** What level of detail will the system provide for the inventory? (Does the system refer to everything as a circuit or does it specify detail with private lines, frame relay, ATM, MPLS?)
- B.1.4.** Does the product combine everything into on consolidated database with voice, data, and wireless products, communications inventory (lines, trunks, circuits, toll free 800 and advanced features, frame relay, access services, wireless and associated

hardware). Does it link inventory items to reflect network functions and infrastructure?

- B.1.5.** Can customers access the inventory and sort it with filtering by type (T1, T45, OC#, wireless, locations, etc)?
- B.1.6.** Does the proposed solution have the capability of linking one inventory item to multiple supplier billing accounts?
- B.1.7.** Describe in detail the capabilities and identify which functions require manual entry and functions that automatically update the inventory.

B.2. Procurement and Fulfillment

- B.2.1.** How does the system create, track, and manage orders through the procurement lifecycle from quote, MACD, milestone tracking, fulfillment to inventory update?
- B.2.2.** List all service provider / service type order templates available today that support automated provisioning/procurement.
- B.2.3.** When placing orders through the procurement solution, does it automatically reference special pricing, contracts or quotes?
- B.2.4.** In addition to an automated procurement portal, does your company manage, through professional services, order submissions and escalations if installation service dates and other commitments that are not met (for fixed and wireless services)?

B.3. Invoice Management

- B.3.1.** How does your team manage conversion of paper to electronic invoices? Is there an additional charge for this service?
- B.3.2.** How do you receive electronic invoice data from providers (mail of physical media, FTP, direct connection such as a T1, EDI)?
- B.3.3.** Describe the workflow from invoice receipt through payment. What is the average time between receipt of an invoice, when it is ready for customer approval and payment?
- B.3.4.** What is your procedure for processing paper invoices when electronic billing media is not available?
- B.3.5.** Describe your process of verifying receipt of invoices and your process for managing missing invoices.
- B.3.6.** What level of detail for telecom invoices will be entered into the system? Is it summary level for the amount due, line item billing

detail, or call detail level of information? Will the level of detail vary for different billing media that you process?

B.3.7. What quality control procedures do you have to ensure accurate data entry and mapping?

B.3.8. Does the solution include on-going maintenance of your software to process invoices from carriers as carrier invoice formats change? How does your pricing address this?

B.3.9. How long is invoice information readily accessible and available for online viewing in the solution?

B.4. Expense Management (audit and optimization)

B.4.1. What items do you validate on invoices, and how do you identify billing errors?

B.4.2. How does the program reconcile customer service records and billing?

B.4.3. How does the program validate charges by comparing invoice with MACD activity (e.g., circuit disconnected or not active, but billed)?

B.4.4. How does the program verify the physical existence of services, reconcile physical inventories with billing and resolve issues with carriers?

B.4.5. How does the program validate invoice charges with contracts and other special pricing? Is this process automated?

B.4.6. How does the program validate surcharges and taxes on telecom bills?

B.4.7. What third party reference systems assist in invoice validation processes? Is there an additional charge for third party validation reference tools?

B.4.8. How are charges for cramming and slamming identified?

B.4.9. How do you verify credits, prorated charges and waivers?

B.4.10. What triggers audit activities (New service installations, service disconnections, new contracts, other items?)

Dispute Resolution

B.4.11. How does the program ensure timely and accurate resolution of billing errors?

B.4.12. What mechanisms provide information to customers regarding the status of pending and received refunds/credits? How do you monitor dispute “aging?”

B.4.13. How does the system associate dispute log items with circuit/service, invoice, and/or account?

B.4.14. How does the system communicate disputed items with service providers? (Please include sample reports or screenshots and escalation techniques to resolve issues.)

B.4.15. How does your system track and validate credits against dispute log items?

Optimization

B.4.16. If your program does provide this service, how does it address the identification of unused or underutilized services, recommendations for changes and savings verification?

B.4.17. If your program does provide this service, how does it identify services that do not have contracts and instances where the lowest available pricing is not utilized?

B.4.18. Do your optimization efforts include grooming of services to higher capacity lower cost services? (For example if the price of a T3 line is more competitive than six or eight T1 lines,. A T3 line is equivalent to 28 T1 lines. As part of this program, will you groom or replace T1 lines with a T3 to reduce costs.)

B.4.19. How do you charge clients for these optimization services?

B.5. Usage Chargeback and Reporting

B.5.1. What level of detail do you use for cost charge-back?

- Summary, invoice, circuit, and or USOC level
- Individual, department, location, and or region level

B.5.2. How will the level of detail used for cost chargeback vary based on billing media (EDI, FTP, paper)?

B.5.3. Can chargeback rules include fixed percentages from some expenses and allocations based on consumption or a combination of these two approaches?

B.5.4. What type of system integration and/or process automation is available to propagate change from our Enterprise Resource Planning, Human Resource, Help Desk, and Accounts Payable systems?

- B.5.5.** List your standard and dashboard reports, and describe custom report capabilities.
- B.5.6.** Describe the capability of the application to support individual users or designated role requirements, custom search, and filtering capabilities.
- B.5.7.** Can reports be automatically scheduled and distributed to specific recipients (push technology), or do they have to be run manually?
- B.5.8.** Describe how you support accruals for:
- Missing Invoices - Invoices expected, but not received;
 - Accruals for usage? (Do zero charge invoices, such as periodic usage, impact accrual calculations?)
- B.5.9.** Please provide a sample accrual report that your clients use.

B.6. Bill Payment

- B.6.1.** Are you able to send an electronic feed with payment and general ledger information to our accounting system? If so, which accounting systems do you currently support? Is development of this feed included in the pricing?
- B.6.2.** How does your solution address deductions of disputed amounts, short payments for invoices, accruing for an unpaid portion of an invoice and accruing for the full invoice amount?
- B.6.3.** How does your system track payment history detail at the supplier account and invoice level? What processes allow you to process electronic feeds from client's accounting systems with check/advice number, amount paid and date?
- B.6.4.** How does your program address late payment penalties, for missing bills or failure to process bills on time?
- B.6.5.** In your outsource environment, how are solution providers collection calls resolved and who is responsible for these issues?

B.7. Wireless Expense Management

Inventory Management

Wireless inventories will include:

- Employee name or identification number
- Employee Status (active or no longer working for firm)
- Job role/function, department, general ledger code and cost center
- Employee location, region and country
- Mobile phone number
- Mobile Service Provider

- Plan activation and contract expiration date
- Device model number
- International Mobile Equipment Identity (IMEI number)
- Eligibility date for new hardware is subsidized or free
- Services: voice, texting, data, international
- How the bill is paid (direct by company, reimbursement, stipend)

B.7.1 Describe the process to create the wireless inventory and verify it.

B.7.2 When is the inventory validated?

Wireless Service Procurement and Fulfillment for

B.7.3 Describe how your procurement portal supports mobile resources:

- Cellular and data devices (aircards, smartphones, tablets, etc.)
- Rate plans for voice and data services
- Accessories and other mobile items

B.7.4 Are accessories and other mobile resources available through one catalog/portal? Do any of these items require a different procurement portal?

B.7.5 Describe how your procurement system addresses a catalog and filters devices, rate plans, and services based on job function, job title, job description, title, region, and preferred providers?

B.7.6 Who maintains the catalog content including description, photos, and rates and how frequently is it updated?

B.7.7 Does your procurement system's catalog reflect negotiated pricing, discounts, contract terms, new device eligibility criteria such as number of months the service has been active?

B.7.8 Does your procurement system manage approvals or rejections for procurement requests through a workflow?

Optimization

B.7.9 How does your program identify wireless service optimization savings opportunities to ensure that employees have the most cost effective voice and data plans based on their consumption patterns?

B.7.10 How often are wireless plans optimized?

B.7.11 How do you charge for these optimization services?

B.8. Global TEM program (Multinational Locations)

- B.8.1.** What is your current volume of telecom expenses that you process from telecom carriers in the following regions
- United States
 - Canada
 - Europe
 - Asia-Pacific (including Australasia)
 - Latin America Mexico, South/Central America and Caribbean
 - Middle East, Africa, and other regions
- B.8.2.** What languages and currencies does your TEM program manage?
- B.8.3.** How do you manage invoices in adherence with local laws? How do you acquire invoices in countries whose laws preclude carriers from mailing invoices outside country borders?
- B.8.4.** Are you able to convert local billing into a single currency (e.g. Euros, Dollars, etc.)? Explain your processes and use of exchange rates.
- B.8.5.** What languages are currently available for reports?
- B.8.6.** How is auditing dispute management and optimization provided for global invoices?
- B.8.7.** What is your process for establishing capabilities in a country where you are not currently processing bills?
- B.8.8.** How does the pricing differ for managing global TEM services?

B.9. Professional Services: Sourcing

The scope of work shall include gathering contract information for all telecom voice and data services (long distance, fixed data, local, wireless, and international).

- All contracts that have renewal dates or can be renegotiated shall be identified
- The Solutions Provider shall gather client demand sets (traffic patterns, private lines, etc.) and provide an unbiased review balancing service quality with savings and costs of changing (provisioning costs, MARCs, penalties) telecom service providers
- The Solutions Provider shall make recommendations comparing existing providers and competitive offerings
- Where client approves, the Solutions Provider shall
 - Issue an RFP to telecom service providers
 - Evaluate responses
 - Make recommendations to client on changes
 - Negotiate new contracts
 - Mitigate risk (on behalf of client) in the terms, cancellation penalties, etc.,
 - Document cost savings and risk mitigation benefits

B.9.1. Does your firm offer this service?

B.9.2. Please outline the expertise of your professional sourcing telecom team including voice and data T1's, DSx, OCx, MPLS and DWDM, wireless services, and telecom contracts outside the US.

B.9.3. What resources do you use for telecom rates and how current are these benchmarks?

B.9.4. How do you compare telecom providers' quotes service levels, and determine the best offer?

B.9.5. Does the system automatically report on Minimum Annual Revenue Commitments (MARC) for each contract and contract expiration dates?

B.9.6. How do you manage contract updates from carrier's addendums and other online changes?

B.10. Professional Services: Historic Audit

B.10.1. Describe your process for obtaining refunds for billing errors. Include an explanation of your audit methodology, the statues of limitations that may affect refunds and your resolution process with Telecom Service Providers.

B.10.2. How does the pricing differ from ongoing audits?

C. Technology and Security

- C.1.** How often are product upgrades and patches made to your current platform? Are they optional or mandatory? Is there a fee associated with the upgrades or their installation?
- C.2.** Describe the hosting environment for outsource services. What hardware do clients need?
- C.3.** For the typical client, which enterprise systems does your application interface with, and how is security managed for these interfaces?
- C.4.** Describe your business continuity and disaster recovery plans.
- C.5.** Describe how you back-up and archive clients' data.
- C.6.** Provide an overview of your processes and methods for keeping client data secure at an application, network and operations level.

D. Implementation and Ongoing Service

- D.1.** Provide a detailed implementation plan for the program outlined in your proposal. List who is responsible for each step, include dependencies, and the expected time to complete each item.
- D.2.** Describe your acceptance testing and our involvement in it.
- D.3.** Provide an organizational chart with the team members that would be involved in our program and their relevant experience in performing projects similar to the scope of work in this project.
- D.4.** Describe your support, helpdesk and escalation process.
- D.5.** Do you offer supplemental project management support to transition from processing bills in multiple locations to your central process?

F. Price and Contract Terms

- F.1.** What is your implementation price for the services listed below?
- F.2.** Please provide a price for each of the services outlined in your proposal.
- F.3.** List all of your pricing assumptions that could affect the costs in your proposal.

Chapter Five: Conclusion

RFPs are not always the best approach to buying a TEM solution. The RFP process can create obstacles to effective communications between customers and potential solution providers. This can block the flow of information needed to make informed selections. Smaller companies and organizations with less complex networks may find it is more effective to meet with a group of suppliers, establish common direction and use this process to get competitive quotes rather than overloading themselves with RFPs that contain too much material to evaluate.

Organizations that commit to an RFP, should start by understanding their own business processes for managing telecom expenses. It is important to know limitations, strengths and weaknesses with the current process. Staff may have concerns about their own jobs, so keep them informed. Open communication should carry through every stage of the RFP with internal parties and participants competing for your business.

An approach that focuses too much on getting the lowest price can cost more over time since the fees for a TEM solution are a small fraction of the savings that an effective TEM program will produce from:

- Spending less on telecom services
- Labor efficiencies
- Indirect savings

Better results will come if you can stay with an effective supplier for several years. Work to achieve this goal by establishing metrics and using Service Level Agreements as part of planning for TEM, supplier selection and contracting. Avoid vague SLAs that do not directly contribute to business value or ROI. SLAs should meet the criteria listed below.

- **Openness** Each measure, its definition, and calculation must be completely open and visible through reporting to all interested parties.
- **Quantitative vs. qualitative** The standards should provide clear quantifiable measures that are objective, granular, and comprehensive.
- **Universally applicable** The standards must be able to be applied and provide valid outputs or results and immune to variances in methods, process or tools applied. **Standards must apply regardless of whether the TEM program is managed internally, licensed software installed behind a corporate firewall, hosted software, or a business process outsource solution.**
- **High inter-rater reliability** No matter who applies the metrics, the results will be the same given the same input data. There will be minimal variance between measures, given the same data.
- **Enforceability** avoids penalties that exceed the cost of the program or rely on termination of the contract.

TEMIA has reports on TEM metrics and SLAs www.temia.org/resources/download-reports.

We also welcome your feedback on this document, at info@temia.org, as you work through the RFP process and select the best TEM Solution Provider for your needs.

About TEMIA

In 2006, many of the largest Telecom Expense Management (TEM) solution providers established The Telecom Expense Management Industry Association (TEMIA) to raise awareness and knowledge of TEM solutions. TEMIA's ongoing mission is to improve the ROI of TEM solutions and service quality through the development and promotion of clear and understandable industry standards, reasonable performance metrics and to cultivate shared industry knowledge among TEM providers, business partners, telecom service providers, and enterprise clients. TEMIA solution providers help their clients manage over \$31 billion in telecom and data assets annually. Further, TEMIA members subscribe to a Code of Ethics, which clearly differentiates their level of commitment to their clients. For more information about TEMIA, please visit, <http://www.temia.org>, contact info@temia.org, or call TEMIA's Executive Director, Joe Basili at 973 763-6265.

About Juvo Technologies

Juvo is a Total Telecommunications Management firm that enables clients to achieve significant financial benefits by maximizing telecom efficiencies. Juvo is able to achieve an average of 15%-25% telecom savings for its clients through the precise management of client's everyday telecom needs, including local, long distance, Internet, data, and mobile devices. Juvo's expertise, industry experience, and trademark software, all combine to provide its clients with industry leading telecom solutions to meet ever increasing demands.

Juvo, an active member of TEMIA, the Telecom Expense Management Industry Association, has clients with operations in all 50 states, Canada, Mexico, and the United Kingdom.

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