WHITE PAPER

How to Significantly Reduce Costs with Effective Mobile Plan Management

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Mobile Management Challenges

Digital adoption is driving the use of mobile devices in business. The more employees you have, the more mobile phones, devices (tablets, laptops, wearables), equipment (IoT) and plans (data, voice, text, roaming) your company has and consumes. For large enterprises especially, it can become overwhelming keeping track of assets, expenses and services. In small or large enterprises, mobile bills can add up quickly without you even knowing it, that's what we refer to as bill shock.

According to Gartner, companies with 500 or more employees that are not adequately managing their mobile telecom expenses could be paying upward of 30% more than necessary for cellular voice and data services.

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Gartner also estimates the annual service expenses of mobile voice, data and messaging can top $840 per user per year and have an approximate 20% error rate for telecommunications invoices.

Pooled Plan Management

A wireless pool is a very simple idea. It means that corporations take a collection of mobile plans and can pool aspects like voice and data to be shared amongst defined groups. With most plans moving to unlimited voice, data pools have become the most common pool type. Sharing monthly voice and data between multiple devices means those who use less don't get charged for unused services. On the other end of the spectrum, those who use more data don't get bill shocks and overage charges because they can use this excess data from other members of the pool. This is a great way to mitigate the risks of overages while also avoiding much more expensive unlimited plans.

Data pooling once carried the risk of overage fees at rates much higher than those imposed by unlimited plans.

However, recent pools carry very low overage fees, so it's quite rare that companies would realize an incremental benefit of unlimited data over pooled plans, regardless of usage rates.

Now that you know what a pool is and how it can work for your enterprise, managing the pool is just as important. Pool management generally entails reviewing historical usage and running a variety of scenarios for future usage and costs so you can accurately estimate the usage of the pool.

This is no easy task, as it becomes more difficult as the pool gets larger. TEM solutions like brightfin provide automated solutions to analyze mobile pools. Not accurately estimating pool usage can lead to two issues:

Overutilization - When a pooled plan doesn't appropriately match usage, it's easy to incur massive overage charges. On occasion a single user can blow through more than 50 percent of pooled data in a billing cycle. The 80/20 generally applies in pool consumption. That is, that 80 percent of the total usage is generated by only 20 percent of the users. Properly managing these users can greatly reduce the risk of overages.

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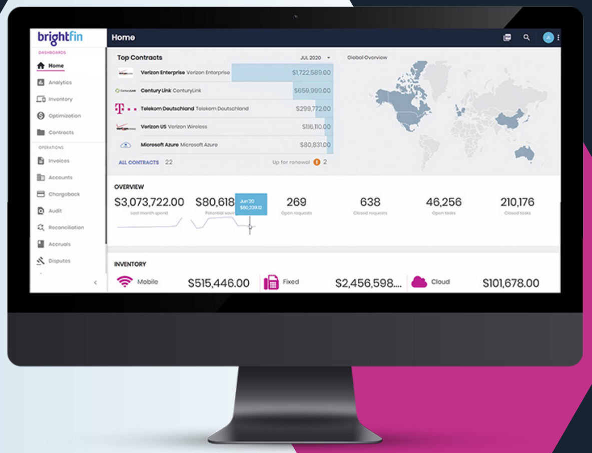

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Underutilization - To mitigate costly overages, organizations often purchase pools that are far larger than what is necessary. Perhaps 3 months of the year they consume up to 85 percent of the pool and the rest of the months they hover around 50 percent. This means they are paying for 50 percent more usage than necessary which is essentially throwing money down the drain.

Recommended Usage Profiles for Organizations Utilizing Pools

Unlimited - This plan is for your highest users that regularly consume more that 20 GB of data. We call them “Pool Killers”. If you keep them in your pool, you will constantly be having to adjust plans to prevent overages. Unlimited plans shouldn’t exceed more than 5 percent of your total user base.

High Usage - This plan is for high consumers, normally around 10 GB of data per month. High-usage plans shouldn’t exceed more than 20 percent of your total user base.

Low Usage - This plan is for your average user that consumes between 2-5 GB of data per month. Low-usage plans should be assigned to at least 75 percent of your user base.

Pre-Bill Optimizations

One of the most important things organizations can do to generate significant savings is to analyze each of their pools for utilization near the end of the billing cycle. Total pool size can be manipulated by changing users between low-usage and high-usage plans. The trick is to make sure that you still leave enough data that you won’t go over with the remaining days in the billing cycle.

International Travel Management

Roaming occurs when a phone’s data is used outside of the carrier’s covered location, and it costs a lot. Unfortunately for businesses, roaming charges are sometimes (and are often) inevitable as employees often have to travel for work.

Daily Travel Passes

In recent years there have been some very exciting developments in roaming plans. Most major US carriers have launched roaming features that allow users to pay a flat daily rate for roaming. These are usually around $10 per day.

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Common Pitfalls of Daily Travel Passes

- *Carriers don't normally apply these passes to every line unless asked to do so*
- *Daily travel passes don't cover all countries, so you need to verify coverage for the country being traveled to*
- *Daily travel passes are only cost advantageous when traveling for a short period*

Pre-Negotiated Travel Features

If your company has a large number of employees that regularly travel, you can negotiate extremely good rates on monthly travel features. These can start as low as $25 per month and go up from there depending on available minutes, texts and data. Once you have your negotiated rate, you can do a quick break-even analysis to see when it's advantageous to use a daily travel pass or a monthly travel feature.

Scheduled Roaming

One way companies try to mitigate the roaming problem is by having users schedule international travel so that roaming features can be added before the user arrives and removed after they leave.

If self-service capabilities are available, this can be a good option, however, if proper processes are not in place, this can become a logistical nightmare making sure everything is added and removed. There are also some very common pitfalls people run into with scheduled roaming:

Failing to add features - Not adding roaming features before an employee is scheduled to travel can result in significant roaming charges.

Failing to remove features - Not removing roaming features when an employee returns from travel can result in paying for features not used.

Applying the wrong features - Adding or removing the wrong features can result in surprise charges by thinking the right ones are applied.

Innovating Travel with Integrations

Using API integrations with online travel agencies back to the expense management software and mobility management services, international travel bookings can trigger the option to add-on travel data plans to a user's account using automations and business rules.

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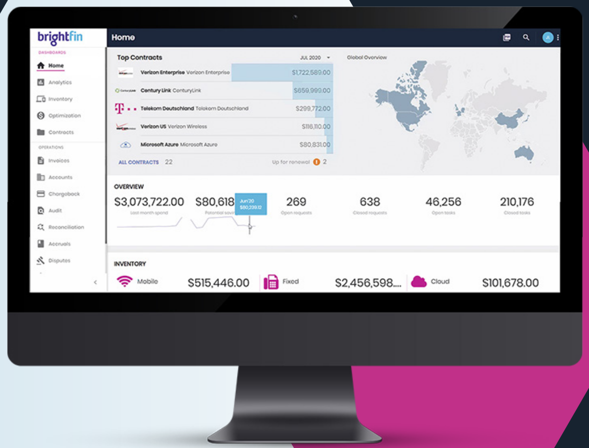

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Understanding how Roaming Features Work

There is also a major problem understanding the way roaming features work. If you add a monthly roaming feature, it is prorated for the time the feature is in existence. This means that if you only have a feature applied for one week, the user can only consume one quarter of the voice, texts and data. In addition, if your user is traveling over the time when the billing cycle resets, you need to be sure that the feature persists with the new cycle. The best practice is to add the roaming feature the first day of the billing cycle they will be traveling in and make sure that it is not removed until the last day of the billing cycle they are traveling in.

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Roaming Alerts

Mobile carriers have stepped up in helping their customers actively manage roaming with automated roaming alerts. These alerts are generally sent via email to the account admins.

This allows the admin to go in and retroactively assign a roaming feature. Please don't rely on these alerts as your go-to plan. Not all carriers have them available and they aren't always reliable.

Plan Consolidation

When a large enterprise is in a mature phase, it may seem easier to keep long-time employees on their same old wireless plan, while only putting new employees on new plans offered by the mobile carrier. Managing plans this way may seem like the easier option, not changing things that don't necessarily need to be. But the fact is, consolidating these old and new plans can save you and your organization significant amounts of time and money. Mobile carriers and plans have come a long way, even in just the last few years.

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Employees using legacy plans could be missing out on services that are now standard, or paying major overages for new features that are not compatible with older plans. Keeping all of these different plans around can be a nightmare to manage and service. By consolidating plans, you can:

- *Simplify the procurement process*
- *Reduce expenses*
- *Increase user satisfaction*

Contract Negotiations

Mobile contracts aren't negotiated on a regular basis, only occurring every two to three years. When renegotiating contracts you must be prepared to review plans and fight for the best prices. To prepare for negotiation, you must start by doing a complete audit of mobile plans and pricing across all vendors.

At minimum, this audit should include:

- *List of plans and prices*
- *Average cost per line of service*
- *List of features and prices*
- *Average pool utilization*
- *Problem areas: overages, roaming fees, etc.*

The best place to source this data is from TEM and Mobility Management Solutions who group it by carrier, by cost center/team/project and can easily export it into formats for external use. With this prep work done, you will have a very good idea of your organization's needs and better prepared to enter negotiations.

Conclusion

With constantly changing technology and services, managing mobile plans will never be easy. By creating strategies based on the information in this document and implementing them, organizations can expect to see significant hard-dollar cost saving on their mobile carrier bills. In addition, by streamlining plans and management practices, organizations can also spend less time and effort managing their mobile plans. Combining correct management practices with good technology solutions is the key to making mobile plan management easier and more effective.