

Successful Wireless Management

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Content Overview



- I. Case for Wireless Management
Relevance & Urgency
- II. Understanding the complexity
- III. Defining Success
- IV. Six Critical Success Factors
- V. Measuring Success

I. Case for Wireless Management



- Wireless spend exceeded wireline spend in 2006 for the first time (54% to 46%).
- A Federal agency discovered that 5% of their users had no usage. Disconnecting those lines saved \$1.5m per year.

Case for Wireless Management



- Aberdeen research (1/07) shows:
 - 75% of enterprises expect wireless costs to increase
 - 44% of enterprises have no formal wireless management program
 - 10% have not even identified who is responsible for managing this cost
 - 63% of enterprises don't have accurate inventory of wireless devices
 - 37% have no formal HR policy when employees leave
 - Wireless support costs are 10X those for the wireline telecom.
- RIM subscriber base doubled last year
 - from 2.5m in 2005 to 4.9m in 2006

Case for Wireless Management



- Aberdeen research shows:
 - 34% of enterprises pay persistent penalties for exceeding plan minutes
 - 23% don't or cannot track usage
 - 73% of enterprises are implementing wireless expense management
 - Best-in-Class enterprises manage 21% more devices at half the cost – by limiting PDAs.

Case for Wireless Management



- Trends summary
 - Wireline to Wireless Shift
 - Deeper proliferation of PDAs
 - Corporate Liable Phones vs. Individual Liable
 - Social Status / Entitlement Issues
 - *What are we communicating?*
- Urgency
 - Cost of neglect: 25-40% of the spend
 - What do we control?
 - Whose job is it?

II. Complexity of the Challenge -1



- Wireless phones are more like computers than their wireline counterparts
 - They can be easily lost, stolen or used to penetrate corporate defenses
- **Technology standards** are not open enough to enable vendor switching
- Technological **obsolescence** is fast & furious
- Policy making has social consequences
- Linking wireless policies to business mission deserves executive attention – but is hard to get

Complexity of the Challenge -2



- Inventory & Invoice Payments are decentralized
 - Individual Liable vs. Corporate Liable phones
- The vendor service plans are complex and strongly discourage churn
 - Vendors don't offer alerts for waste, abuse or fraud
 - Billing disputes resolutions are nasty and lengthy

Plan Complexity



- Local, regional, national and international plan offers
- Peak/Off-Peak minutes
 - ▣ With or without rollover
- Roaming – Domestic & International
- Free minutes
- On-net vs. Off-net
- Pooling
- Overage minutes (at 500% premium)

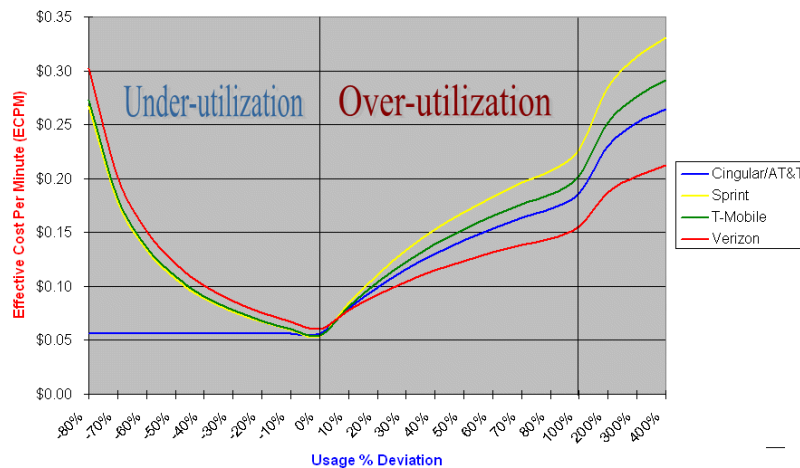
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Plan Allowances



Effect of Usage Deviations



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Complexity of the Challenge -3

- Enterprise Resource Planning systems cannot nimbly handle wireless complexity (of inventory, invoices, rate plans, and usage optimization policies)

III. Defining “Success”

Success in wireless management is:

- Creative, aggressive support of the **business mission** through wireless technology
- At the most cost-effective basis
- Without onerous controls on users

IV. Six Critical Success Factors



1. Policies
2. Acquisition Portal
3. Inventory Control
4. Invoice Analysis & Processing Control
5. Cost Optimization & User Alerts
6. Device Security & Disposals

1. Policies



- Who gets what
- Who pays
- Reimbursements: Full & Partial, “allowance” approach
- Friends and Family
- Cost Allocation
- Business vs. personal calling
- Charge Backs to Clients
- Maintenance / Insurance
- Downloads of Ring tones / Screens

2. Acquisition Portal



- Key Benefits:
 - Policy enforcement, device standardization
 - Vendor consolidation, volume discounts eligibility
 - Links to inventory and invoices for accountability
 - High ROI
- Structure
 - Comparative discounted pricing - phones, plans, accessories
 - Policies: articulation & Enforcement
 - Vendor support site links – Tech support
 - FAQ

3. Inventory Control



- Portal feeds inventory database
- Who has what, for how long
- Rate Plans & termination/renewal dates
- Device tags / SIM chips – Travel issues
- HR implications – Zero users, Device recovery, service terminations
- Track vendor commitments

4. Invoice Analysis & Processing



- Pay only for what is yours and what you use
 - Links to Inventory & Contracts for monthly verification
- Timely analysis for Billing Errors Identification
- Timely Payment Processing – Approval workflow
- Charge-backs & managerial review of exceptions
- CDRs –
 - Availability of call details
 - Wireline & Wireless usage – Complete picture @ user
 - Personal vs. Business

5. Cost Optimization & Alerts



- Cost Optimization (Quarterly)
 - Over- and Under-utilization of Plan Allowance
 - Pooling
 - Best Plan
 - Proliferation of PDAs & Data Downloads
 - Text Messaging
- Alerts to users & their managers
 - Daily usage data collection from vendor sites
 - Plan Utilization thresholds (80-90-100%)
 - Email messages

6. Device Security & Disposals

- Device Security
 - Cameras
 - Access rights to corporate networks
 - Virus protection, Remote Kill
- Disposal
 - Recovery & Storage of devices from departing employees and re-deployments
 - Forensic cleansing of PDAs when being disposed off
 - Credit for re-sale value to be applied to future sales

V. Measuring Success

- Business Mission Support
 - Linkage to key business mission indices
 - E.g., paid-passenger flight miles, room occupancy, hospital bed occupancy, etc.
- Best Cost
 - Effective Cost Per Minute
 - Total Cost of Ownership (Life Cycle Management)
 - Vendors: Bench Marks and performance scoring
- User Convenience
 - Intranet site usage, complaint frequency, ease of procurement and life cycle management

Wireless Quick Facts



Topic	2006	2005	2000	1995
Wireless Subscribers	233M	207.9M	109.5M	33.8M
Wireless Penetration (% US Popul.)	76%	70%	39%	13%
Wireless-Only Households (% US)	12.8%	7.7%	N/A	N/A
Direct Carrier Jobs	253,000	233,000	184,000	68,000
Wireless Carrier Payroll	\$13B	\$12.2B	\$1.8B	\$1.7B
Total Wireless Revenues	\$127B	\$115.2B	\$54.3B	\$21.8B
ARPU / Mo.	\$ 45.42	\$ 46.18	\$ 41.32	\$ 41.91
Wireless Data Revenues	\$15.2B	\$8.6B	\$211.2M	N/A
Incremental Capital Investment	\$24B	\$25.2B	\$18.4B	\$4.9B
Minutes of Use	1.8T	1.5T	259B	37.7B
Average Minutes / User / Month	644	601	197	93
Trend	7%	205%	112%	
Effective Cost Per Minute (Cents)	\$0.062	\$0.071	\$0.209	\$0.578
Trend	-13%	-66%	-64%	

Thank you!



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