

IT Analysis – Don't throw the telecoms baby out with the cost centre bath water

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In economically challenging times it is no surprise to see the knee-jerk reactions of many organisations to 'cut costs'. Overall solvency (profitability), and the monthly demands of liquidity (cashflow) are vital for the health of any company – most businesses cannot rely on government rescue like that extended to some now infamous banks – so it sometimes seems that cutting costs is the best thing to do.

However cutting equally across all cost centres in a blind panic is rarely effective in the long term and should be taken as a last rather than first resort. There are often many avenues that can be addressed before wielding an indiscriminate axe. This is particularly important in those areas where direct expense is most visible, but the true business value is opaque or diffuse.

Take mobile telephony as an example. Those responsible for telecommunications in most organisations have a pretty good idea of how large their total phone bills are and can see how much certain elements, for example, mobile calls, are growing by. This makes it an easy target area for swingeing budget cuts.

According to recent Quocirca research, around a half of companies are not seeing mobile spending falling in line with tariff reductions. Telecoms managers can also see who the worst offenders are, as over two thirds believe they have sufficient accuracy and detail to know 'how much' and 'who spends what' from itemised charges on a mobile phone bill – what they don't know is 'why?'.

This piece of information is critical, because not only does it provide an indication of what value might be being gained, it also offers some intelligence that could be used to decide if it is possible to find an alternative, so that the value can be retained while the cost reduced.

Businesses obtain significant value from voice communication, and the mobile phone has become a primary tool for delivering this, ensuring that people can be reached when away from their desk. Decisions can be made faster,

avoiding costly delays, and improving responsiveness. Individuals are able to make use of previously dead time, hopefully either improving their personal productivity and taking control of their work/life balance, or perhaps just as likely staying in touch friends or relatives.

Making mobile calls while in an office with perhaps a lower cost fixed phone nearby is of more questionable value, but something that many employees will do.

Why? - because it is more convenient and generally the desired contact numbers are already in the phone and just a click away.

There's also the flexibility of being able to start a call while sat at a desk but not having to hang up and call back when other demands make it necessary to get up and move, say to head off to a meeting, or to go home.

If the call is important, mobile flexibility means it does not need to be curtailed, promoting value over cost. What is the value of a lost opportunity when a salesperson is unable to make a mobile call because of penny pinching, or the loss of loyalty when a rapid response to a customer cannot be made because the person needing to call is out of the country? The reason for the call is more relevant than its length or distance.

However not all calls are that instantly vital. They may simply be being made because it is all too easy to call a contact out of the address book or click to return a missed call. Employees are so familiar with using a mobile phone as consumers that they would rarely think twice about the cost of making calls from a business supplied mobile phone.

Other alternatives – an email, instant message or text message – may be seen by the employee as too awkward to use, are not encouraged by their employer or are not available because of the devices or services currently being supplied.

These alternatives can only be pursued with appropriate knowledge of 'why', and this requires an appraisal of the impact of current usage by line managers and the individual affected employees.

This awareness encourages personal responsibility among employees, perhaps making them think twice about too many personal or unnecessary calls, and allows managers to make business oriented decisions balancing value with cost.

There is also a need to understand outside influences, such as the viability of other services, a comparison of current tariff options and best practices in place elsewhere.

This is where a good telecoms manager, either on their own or with external specialised help, can provide more effective support to users than simply an itemised bill and a budget squeeze.

The business value of mobile telephony stems from the importance and timeliness of making contact there and then, coupled with the convenience of how contact is made. If companies take too simplistic a view to cutting costs of mobile telecoms that means cutting usage or users.

They may of course be able to negotiate a better deal with a supplier, but according to the same research, even with falling tariffs, for most companies mobile bills are still rising. Convenience, timeliness and perhaps over familiarity are driving up the demands for usage and the number of users.

Companies have to be more effective to continue to get good value out of advanced communications, and use other tools to help manage telecoms budgets than just an axe. To look in more detail at obtaining value from telecoms, download this free report from the Quocirca website, ["Total telecoms expense management"](#).

About Quocirca

Quocirca is a primary research and analysis company specialising in the business impact of information technology and communications (ITC). With world-wide, native language reach, Quocirca provides in-depth insights into the views of buyers and influencers in large, mid-sized and small organisations. Its analyst team is made up of real-world practitioners with first hand experience of ITC delivery who continuously research and track the industry and its real usage in the markets.

Through researching perceptions, Quocirca uncovers the real hurdles to technology adoption – the personal and political aspects of an organisation's environment and the pressures of the need for demonstrable business value in any implementation. This capability to uncover and report back on the end-user perceptions in the market enables Quocirca to advise on the realities of technology adoption, not the promises.

Quocirca research is always pragmatic, business orientated and conducted in the context of the bigger picture. ITC has the ability to transform businesses and the processes that drive them, but often fails to do so. Quocirca's mission is to help organisations improve their success rate in process enablement through better levels of understanding and the adoption of the correct technologies at the correct time.

Quocirca has a pro-active primary research programme, regularly surveying users, purchasers and resellers of ITC products and services on emerging, evolving and maturing technologies. Over time, Quocirca has built a picture of long term investment trends, providing invaluable information for the whole of the ITC community.

Quocirca works with global and local providers of ITC products and services to help them deliver on the promise that ITC holds for business. Quocirca's clients include Oracle, Microsoft, IBM, Dell, T-Mobile, Vodafone, EMC, Symantec and Cisco, along with other large and medium sized vendors, service providers and more specialist firms.

Details of Quocirca's work and the services it offers can be found at <http://www.quocirca.com>