

tangoe



Managed Pay

Just In Time. Always on Time.

Precision and Time Are of The Essence When Paying Telecom and IT Bills



Telecom bills are unique in their scope and complexity.

Late fees are common and add up, vendor mistakes are the norm, and you face thousands of invoices annually.

If you already have someone managing your invoice process – but stop short at payment – you could be missing out on added benefits including better cash management, improved visibility, reduced liability, and lower costs.

Telecom Bills - What Can Go Wrong



High Volumes of Invoices Bring Obstacles and Headaches

The average Fortune 500 enterprise pays more than 15,000 telecom bills a year. What's more, vendors do make errors and it's up to you to catch them – misapplied payments are a prime example. On top of that, late fees are high compared to other expense categories. Service disconnects can severely impact your business and can be due to late or incorrectly applied payments.

Obstacles When Paying Your Own Bills

- **Lack of visibility:** Was each payment, on every invoice, settled properly on time?
- **Tedium and detail:** Each bill has specific contractual payment terms and timing.
- **Scale:** Approximately 1,250 telecom bills per month in a large enterprise.

Is there a better approach? Can I write one check rather than 15,000?

With a managed payment system or service, you can go from making many telecom bill payments to just a handful.

You may have already realized the savings and other benefits from outsourcing your invoice management to an experienced specialist who audits, allocates and optimizes every telecom bill. But why stop short of the process? It's time to consider taking it full circle and completing the cycle by letting your TEM provider handle the final step: paying the invoices. Realize the full benefits and bring similar benefits to your telecom bill payment – and eliminate the entire issue of late fees.

“There's accounts payable,
and there is telecom bill
payment. We found it best to
handle them differently.”

“Normal” Payment Problems



The Right Timing is Critical

No finance professional wants to pay too early, solely to avoid the risk of paying late. Premature payment means cash isn't being managed optimally.

Routine Issues Add Up

- Telecom bill payment is costly.
- It's a distraction.
- Visibility: Mistakes are difficult to detect.
- No automated workflow. There is usually no telecom bill-specific system in place.

Managed Bill Payment Versus Just Paying the Bills

The distinctive characteristics of telecom bill payment call for a purpose-built solution that tracks terms and pays carriers just in time. It also needs to keep a constant eye on payments applied on the vendor side, and reconcile confirmations with every bill.

This requires an electronic mechanism connecting the payer, bank, and carrier.

“With a typical accounts payable structure like ours, it's difficult to scrutinize every bill and payment.”

In-House Versus Outsource



Outsource Telecom Bill Payment: Cut Liability, Cost, and Errors

Cost-efficiency comes down to systems and expertise. Opt for a simplified process that includes enhanced security, confirmation of payments, and no late fees.

Advantages of Managed Bill Payment

Telecom bill payment, with the right service provider, should bring these benefits.

- **Savings.** Long-term reduction of late fees and fewer resources required.
- **Continuity.** Elimination of service cutoffs.
- **Security.** No need to worry about funds being misappropriated, lost payments, etc.
- **Increase visibility.** See each applied payment.
- **Optimized cash management.** Improved timing of bill payments enables you to keep cash on the books longer.

What it Takes: The Right Platform for Telecom Bill Payment

For a mid- to large-sized enterprise, managing telecom bill payment calls for a platform robust enough to handle the entire invoice process lifecycle, including making payments across multiple countries and currencies.

When you combine bill payment with invoice audit, optimization and allocation, it only makes sense to have a single provider offering the services.

“Our choice was to either spend heavily to adapt our payment workflow, or to solve the telecom bill issue efficiently.”

Reduce Liability Exposure



Let the Managed Payment Provider Take on the Burden

A professional managed payment provider should take responsibility for late fees.

How It's Done:

Your responsibility is to fund the designated payment account in accordance with the demands of your consumption of telecom services.

Your managed payment provider will:

- Assume the liability for researching and disputing misapplied payments by the vendor.
- Work with you and/or your vendors to expedite payments.
- Ensure payment arrangements are proactively conveyed, to avoid any service interruptions.

What it Takes

Reducing liability is a byproduct of visibility and management with strong processes.

“Outsourcing our
telecom bill payment
did away with inadvertent
late payment costs.”

Lower Costs



A Payment Provider Reduces Costs through Precision

Engaging a specialist provider, equipped with the systems, expertise, and experience to consistently deliver the best possible results will save your company a significant sum of money every month.

The Result

Annual savings will depend on your volume of bills and other factors. An average Fortune 500 volume of 15,000 bills could see annual savings in the six figures.

How It's Done

Reducing the personnel time through use of dedicated systems and extensive experience.

What it Takes

- Precision management of the multitude of invoice payments.
- You fund the payment account at pre-determined intervals, typically twice weekly, regardless of the number of invoices being processed at a given time.
- The costs for the service are greatly outweighed by the reduced number of payments needed by the client in aggregate.
- One large global insurance provider performed an internal assessment that identified internal costs of approximately \$25.00 per invoice paid. This per-bill expense dropped sharply when the firm switched to a managed payment provider.

“Our study indicates
that we saved significantly
on a per-invoice basis.”

Insurance Provider
Based on an internal study

Improve Cash Management



Control When the Cash is Used

The Result:

Keep cash on your books for longer periods of time, but eliminate the risk of late payments.

How It's Done:

Understanding that bill payment is extremely time-sensitive and knowing when to pull the trigger.

What it Takes: (or What Your Outside Pay Manager Needs to Provide):

- Automation and a centralized vendor database that acts on the Invoice due date/ net payment terms and prioritized payment type logic.
- Best-result payment methods to ensure that the most secure, cost effective and efficient payment method is used.
- Robust, scalable payment systems.

“Timing of bill payment
is key to improving
cash availability.”

Improve Visibility Over Telecom Payments



A Sharp Eye on Payments is Key to Success

With managed payment, you will have a detailed and up-to-date view of payment transactions.

What it Takes:

Your payment provider will proactively monitor transactions to ensure receipt by the vendor within timeframes.

How It's Done:

The payment manager engages with your vendors to remedy any and all issues associated with bill payment, period.

“You send a payment,
and still get a late penalty.
Over 15,000 bills, that is
hard to track.”

Proposal: Outsource to Tangoe



Leveraging Experience, Knowledge, and Relationships
to Manage Payments

There's a strong business case for making Tangoe your managed pay provider. You will save money, identify errors quickly, reduce liability, increase your visibility into billing, and optimize cash management. If Tangoe already provides your telecom invoice management process, it makes sense to have Tangoe handle bill payments as well.

Large enterprises have relied on Tangoe for years for invoice audit, optimization and allocation. As the leading managed pay provider in the telecom arena, Tangoe takes responsibility for the full invoice lifecycle. Don't stop short, complete the cycle. Entrust Tangoe, the most experienced and capable expense management provider.

Don't Just Pay the Bills. Let Tangoe Manage Them.

For more information on how you can automate your invoice payment headaches, visit www.tangoe.com or call 844.484.5041.