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# 10 telecom expense management companies to watch

**They can save you money, but picking the right company is challenging.**

By [Denise Pappalardo](#), Network World, 11/21/06

Picking a telecom expense management vendor isn't easy. After all, there are a 100 or more of them in North America alone, and none is public, making it difficult to peer into their financials.

Not only is the market crowded, but there are multiple delivery models for TEM offerings. You can license software, buy it as a service or outsource your processes. No one model fits all customers, but analysts say you really need to know what you want before [issuing an RFP](#).

So where to start? With this list. Based on our market knowledge, plus third-party research reports and interviews with analysts, customers and vendors, we've assembled this list of 10 TEM companies to watch.

### [Asentinel](#)

**Founded:** 2002

**Headquarters:** Memphis

**Leadership:** CEO David Perdue, a 30-year veteran of the telecom industry who has founded a telecom service provider and a cellular company later sold to BellSouth.

**What it sells:** TEM Enterprise Integrations software (two-thirds of customers buy it this way) and software as a service. Software includes Real-time Auditing, Invoice Processing, Inventory/Order Management, Real-Time reporting and Worldwide modules.

**Differentiators:** The software not only audits bills, but automates the workflow and handling of them... It is one of the few North American TEM vendors that supports auditing, processing and reporting for bills from carriers outside the United States. Has a strategic partnership with CA for market referrals.

**What others say:** “They have a good strategy around enabling value-added networks and EDI feeds for automated TEM,” says Eric Goodness, Gartner research vice president. Customers tell Gartner they would like to see Asentinel improve its standard reporting capabilities and value-added professional services.

**Cost:** Depends on telecom spend, number of invoices and number of vendors a customer has. Asentinel says that on average, customers pay 1% to 3% of their annual telecom spend for its tools.

**Potential savings:** A 6% to 8% cost savings on erroneous telecom bills (80% of which are wrong according to some industry watchers). Larger companies might also see cost savings in labor reduction or reassignment once they automate their TEM operations. “Most customers will pay for the software in just a few months of using it,” Perdue says.

**How company got started:** In 2001, one of Cornerstone Technology Group’s clients, Union Planters Bank, asked the firm to write software that would better help them manage their \$37 million telecom spend. Cornerstone produced that software, which is the basis for Asentinel’s software platform today. In 2002, Cornerstone brought the software to Perdue, who liked the idea of building a company around it. He ponied up his own cash and Asentinel was born.

**Origin of company name:** A derivative of sentinel, someone who stands guard.

**Customers:** Union Planters Bank, Fulton County, Ga., and Ticketmaster.

**Funding:** Entirely owned by its officers.

## [Avotus](#)

**Founded:** 2001

**Headquarters:** Mississauga, Ontario

**Leadership:** CEO and President Fred Lizza, who has 22 years in software and high-tech.

**What it sells:** Intelligent Communications Management (ICM) software suite. Avotus is primarily a business process outsourcing (BPO) company, with only 10% of its business stemming from software license and software-as-a-service sales.

**Differentiators:** The only company on this list that has its own reverse auction technology. [Reverse auctions](#) in telecom are where carriers bid on the customer’s desired contract based on service price and terms. “Some of the RFPs include 500 or 600 questions. It’s an extreme deep dive,” says Alan Gold, chief marketing officer. Avotus compiles the carriers’ answers in a database and sorts them out to help customers make a decision, he says.... ICM software makes sure that new contracts are honored by

comparing invoices with contract terms... Has a longstanding relationship with Nortel, which licenses its billing technology for use with its voice switches.

**What others say:** Avotus is “fluent in BPO, hosted and licensed software support,” says Joe Basili, research director at Aberdeen Group. “A lot of players have partnerships that allow them to do other things.” Gartner says. Avotus has made “good advances” into the European market; it warns that Avotus’ solutions are considered “higher-priced.”

**Cost:** Depends on how much inventory a customer has and how many invoices need to be handled (those with more invoices would pay more). Expect to pay half of one percent up to 6% of your annual telecom spend, although that’s not how the company comes up with its price, Gold says.

**Potential savings:** Expect to see telecom costs come down around 7% to 25% depending on how well or how poorly these expenses were being managed before.

**How company got started:** Its roots are in call accounting. Created via 2001 merger of MDR and Switchview. The merged companies then acquired Aquilium.

**Origin of company name:** A catchy moniker that all parties agreed on.

**Customers:** Samsung Telecommunications America, Jackson Family Wines, Merrill Lynch, Johnson & Johnson.

**Funding:** Since it was the only TEM company publicly traded, and it considered this a disadvantage, Avotus went private in 2005. Substantially owned by Jefferson Partners, which Gold calls “long-term investors with patient money.”

## **Control Point Solutions**

**Founded:** 2004

**Headquarters:** Rutherford, N.J.

**Leadership:** CEO Bob McMullan has 20 years of executive leadership, operational management and merger and acquisition experience.

**What it sells:** BPO services covering order and inventory, invoice processing, expense management and usage accountability.

**Differentiators:** One of the largest TEM vendors, with \$41 million in annual revenue (according to Gartner) stemming from managing \$7.4 billion in annual telecom expenditures. The company says it gives customers visibility into the unwieldy world of telecommunications provisioning, delivery, invoicing and bill payment. “This is often a complex and convoluted business function, representing the top-three expense of most businesses,” says William Duncan, of Control Point Solutions.

**What others are saying:** “Their strength is they have one of the longest legacies in providing an outsourced service,” Gartner's Goodness says. Control Point is strong in “invoice management and dispute management resolution,” he says, though customers tell Gartner that the TEM vendor could stand to improve its off-the-shelf reporting capabilities. Gartner says Control Point has worked through growing pains that surfaced following its formation through the 2004 merger of Teldata and Broad Margin.

**Cost:** Monthly service fees are one option, but the company declined to give specifics.

**Potential savings:** Aberdeen estimates that 2% to 14% of telecom invoices are incorrect, so companies can save money by finding mistakes. Longer-term cost savings are realized with improved visibility and control, the company says.

**How company got started:** TEM vendors Teldata and Broad Margin merged.

**Origin of company name:** Is symbolic of what the company provides its clients.

**Customers:** Honeywell, Toyota, United Airlines, TD Waterhouse.

**Funding:** Investors include ABS Capital Partners and JMI Equity.

## **Invoice Insight**

**Founded:** 2000

**Headquarters:** Manassas, Va.

**Leadership:** CEO David Spofford, a telecom and management consultant before forming Invoice with CTO Robert Smith.

**What it sells:** BillPort, proprietary Web-based TEM software that's offered exclusively as a service.

**Differentiators:** An early player in the market that compares its model to that of Salesforce.com.... Claims to be able to get customers up and running in 30 days and says it has not lost a customer to a competitor in seven years. Yet, Spofford says, “20% of our customers come from competitive TEM [companies].”

**What others say:** Lisa Pierce, a vice president at Forrester Research, calls Invoice Insight “one of the early pioneers with [software as a service].” Gartner cites the company's flexibility, which Spofford says enables it to serve both small and large clients.

**Cost:** A monthly subscription fee. Prices range from half of one percent up to 7% of annual telecom spend.

**Potential savings:** Doesn't promise cost savings when responding to RFPs, but Spofford says from a conservative standpoint customers can expect telecom cost reductions from 3% to 50%, though the higher number is rare.

**How company got started:** After the dot-com bubble burst, Smith and Spofford decided to launch a Web-based service for businesses and developed the software.

**Origin of the name:** Three guys came up with it over lunch.

**Customers:** Harley Davidson, KB Toys, National Institutes of Health, Department of Defense.

**Funding:** Private equity from the Steiner family.

## **MBG**

**Founded:** 1990

**Headquarters:** New York City

**Leadership:** President, CEO and Founder Michael Greenspan, who has 30 years experience as a network and software designer.

**What it sells:** Enterprise Telemanagement suite of applications as a service or via a BPO engagement.

**Differentiators:** Its hybrid software as a service and BPO approach... One of three TEM vendors that has developed an interface to directly link up with Verizon Business' ebonding billing and provisioning systems.... Has a similar link to AT&T's ebonding platform.

**What others say:** Links to carriers such as AT&T and Verizon "enable customers to leverage their [TEM] investment better by addressing the whole telecom life cycle," Aberdeen's Basili says. Gartner says customers rate MBG well on its "telecom expertise, return on investment from dispute management and off-the-shelf reporting."

**Cost:** A fraction of annual telecom spend up to 4%.

**Potential savings:** Can range from 10% to 30% depending on how thorough the client wants to be and what measures the client already had in place.

**How company got started:** MBG's initial goal was to make sense of electronic data generated from complicated telecom billing systems. In the late 1990s, it started offering its platform via an ASP model, which has evolved its current service offerings.

**Origin of company name:** It comes from the names of the original founders McFarlane, Burg and Greenspan. As coincidence has it, MBG are also Greenspan's initials.

**Customers:** Ford, Microsoft, MetLife, HCA, CitiGroup, and JP Morgan Chase.

**Funding:** Fully funded by its own revenues. MBG says it is profitable, too.

## [ProfitLine](#)

**Founded:** 1992

**Headquarters:** San Diego

**Leadership:** President and CEO Stephen Hundley joined the company in April from Accenture, where he most recently served as executive director and COO for Procurement Solutions. Rick Valencia, chairman and chief strategy officer.

**What it sells:** BPO services based on its MyTelcoManager Web platform for telecom life-cycle management, from choosing a carrier to paying bills.

**Differentiators:** ProfitLine is believed to be the biggest TEM vendor....Boasts an integrated wireline and wireless platform.

**What others say:** "One of the problems with the bigger professional service companies is many are suffering from serious merger and acquisition integration problems," Pierce says. "ProfitLine is one that does not." "The company is unique among the larger outsourcing TEM firms in that it owns its own wireless TEM company," Forrester's Pierce says. Gartner concurs, saying ProfitLine supports both platforms "really well." It also says ProfitLine needs to improve its business intelligence capabilities and says customers are asking for more "investments in professional services."

**Cost:** Uses different pricing models for wireline and wireless telecom engagements. Wireline customers can expect to pay about 2% of their annual telecom spend. Wireless customers can anticipate spending \$5 to \$15 per month, per device.

**Potential savings:** A "reasonably conservative" figure is 3% to 7% savings on wireline TEM. Optimizing voice and data networks from sourcing to procurement can result in 15% to 30% cost reductions, the company says.

**How company got started:** Initially helped other firms control costs for all aspects of their business. With so many clients looking to reduce telecom expenses, ProfitLine began focusing on that exclusively around 2002.

**Origin of company name:** Valencia's wife came up with the name with the idea of helping to create more profits.

**Customers:** U.S. Postal Office, Delta Airlines.

**Funding:** Raised \$15 million in its B round of venture funding; investors include Menlo Ventures and FTVentures.

## Quickcomm Software Solutions

**Founded:** 1997

**Headquarters:** New York City

**Leadership:** Founded by CEO Mark Evans and Head of Product Development Terry Healy, who have more than 40 years of experience in telecom between them.

**What it sells:** Telecom Expense Management Software that includes automatic reconciliation of telecom bills down to line items, reports of charges not in your inventory or by personnel no longer with the company. Allocates expenses to cost centers and analyzes usage to guide provisioning and optimize networks. The company licenses its software and also offers it as a service.

**Differentiators:** Works with 200 carriers around the world and has invoice translators or parsers for all... Guarantees it will keep up with all carrier invoice changes within five days. "We'll create a new translator from scratch or fix a change in an existing one. We guarantee that and it's really critical," Evans says. Supports wireline and wireless TEM.... CSC licenses Quickcomm's software and uses it as the basis of its TEM practice, Evans says.

**What others say:** Multinationals should consider Quickcomm, Gartner's Goodness says. "Quickcomm was born in Asia Pac," working closely with Telstra, BT and other international carriers, he says. "This gives them a little bit of an edge in terms of depth of relationship with carriers and that counts."

**Cost:** "We want to charge big customers more than small because they require more support and more translators," Evans says. The figure is based on a percentage of overall telecom spend. Quickcomm's software as a service is based on a monthly subscription fee that works out to be half of one percent to 1% of a customer's annual telecom spend.

**Potential savings:** Based on third-party consulting firms, Quickcomm customers generally can expect 10% cost savings in the first year.

**How the company got started:** In Australia in the early 1990 Evans says he was inspired to develop software that would help clients reconcile their bills. In 2003, Quickcomm saw its first American customer and has been moving west ever since.

**Origin of company name:** Was one of many names considered; it worked out from a legal standpoint.

**Customers:** Citigroup, Kraft, BP, Merrill Lynch and CSC.

**Funding:** Self funded with the exception of one entrepreneur from Australia named Roger Allen.

## Rivermine

**Founded:** 2001

**Headquarters:** Fairfax, Va.

**Leadership:** CEO and President Mark Logan has 20 years of sales and management experience in software; previously served as vice president and general manager of PeopleSoft's CRM business unit.

**What it sells:** Inventory Engine, Service Order Manager, Finance Manager and Clarity software, which makes up the bulk of its business, plus SaaS and managed outsourced services.

**Differentiators:** The fact that "our roots are around software delineates us," says John Shea, vice president of marketing.... New Clarity package, which provides [dashboards and reporting tools](#) ... Has created benchmarks based on real customer data (keeping customer names private).... Supports wireline and wireless TEM... Has business relationships with two large BPO firms, including Accenture.

**What others say:** "They are one of the strongest players in terms of inventory management, ordering and provisioning," according to Gartner's Goodness. He says the company has a good number of customers in the Fortune 500. He points out that Rivermine is not a good fit for small companies, as its platform "is harder to scale from a price point down to smaller companies." Core invoice auditing is the company's biggest weakness, Goodness adds.

**Cost:** Typically 1% to 3% of a company's annual telecom spend, although this varies based on the amount of money a company spends, plus managed service fees for those buying more than software licenses.

**Potential savings:** Rivermine runs a customer's information against its database of like customers to give a feel for how big savings could be. On average, savings fall in the 7% to 25% range.

**How company got its start:** Originally called Cicat Networks, then changed its name to Telco Exchange before becoming Rivermine in 2001. Cicat was a value-added reseller of carrier network services that over time focused on optimizing and automating carrier services -- expertise that evolved into the Rivermine software.

**Origin of company name:** Comes from the idea of how information flows through an organization, like a river. The idea of “how powerful” mining that information is to an enterprise makes up the backend of the company name, Shea says.

**Who uses the products:** Marriott, Fidelity Investments, IKON Office Solutions and Starbucks.

**Funding:** Investors include Valhalla Partners, Columbia Capital and Longworth Venture Partners, with the last round of funding in June 2005 totaling \$10 million.

## [Symphony Spend Management Solutions](#)

**Founded:** 2002

**Headquarters:** Palo Alto, Calif.

**Leadership:** President Alan Harlan came on board in 2004 and brings 20 years of experience in IT and outsourcing.

**What it sells:** EMS 11 software suite, which includes asset, invoice and usage management, financial allocation, strategic sourcing, audit and recovery and reporting. The company licenses its software, offers it as a service and supports full outsourcing (and business is split roughly three ways along those lines)

**Differentiators:** “From a revenue standpoint we are in the top five,” Harlan says. “We are financially strong and we are a global company, which is a major differentiator when selling to large financial institutions. None of our competitors are profitable.” The company has a global presence and is the exclusive partner for Verizon Business’ TEM offering. Also works with AT&T, which Harlan says is its biggest client.

**What others say:** “This [Verizon] partnership will bring them significant deal flow,” Aberdeen’s Basili says. “It will help them establish new capabilities going forward.” Symphony has large customers beyond the carriers, Basili says.

**Cost:** Depends on whether a customer is a TEM newbie, experienced or somewhere in between.

**Potential savings:** Customers can expect to reduce expenses between 8% and 13%, with more experience TEM customers on the higher end of that range.

**How the company got started:** Through acquisitions. Parent company Symphony Services acquired TEM vendor Telco Research in 2002. In 2003 and 2004, the company bought Teletron and Stonehouse respectively.

**Origin of company name:** Comes from the parent, plus the fact that SMS handles all phases of TEM.

**Customers:** LaQuinta Hotels, JP Morgan Chase, Morgan Stanley, Tickets.com.

**Funding:** Comes from Symphony Services, which is privately held and funded by Symphony Technology Group, a holding company and TH Lee Putnam Ventures.

## Tangoe

**Founded:** 2000

**Headquarters:** Orange, Conn.

**Leadership:** CEO and president Albert Subbloie, who has been in telecom for more than 20 years.

**What it sells:** Communications Management Platform (CMP) software that lets customers monitor, analyze, manage and control a range of TEM processes from a one application. Also offers software as a service and BPO services.

**Differentiators:** Tangoe is investing \$7 million in research and development this year and Subbloie says that represents two to three times more than any of its competitors.... Has an extensive partner program with 20 outsourcers around the world.... Well versed in dealing with international service providers, handling 100 to 200 bill translators, according to Subbloie.... Uses workflow tools and a provisioning model to help companies spot leakage, which is paying more for a circuit than a contract dictates or paying for wireless phones for ex-employees.

**What others say:** Gartner says the company signed the largest TEM deal of 2006, with a financial services company that spends \$250 million annually on telecom.

**Cost:** Ranges depending on whether the customer opts for a basic or simple TEM set-up and how much it spends annually on telecom. For a company that spends \$20 million to \$30 million a year, it might need to pay 1% to 1.5% of that to Tangoe. Companies that spend less than \$10 million might spend a little higher percentage.

**Potential savings:** Single percentages up to 20%.

**How the company got its start:** Subbloie started the company six years ago with the idea of offering businesses tools to better manage their telecom inventory and expenses and released Version 1.0 of CMP in 2002.

**Origin of company name:** Represents the dance between carriers and their customers.

**Customers:** HP, Comcast, ADP and McKesson.

**Funding:** Just raised \$8 million; investors include Edison Ventures, North Atlantic Capital and Axiom.