

## **Episode 32: Creating value for enterprises with IT expense management**

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**Sumit** – Hello everyone and a very warm welcome.

Our guest for today is **Tom Nevins**, Vice President, Solution Architects at Tangoe, and he will be talking about IT Expense Management and how it creates value for enterprises.

**Sumit** – Thank you, Tom, for joining us in this HCLTech Digital Workplace Podcast episode.

**Tom** – Thank you very much, Sumit. I appreciate the time.

**Sumit – Tom, could you describe IT expense management and the value it brings to your clients?**

**Tom** – IT expense management is a crucial component in enterprise IT organizations, utilizing technology, processes, and expertise to manage expenses throughout their life cycle. IT expenses mostly refer to recurring operating expenses and the assets that are associated with those expenses. So, when it comes to IT expense management, especially in collaboration with HCLTech, we manage the categories across traditional telecom, mobile and cloud operating expense categories, and drive value through reduced administrative expenses (i.e. cost savings). So, we provide complete visibility and control over the assets.

IT expense management programs boost productivity while increasing revenue and driving both company and employee productivity. A perfect example would be the Field service engineering teams ensuring timely replacements for devices across various verticals, including manufacturing, healthcare, financial services, and retail, to minimize maintenance schedules and downtime. This is particularly important for enterprises with large locations or multiple locations. Another example is how expense management offers valuable insights for senior leadership, enabling them to analyze total recurring expenses across all spending categories, particularly during transformation programs. This topic will be discussed multiple times during the podcast, emphasizing the value it brings to clients.

**Sumit – Great. Thank you, Tom. This is really insightful. So, Tom, from your perspective, how has the service offering evolved or have you seen it evolve over the past 20 years?**

**Tom** – With nearly 20 years of experience in the industry, I am one of the original Tangoe thought leaders in terms of experience and a deep understanding of the industry's history and

future. The early days of IT expense management emphasized the critical nature of services and their complexity, with no strategic or mission-critical tie to a company's bottom line.

Customers increasingly rely on the widespread processes for onboarding and offboarding services, as well as access to data insights from a true IT expense management program. Understanding the complete picture of IT assets is crucial during times of change, particularly during transformations like mobile device replacements and network monitor modernization. Customers are increasingly adopting SDWAN networks, considering easy architecture for efficient network management.

There is also the real-time monitoring aspect of cloud resource consumption and the optimization requirements that are inherent in cloud application migrations or any cloud undertaking. So that's kind of how the services evolved from passive functional applications in IT expense environments to mission-critical, data-driven reporting functions within enterprises.

**Sumit** – Absolutely, Tom. And then, as a follow-up, I would ask, in that scenario, what are the core capabilities of Tangoe? What are the challenges that Tangoe solves for customers? Or if I may ask, what are Tangoe's superpowers?

**Tom** – Yes, that's a very good question. Tangoe offers a global IT expense management solution, operating 24/7 across the globe. When combined with HCLTech's technical solutions and resources, Tangoe provides a seamless customer experience for managing telecom expenses and assets and cloud usage costs.

Cloud usage costs can be managed deeply and broadly, including expense categories like IaaS (Infrastructure as a Service), UCaaS (Unified Communications as a Service), and SaaS data sources, which are crucial for IT executives' expense landscape. These categories are central to the overall cost landscape. However, each of these cloud categories suffers from a lack of a centralized solution to bring multi-cloud usage into the picture, optimize it, and hold the business units and departments, that consume it, accountable. That's one of the benefits of our programs. We basically can provide the show back, or more commonly, companies have now advanced to be able to charge back using chargeback accounting native in our solution, direct from our systems, We can hold those business units accountable. Some customers use point solutions to manage native tools that are available for individual cloud providers. They claim that they can assist with a hyper-spend effect that's happening in those environments. But each of those tools is unique and comes with its own challenges to manage in a true program fashion. So, what we try to do is we try to solve that with the Tangoe solution. Our superpower is our consistent use of automation to gather all this information from all these disparate data sources and automate the manual tasks, such as ordering mobile devices or

grabbing billing data through vendor portals, or automating customer policies in general and our persistent efforts to continuously improve our automation across the board.

When I joined Tangoe almost 20 years ago, as I said, I'm one of the original thought leaders from the early days of our company. We have made significant advancements in automation. With 67 patents and 2 more in the pipeline, Tangoe has a significant intellectual property advantage. So if you take the top 4 or 5 competitors, say, they fall well short of this combined. Our primary superpower is the automation and actual IP that we possess as a true IT expense management organization.

**Sumit** - Wow. Fascinating, Tom. It does not only seem strongly differentiated, but very articulate as well. Great! But when we talk about such a comprehensive portfolio, what kind of business impact should enterprises expect from Tangoe's solution across telecom, mobile and cloud expense categories?

**Tom** - Sure, the business impacts are prominent. So we talk about speed, agility, and access to relevant information to make the best business decisions possible during times of change. There is that "times of change" phrase again, which is a common theme that we see with our customer base. Operating expenses are constantly changing, constantly growing. For instance, we've got companies that use our solution to see that holistic view of their ecosystem across their recurring operating expenses from mobility, telecom, and cloud services. Being able to understand what you have today and see where you can actually change and go tomorrow.

So, if you look at digital transformation as an example of the business impact, we enable companies to make that digital transformation from their legacy data networks, for instance, to the SD-WAN architectures, including SASE. The virtualization of the network is real, and our solution helps companies go from a current state of legacy data network environments to that future state of virtualization of their network by simply keeping track of what they have, where, how much it costs and how that might be transformed in a future state.

Another example, though, is customer experience. Another business impact is customer experience. Backlogs of mobile devices, support tickets, for instance, mobile device orders, and common problems within an IT support environment. Customers have various ITSM systems, especially ServiceNow. ServiceNow is probably the most pervasive ITSM environment in corporate America today. So, ServiceNow, it's hard to optimize the customer experience using native ServiceNow catalogs. They're just too cumbersome to maintain. You don't want to have an enterprise that has to maintain a true Mobile product inside an ITSM environment. So, through our integration capabilities, we can seamlessly improve the customer experience. The business impact is being able to efficiently deploy the devices to the end-users, their increased satisfaction through the interaction with the ServiceNow portal and our solution,

and then the cost reduction from the use of Tangoe's native catalogs and the complete reduction of order backlogs that save time and money. That's a core business impact that we provide on the mobility front – the improvement of that customer experience.

**Sumit** – Well, that's a really great story, Tom. HCLTech and Tangoe have formed a strategic relationship. Could you describe the typical HCLTech and Tangoe solution for an enterprise customer and some of the technical collaborations that are required and the benefits the partnership offers to our valued customers?

**Tom** – Yes, I mean I've been involved with the HCLTech and Tangoe partnership from the early stages. So, a typical HCLTech and Tangoe solution involves the application of our customers' requirements to our respective solution sets. Our partnership is really deeply ingrained at this point. We've cross-trained between our organizations, which means we, as partners, have already aligned our roles and responsibilities. We have already established a common process for onboarding, and we've already defined where we integrate our steady-state lifecycle processes for the benefit of the customer.

So, if you look at time to value, it is one of the most important things to both of our respective companies. We have a thoughtfully planned approach to drive value as early in the transition as possible. We don't simply publish this in our marketing collateral or proposal responses; we want to make sure that our time to value is best in class. We did get recognized recently for our advancements in IT expense management implementation methodology. So that's one of the things that stands out as a gold standard of our deployment approach. Our most recent Gold Stevie award from this year actually recognized our advancement in the time delivery aspect of our solution.

Carving out a path of efficiency and value and getting customers through the transition process with speed and accuracy is a typical solution outcome between our partnership with HCLTech and Tangoe.

Another example of a typical HCLTech and Tangoe solution can be seen in a case study that we actually worked on together. It was an engineering manufacturing industry company, and it lacked visibility into its network services and communications expenses. And over the years, this customer has acquired more and more technology solutions, merged with other companies, and basically expanded their whole product portfolio. So, it made it very difficult to manage that expense management environment. Our advisory services team and HCLTech worked together. We went across the environment and collected as many of the contracts that we could across all their different newly acquired business units and really validated hundreds of thousands of dollars of technology spending. The outcome was very real. The customer saved over \$600,000 in annual technology costs, which included \$250,000 in savings, after discounts were applied to cloud infrastructure services, \$180,000 in savings from

removing telecom services no longer needed, \$62,000 in cost reductions after migrating legacy pipelines to more modern communication systems, and \$50,000 in credits from service providers, among other savings. So, you can see the savings that a joint HCLTech and Tangoe solution can drive.

**Sumit** – So, Tom, you are a prominent industry leader, and also you have been driving Tangoe's thought leadership for over 20 years. From the lens of Tangoe, what do you see on the horizon regarding emerging technologies or expense categories that will require an IT expense management solution?

**Tom** – Today, if you think about it, we capture about 90% plus of an enterprise's recurring IT operating expenses across their mobile, telecom, and their cloud estates. We see that trend continuing as we build new automation for ingesting additional data sources for consumption-based services, such as messaging services for instance, also collaboration tools. More support for CCaaS (Contact Center as a Service) and UCaaS (Unified Communications as a Service) products are also currently being enhanced, and we are supporting private cloud data sources as well.

One of the phenomena that we're seeing within enterprises globally is the customers' need to track, allocate and then also rebuild these services back to their customers in an accurate, automated fashion. So, our solution does that today in a multi-cloud approach. But we also recognize that some customers have hybrid cloud environments and those hybrid cloud environments need the ability to rebuild their customers as well.

This holds true for internal customers as well as external customers of our customer base. So, the expense management industry, in general, continues to grow at a wonderful pace for us. Operating expenses continue to morph, and they grow due to different advancements such as edge computing and SASE architecture, continued network virtualization, and of course, the latest frontier of AI, which you've heard a lot about in the business today.

The sky is truly the limit in terms of Tangoe's ability to help control these costs in these areas. So those are some of the areas that we look forward to in the future as we grow.

**Sumit** – Thank you, Tom, for sharing. This is really insightful. From a security standpoint, how prepared is Tangoe if someone from your C-suite were to ask for a global asset report in response to a security threat?

**Tom** – I think the question really centers around, something that the audience should think about, as they look at their IT expense management posture and how that impacts their business. If you look at any types of security issues or security threats that may impact a business, how prepared is your IT leadership during that time of crisis or time of change? Are your current expenses tracked and controlled? Do you have a solid inventory of those

expenses and assets. How will you respond if a new merger or acquisition is announced above and beyond security threats? The next time your leadership asks for a full accounting of your IT operating expenses across telecom, mobile, and cloud categories, you have it at your fingertips. I'll leave you with that.

**Sumit** – Great. Thank you, Tom. And thank you for sharing your insights with us today. I'm sure these insights will be very helpful to our listeners, to the business and IT leaders. We look forward to hosting you very soon again.

**Tom** – Thank you and have a great day. Thank you very much. My pleasure to be on the podcast today.

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