



AMALGAM INSIGHTS

Analyst Insight

Tangoe Prepares Enterprise IT
for a Hybrid Work Future

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EXECUTIVE SUMMARY

Key Stakeholders:

Chief Information Officers, Chief Technology Officers, Chief Financial Officers, Finance Directors and Managers, Procurement Directors, Telecom Directors and Managers, Mobility Directors and Managers, IT Architects, Vice President/Director/Manager of IT Operations, DevOps Managers, System Architects, Product Managers, IT Sourcing Directors and Managers, IT Procurement Directors and Managers, Executives focused on reducing IT costs responsibly

Why It Matters:

Tangoe is a long-time market leader in the technology expense management (TEM) space. This report notes recent advancements and products developed by Tangoe in 2021 to meet market demands for collaboration, mobility, and payment management for IT at a time when the pressures of supporting remote and hybrid work environments have become a necessity for the vast majority of companies

Top Takeaway:

Remote work, powered by cloud services and mobility, is here to stay. Enterprise IT must take steps now to protect Tangoe's development of Bill Pay+, Device as a Service, and Unified Communications as a Service Expense Management provide a portfolio of capabilities that allow enterprises to support current and timely IT management challenges in context of their existing telecom, mobility, and cloud management environments.



SUPPORTING HYBRID TECHNOLOGY CHALLENGES IN 2021

In 2021, IT departments have universally faced the challenges of supporting their employees with relevant and timely technological capabilities to facilitate remote work and collaboration. As firms and industries managed the great financial uncertainties and volatilities of the COVID pandemic, executives were unsure about how to support employees in an unprecedented work environment. Organizations dealt with new revenue trends that made budgeting and cash flow more difficult to structure on a monthly, quarterly, and annual basis. With this uncertainty and business demand to keep employees connected, IT faced the challenge of being more agile while maintaining a financially responsible and well-governed technology environment.

In the face of these global challenges, Amalgam Insights observed how Tangoe supported its end users to evolve their technology environments. Based on virtually attending Tangoe Connect 2021, Tangoe's annual end user conference, and several briefings with Tangoe executives throughout 2021, this report provides an update on the current Tangoe platform and recommendations for current and potential Tangoe customers as well as the technology expense management community at large for supporting enterprise mobility and collaboration environments.

TANGOE UPDATES IN 2021

Tangoe is a privately held technology expense management company owned by Marlin Equity Partners. The vendor was founded in 2000 and is headquartered in Indianapolis, Indiana with additional offices in Abingdon, United Kingdom; Courbevoie, France; Bucharest, Romania; Kunshan, China; Bangalore, India; Melbourne, Australia; Sydney, Australia. Tangoe manages over 10 million devices, including 4 million devices managed outside of North America, and \$14 billion in annual technology spend. To support the devices and spend, Tangoe has more than 1,800 employees to support 1,200 clients, including almost half of current Fortune 500 enterprises.

In the Spring and Summer of 2021, Tangoe has provided three key functional updates as part of its ongoing development of the Tangoe Platform supporting fixed, mobile, and cloud spend: Bill Pay+, Device-as-a-Service, and Unified Communications-as-a-Service expense management.

BILL PAY+ FOR CASH FLOW MANAGEMENT

Bill Pay+ is Tangoe's accounts payable solution designed to support IT invoice processing which can also be provided as a general accounts payable management solution. Bill Pay+ is further supported by Vendorin, a B2B payment network platform designed to support general supplier payments. This solution is designed to help companies pay a variety of invoice types (paper, PDF, electronic) through a single automated payment that is corporate governed while eliminating manual work and fraud risk. Tangoe's approach includes a monitoring system to provide PCI compliance, governance, and assurance to deliver the payment, which Vendorin calls StopFraud. From a practical perspective, remote bill payment also



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allows organizations to avoid late fees and inadvertent disconnects that are payment-based for all corporate-managed payments that can be viewed and tracked through Tangoe's Treasury Portal.

From Amalgam Insights' perspective, the most important tactical aspects of Bill Pay+ other than avoiding late fees are to accelerate payments with vendor integrations, increase savings, and fully aggregate payments for promotional and discounted offerings in a timely fashion. Payment management is not just a tactical bill processing capability, but a strategic ability to holistically manage cash flow efficiently and give IT departments opportunities to act quickly when there are opportunities for additional savings or short-term treasury cash-flow optimization.

DEVICE AS A SERVICE – MANAGING ENTERPRISE MOBILITY

Tangoe's approach to Device as a Service is a programmatic approach based on strategic planning, endpoints and network sourcing, mobility management, delivery of devices and services, and the recovery of devices. Tangoe provides this service with the goal of managing the total cost of ownership for mobile devices at a lower cost than carriers provide by disaggregating devices from data rate plans. Amalgam Insights notes that this approach can work because businesses often purchase or finance devices from a carrier without realizing that the price includes an unlisted carrier subsidy.

From a visibility perspective, this service also includes cost benchmarking coupled with Bill Pay+. This approach also provides an exit strategy for recovering each device. Tangoe typically finds its recollection rate for devices to be in the mid-90%. Tangoe also provides device recycling through partners.

Pricing for this service is based on a combination of device types, terms, and volume. For instance, customers seeking to use Tangoe's status as an Apple Authorized Service Provider may want to start by having Apple devices under Tangoe DaaS management.

Tangoe DaaS is currently available in the United States with plans to launch in Europe in 2022.

UNIFIED COMMUNICATIONS-AS-A-SERVICE (UCAAS) EXPENSE MANAGEMENT

Tangoe announced its UCaaS expense solution in August 2021. It is designed to provide visibility and optimization for UCaaS services. At launch, Tangoe provides support for 8x8, Zoom, and Microsoft Teams, with planned support for Cisco WebEx. This offering includes the following capabilities to support the sourcing, payment, and optimization of UCaaS services: Invoice Processing and Payment; Fraud Abuse and Misuse Identification; Cost and Usage Management; Traffic and Trend Monitoring; Rate Plan and Pricing Validation; Customized Alert Monitoring.

Analyst Note: One aspect that Amalgam Insights finds especially interesting about Tangoe's UCaaS approach is that it is provided through Tangoe One Cloud, rather than its Fixed module focused on landline telecom. This positioning aligns with the continued market trend of treating voice as an application running on the network that can be provided on-demand rather than treating voice as a



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standalone capability. The challenges of managing voice as a streaming and usage-based app are extremely useful for IT professionals tasked with supporting the future of connectivity and collaboration, but these challenges are seen as cloud challenges and not voice challenges. As cloud computing continues to become more competitive and the market continues to move towards supporting multiple clouds, just as IT supports multiple telecom carriers and telecom equipment vendors, the value of telecom-based IT management approaches will be seen in managing cloud sourcing, optimization, and support.

This set of capabilities allows clients to validate their contract terms with usage management data to align rates with usage. Linking contracts, invoices, inventory, and utilization across UCaaS and the larger Software-as-a-Service world can be challenging as these capabilities are often still split across multiple solutions each focused on their specific sourcing, contract management, invoice management, or usage and utilization components.

RECOMMENDATIONS FOR THE AMALGAM INSIGHTS COMMUNITY

The capabilities that Tangoe has brought to market are indicative of capabilities that Amalgam Insights believes are important in supporting the New Normal of hybrid work environments where, on average, half of the workforce does not work at the office full-time and 25% will work remotely full-time. It is more important than ever to make sure that IT supports employees and runs efficiently. To support this challenge, Amalgam Insights provides the following recommendations.

First, consolidate and digitize payment processes. Although this sounds simple, the challenges of telecom and other legacy IT providers with non-standard invoice formats and unique payment requests can make this challenging. Every enterprise will treat non-standard invoices and payment requests differently, but Amalgam Insights believes that in 2021 invoice parsing and manual payments processes should not be standard operating procedure.

Second, manage enterprise mobility with the flexibility needed to keep up with market trends. As 5G, augmented reality, Internet of Things, satellite communications, automated vehicles, and fog computing all start to become mainstream, it is important not to lock up employees with specific devices or plans that may not be sufficient for business needs. For most IT managers, the first instinct for managing cell phones and enterprise mobility is likely to cut costs and treat mobility as a commodity. However, from a practical perspective, users need to be categorized as casual or commodity users, power users, and executive users and then supported accordingly to make the business more agile and productive. IT falls short if a million-dollar, or even a billion-dollar, decision is delayed by outdated and obsolete devices.

Third, manage and optimize collaboration and unified communications as part of your cloud management strategy. As voice increasingly becomes an app and the likes of Microsoft and Zoom become increasingly



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dominant vendors, the licenses associated with phone and conferencing capabilities need to be managed accordingly. However, the vendor relations, license optimizations, and sourcing challenges for these technologies are more closely related to the challenges of SaaS than of telecom circuits managed through carriers. In this case, Tangoe's approach reflects an industry trend of seeing voice and video capabilities increasingly "app'ed" as they are either provided as SaaS or as Platform-as-a-Service (PaaS) and Application Programming Interface (API) services.

CONCLUSION

Tangoe's 2021 product announcements align with general market trends towards supporting digital transformation, collaboration, and enterprise mobility challenges that IT faces in today's volatile and unpredictable working environments. As governments, enterprises, and other organizations continue to deal with both a global pandemic and the subsequent remote work and hybrid work requests made by employees, it is vital that IT departments maintain both the flexibility and financial responsibility needed to maintain and enhance employee productivity. This means providing technology to employees on their terms and based on our challenges of work governance that can change on a monthly, weekly, or even daily basis depending on federal and state mandates, corporate policies, and practical social decisions. Tangoe's moves towards supporting digital payments, enterprise mobility, and collaboration demonstrate the changes that IT must support to continue to be a good partner and provider to the business-at-large.

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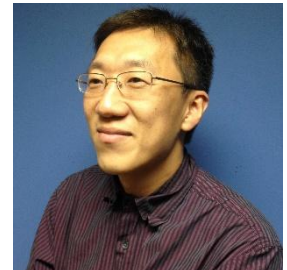
ABOUT AMALGAM INSIGHTS

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Amalgam Insights (AI) is a leading research and advisory firm focused on the financial, programmatic, and cognitive tools that multiply the value of enterprise technology. AI's coverage includes the following research practices: Technology Expense Management, Analytics and Data Management, Data Science and Machine Learning, Accounting and Finance Technologies, DevOps and Open Source Development, Talent Management, Learning & Development, and Extended Reality.

HYOUN PARK, FOUNDER AND CHIEF ANALYST

Hyoun is the Founder and CEO of Amalgam Insights. He focuses on Technology Consumption Management challenges of procurement and utilization based on 20+ years of vendor, enterprise IT, and industry analyst experience.



Prior to Amalgam Insights, Hyoun:

- Led IT analyst practices at the Aberdeen Group and Blue Hill Research with over 300 research documents across analytics, mobility, finance, and collaboration.
- Managed multi-million-dollar technology budgets at Bose and Teradyne.
- Managed billing data operations for two resale telecom CLECs.
- Built prediction models for the first Fantasy Baseball website, mosey.com

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