

# Whitepaper

Professional mobile fleet and contract management



BTD TELEKOMMUNIKATION

# WHITEPAPER MOBILE CONTRACT MANAGEMENT

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## Professional purchasing and management of mobile services II

Mobile Services are consistently contributing more and more to a company's productivity, however due to the rising increase in usage, they are fast becoming an costly factor for companies to consider.

Managing mobile services is deemed to be a challenging task because of the several decision factors involved i.e. the vast choices of tariffs and options, the provision of hardware for users, order management, cancellations and lifecycle management, repair management, cost centre allocation and obtaining an overview of several providers is a time consuming task which requires considerable expertise in the field.

In the second\* issue of „Professional purchasing and management of mobile services,“ we have used our daily experience in customer services to assemble the most important administrative and organizational requirements towards a professional contract management.

\* Our inaugural Whitepaper regarding „professional purchasing and management of mobile services“ specifically reflects upon the purchasing process for mobile services. This is currently available for download in German from our official homepage [www.btd.de](http://www.btd.de).

# I. PROFESSIONAL CONTRACTMANAGEMENT

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## 1.1 Basics

The basis for a professional contract management of IT and telecommunication services, is to incorporate a complete database of all existing inventory and possess an accurate documentation of changes in the mobile infrastructure of a company. This may seem an obvious point, however in the majority of cases, it is non-existent.

A suitable inventory should additionally contain all orders and activation dates of SIM cards together with the individual tariff options and type of hardware in use. Each SIM Card cancellations from departing employees must be recorded and the return of accompanying hardware listed. The process of mobile number porting from one provider to another should also be documented.

Each change in the inventory must be documented in order to provide a full overview at any given time.

PIN, PUK (Personal Unblocking Key), IMEI and customer mobile numbers must be recorded to allow for a speedy recovery in the event of loss or theft.

Travelling users are often at a disadvantage as they have no direct access to this kind of information. Even in the unlikely case that an emergency hotline number is known to the user, a SIM card is unable to be blocked without the user providing their customer account number. This can result in an extremely frustrating and costly scenario with a lack of access to the responsible company department while potentially travelling in different time zones. A unprotected SIM card in the wrong hands has the ability to cause substantial damage to a users mobile budget.

Travelling users therefore are recommended to always carry a providers hotline and their customer account numbers handy in the event of an emergency. Similarly to bankcards, this information must be kept separated from the PIN and PUK.

Some companies may incorporate the same PIN for all their company mobile devices. This offers the ability to simplify the usage and administration of SIM cards as long as the new SIM cards are always setup appropriately via the IT department prior to being handed out. This method nevertheless contains a significant risk of fraud with the SIM potentially ending up in the wrong hands with the user having access to a company's PIN. This method as a result, is not recommended for larger corporations.

If the provider sends the SIM card and hardware directly to the users (e.g. home offices), the company should ensure the responsible department will receive a copy of PIN and PUK codes in the event of an emergency.

## 1.2 Cost cutting with mobile policies

The larger the enterprise, the higher their general mobile expenses will be. Many users however, are not aware of the costs involved for mobile services or which specific services are overly expensive. A clear and simple mobile policy is thus highly recommended. In addition to a description of the order process of new devices, instructions on repair management and ever present security guidelines, a list of cost traps such as premium numbers, voting services, MMS, SMS subscriptions and the comfortable but costly call forwarding via a directory service. Due to the constantly changing environment of mobile services, it is essential to update these policies regularly, at least on an annual basis.

## 1.3 Management of contract renewals (CR)

It is highly recommended to issue guidelines on contract renewals, order processes and define who is authorized to initiate or sign them. Before forwarding any order to a provider, all documents should be thoroughly checked for completeness, authorization and logic conclusiveness.

Although there is a clear tendency towards SIM-Only (contracts without any hardware incentives) most companies today still hold framework contracts including subsidized hardware. Once the individual contract is due for renewal, usually after 24 months, these contracts entitle the company to hardware subsidies or respectively compensation in free minutes or credits.

Assurances must be made that amounting hardware credits, which often are not used immediately, remain available for future use and do not expire.

In the event that an employee is leaving the company and is offered the option to keep the mobile number and mobile device, the entitlement to any subsidies will be transferred to this user at the end of the contractual period of the individual SIM.

A company however, should aim to replace all subsidized contracts in the long run. Direct purchase of hardware from distributors in general is a lot more economic since quantity effects may be monetized.

## 1.4 Top Stop for mobile costs per user

In numerous companies, there is a huge interest for a "Top Stop" or cost-cap solution per user. Often companies enforce mobile budgets with maximum spending agreements for voice and data services per user. Some carriers and mobile providers already offer a daily near life cost monitoring per SIM and once a predefined threshold is reached the user is automatically informed via E-Mail or SMS for example. Nevertheless, an actual Top Stop in a regular mobile framework contract enforced by the provider is unlikely to appear in the market soon. Even if the provider was technically able to enforce Top Stop, it will naturally not be in their interest

economically. It is probably only a matter of time until a competitive market will provide such a resolution.

## 1.5 Private usage and billing

It is essential to create clear guidelines on private usage of mobile voice and data.

There are different models with specific Pros and Cons:

**Ban of all private usage:** from a company's perspective it is considerably the easiest and cheapest method. Controlling this prospective however, is often time-consuming and results in a negative psychological effect.

**Company hardware should be allowed for private calls,** however these calls need to be regulated and billed separately. As a solution, mobile providers introduced offers such as Twin Bill (T-Mobile) where the user is provided with two different PINs for the same SIM card, distinguishing private and corporate use. A common disadvantage of this solution, is that the user is then inconveniently forced to manually switch their PIN first in order to switch between business or private call, allowing the possibilities to forget. Furthermore, while travelling abroad for business, incoming private calls will still generate additional roaming costs which will be charged to the companies invoice and later require manual deduction. Privately paid but business related calls, will at least cause some discomfort for the user in addition to causing extra monthly service charges by the provider.

When used correctly and to full effect however, the main advantages for this solution include the separated billing via the provider and the issuing of an individual invoice to the company and the users home address.

Without such a solution, users would have to deduct their private usage every month manually from their calling data record. This requires extra time per month and effort for both, the corporate finance department as well as each individual user. If this effort is justified by the result....

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