



# **TM Forum Business Benchmarking**

TM Forum Operational Cost Models Survey  
Study Summary

Period: Q1 2011

### Notice

No recipient of this document shall in any way interpret this document as representing a position or agreement of the TeleManagement Forum (TM Forum) or its members. This document is a draft, working document of TM Forum and is provided solely for comments and evaluation. It is not a Forum Approved Document and is solely circulated for the purposes of assisting TM Forum in the preparation of a final document in furtherance of the aims and mission of TM Forum.

Although it is a copyrighted document of TM Forum:

- Members of TM Forum are only granted the limited copyright waiver to distribute this document within their companies and may not make paper or electronic copies for distribution outside of their companies.
- Non-members of the TM Forum are not permitted to make copies (paper or electronic) of this draft document other than for their internal use for the sole purpose of making comments thereon directly to TM Forum.
- If this document forms part of a supply of information in support of an Industry Group Liaison relationship, the document may only be used as part of the work identified in the Liaison and may not be used or further distributed for any other purposes

Any use of this document by the recipient, other than as set forth specifically herein, is at its own risk, and under no circumstances will TM Forum be liable for direct or indirect damages or any costs or losses resulting from the use of this document by the recipient.

This document is governed by all of the terms and conditions of the Agreement on Intellectual Property Rights between TM Forum and its members, and may involve a claim of patent rights by one or more TM Forum members or by non-members of TM Forum.

Direct inquiries to the TM Forum office:

240 Headquarters Plaza,  
East Tower – 10<sup>th</sup> Floor,  
Morristown, NJ 07960 USA  
Tel No. +1 973 944 5100  
Fax No. +1 973 944 5110

TM Forum Web Page: [www.tmforum.org](http://www.tmforum.org)

**Table of Contents**

**EXECUTIVE OVERVIEW ..... 4**

**SURVEY DESCRIPTION..... 5**

**RESULTS..... 5**

**COMPLETING THE SURVEY ..... 8**

    EFFORT ..... 8

    RECOMMENDED ROLES ..... 8

    MATERIALS ..... 8

    DATA SUBMISSION..... 9

    REPORT AVAILABILITY..... 9

    TIMING & CONTACTS ..... 9

**ABOUT TM FORUM BUSINESS BENCHMARKING ..... 10**

    BACKGROUND ..... 10

    SECURITY ..... 10

    COST ..... 10

## TM Forum Operational Cost Models: Insights to Better Decisions

### Executive Overview

Details about the costs of running your Communications Service Provider business abound; data by Department, by Project, by Job Category, by Product line, and even perhaps by Customer, are at your finger tips or near at hand. What has *not* been available is the ability to compare your performance against your peers and competitors, in a standard and relevant manner.

This program – with your participation - creates that standard comparative data gathering and reporting framework specifically to provide you with the additional financial information and execution risk containment guidelines you need to make the best possible decisions when setting budgets and systematically driving down operational costs and enabling you to evaluate your company's ability to successfully deliver your business transformation projects.

The focus on operational expenditure, the largest portion of your budget, is a unique aspect of the TM Forum Operational Cost Models program. The views by major Business Process (Concept to Launch; Order to Cash; Trouble to Resolution) will provide new insights into how money is allocated and how well those allocations meet your business goals. The comparisons with other CSPs will enable you to identify fundamental changes in business models and processes to optimize your expenditures and to underpin the strategic application of IT and systems that accurately enable specific business performance. Linking the expenditure information to your Business Transformation Maturity Model profile provides further insight into how financial performance is affected by the ability to drive major projects successfully.

In summary, your participation in this TM Forum Operational Cost Models program will provide you with new information to support systematic and predictable options to drive cost out of your business and improve delivery of business transformation projects.

In this initial program study, you will receive blended, anonymous results of all respondents, providing information about:

- How expenditures compare to other (similar) CSPs
- How spending aligns to the major business processes (Concept to Launch, Order to Cash and Trouble to Resolution).
- How the investment in each of these processes compares to investment levels of other CSPs.
- How well spending meets expectations in delivering on business objectives.
- How cost-effective the processes are in delivering products and services to customers.
- Identifying target areas to reduce OpEx through process improvement instead of departmentally
- Assessing the Maturity of your company in managing Business Transformation initiatives
- Identifying opportunities to enhance your ability to successfully achieve your Business Transformation initiative goals.

## Survey Description

The Survey is divided into 3 sections – Operational Costs, Business Transformation Maturity and General Questions.

The survey is designed to be completed in approximately one hour. It is important to have budget allocation figures at hand to efficiently complete the survey. We recommend that you print the Questionnaire, mark it up with your answers and then input your answers into the TM Forum online survey system.

## Results

The key objective of the TM Forum Operational Cost Models Program is to provide the executive CSP team with significantly improved financially oriented comparative information regarding OpEx spending to guide investment decisions, focus Business Transformation initiatives, and identify opportunities to improve returns on OpEx spending.

Each participant will receive a personalized report indicating the statistics of the study as well as their individual scores. The results will provide at-a-glance pictures of your input, and your input compared to the anonymous responses of the other respondents for each Question in the survey. Below are examples of the types of information we will generate.

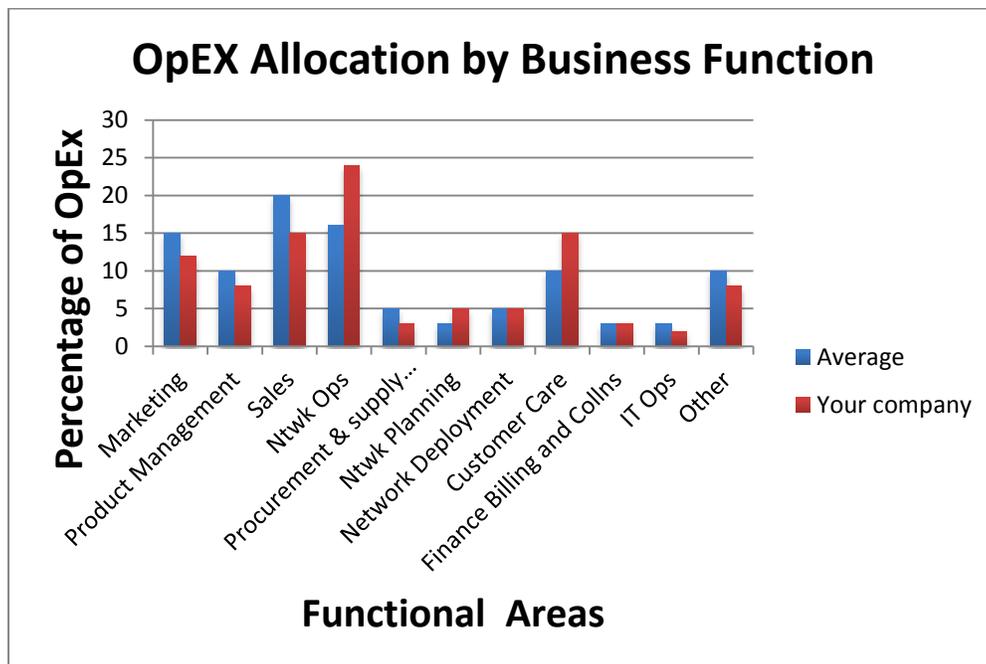


Figure 1: Illustrative Operational Cost Model, OpEx allocation by Business Function

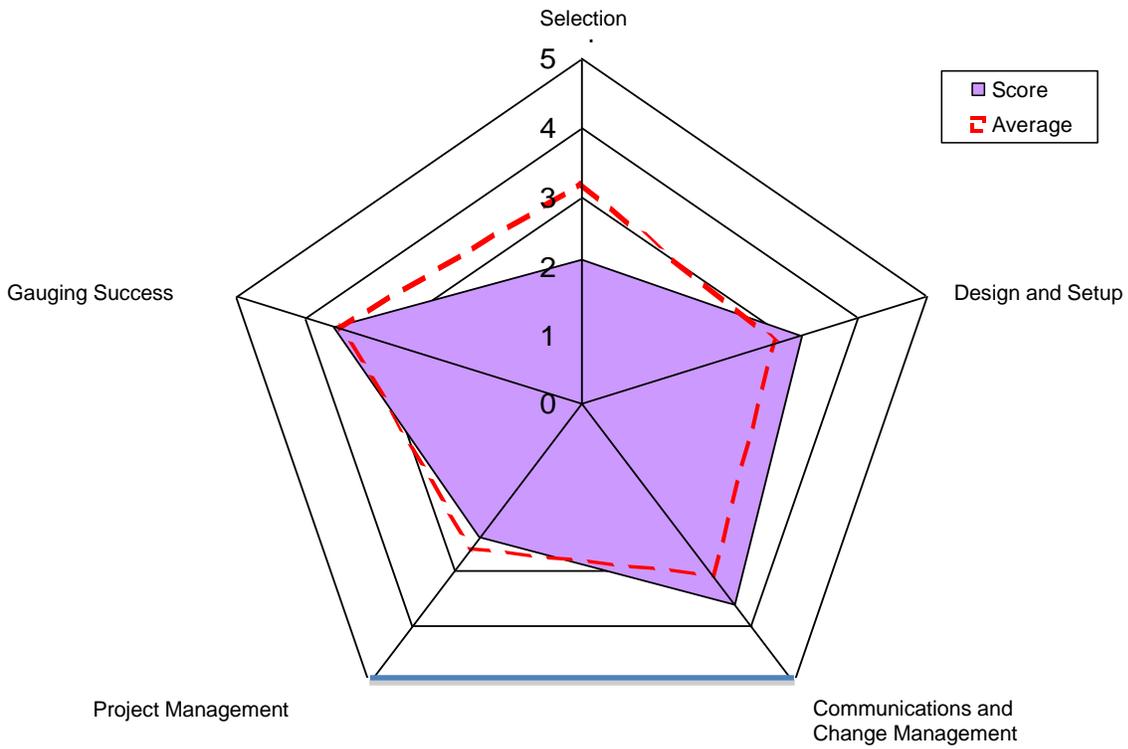


Figure 2: Illustrative Business Transformation Maturity Model Scores

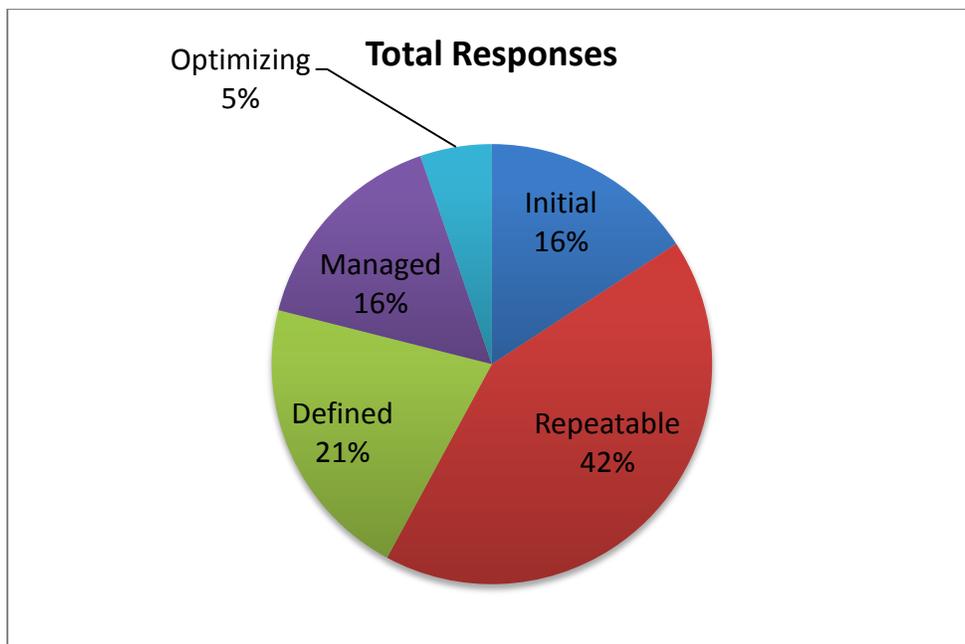


Figure 3: Respondents' categorization of their performance on the Business Transformation Maturity Model, addressing the question on the Importance of re-usability and repeatability in project design.

Results will include a short narrative along with the various graphs showing your scores, and the average scores. The results will, also, be analyzed by the TM Forum Research team and their analysis will be published to all participants.

## Completing the Survey

### ***Effort***

The survey should take approximately one hour.

To expedite answering the survey, we recommend taking time to gather expense information prior to addressing the survey. Data on hand while completing the survey should include 2010 budget details regarding departmental allocations as well as OpEx and CapEx details.

The investment of time and effort to complete the survey will deliver a high return in the form of new insights and for the first time an ability to compare your performance to others in a consistent manner.

### ***Recommended roles***

#### Executive Sponsor

The role of Executive Sponsor in this project is essential to successful completion of this survey and the value of its results to your company. We recommend control of this survey be maintained by the CEO or CFO of your company.

We also recommend that the Executive Sponsor be directly involved in completing the survey and/or reviewing and confirming the survey input prior to its submission into the TM Forum online survey system.

In particular, the qualitative questions on how well current spending meets business performance expectations should be answered from the perspective of the Executive. The Executive Sponsor will be the first member of the management team to see the results of the study.

#### Survey Response Coordinator

This survey requires the use of budget allocation/expense information for 2010. It may facilitate completion of the survey to have the essential details in hand before beginning to consider your answers. We recommend that a Survey Response Coordinator be assigned to this task.

Once the Executive Sponsor has completed and/or reviewed and approved the answers, the Survey Response Coordinator can proceed to input the answers into the TM Forum's secure online survey system.

The Survey Response Coordinator often is the primary contact point between your company and the TM Forum for response entry and response validation.

### ***Materials***

Participants are provided a Survey Questionnaire document which may be used to organize the responses to the questions in preparation to entering the answers into the on-line survey.

***Data Submission***

When the responses have been approved by the Executive Sponsor, the Survey Response Coordinator enters them into the TM Forum's secure online survey tool.

***Report Availability***

When all participants have entered their responses, the data is validated and reports are produced. The data validation and report generation processes require 5 to 6 weeks from the point all responses has been submitted.

***Timing & Contacts***

This study will start data entry February 1, 2011. Data should reflect your 2010 expenses.

For more information please contact Toni Graham, the Program Manager of the TM Forum Business Benchmarking Program, at [tgraham@tmforum.org](mailto:tgraham@tmforum.org)

## About TM Forum Business Benchmarking

### ***Background***

The TM Forum Business Benchmarking Program was launched in October 2004 to provide comparative data to member operators. Since that point the program has grown to include participation from a significant number of the operator members.

Regular benchmarks are conducted for Broadband, IP Services & Transport Wholesale, Mobile Services, Billing Performance and Revenue Assurance.

### ***Security***

The TM Forum Benchmarking is conducted through a secure web-portal. The process, software, and physical environment have been audited and approved by several unaffiliated security auditors. If you need more information, a meeting can be arranged with the TM Forum CIO.

### ***Cost***

Participation in the TM Forum Business Benchmarking Program is free to operator members. Vendors and other non-participants may subscribe to the anonymous results for a fee.

For more information on the TM Forum Business Benchmarking Program please go to [www.tmforum.org/benchmarking](http://www.tmforum.org/benchmarking)