



PRESS RELEASE

Tellumat Telecoms

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The importance of efficient communications in tough times

By Bennie Langenhoven, Managing Executive, Tellumat Telecoms

The cost of communications

Business communications (voice minutes as well as bandwidth) generally rates among a business's top three costs, across all industries and geographies. It shares this dubious honour with the monthly salary bill and capital expenses.

In South Africa the cost of telecoms is traditionally higher than the global norm. In fact, it has often acted as a deterrent to foreign investment in the country, a huge loss especially to the call centre outsourcing industry.

Add the current global economic downturn to these factors, and the call to contain the cost of telecoms becomes deafening, says Bennie Langenhoven, Managing Executive, Tellumat Telecoms.

Return on technology

Langenhoven says one of the surest ways to achieve communications savings is through the judicious use of technology. While some vendors market their technology as boosters of top- or bottom-line earnings, the real strength of communications technology is in its potential to save money.

In fact, return on investment in technology purchases is measured almost solely in terms of cost – the costs incurred versus the costs saved by virtue of owning technology. If the cost incurred is less than the cost saved, and the quantum of the saving is high enough, you've made a sound purchase.

The case for efficiency

In this way, a very good case can still be made for communications technology that increases efficiencies and saves money – even or perhaps especially in troubled times.

Two simple examples: rather than make a series of phone calls to track someone down, well-integrated communications technologies will bring the search down significantly and dramatically enhance efficiencies. And powerful modern collaboration tools easily beat being physically present at a meeting in another town for sheer value. It is almost unthinkable to burn money in a period that some commentators are already calling the Great Recession.

What savings are and are not

The true savings of converged communications and applications like unified communications are not so much the lower cost of voice minutes and bandwidth, as often claimed. Most of the savings lie in improved efficiencies. Businesses realise they can effectively do the same things and achieve the same outcomes more efficiently, more quickly or more cost-effectively. In some cases the re-engineering of business processes together with integrated voice technologies makes the critical difference to an organisation.

If businesses integrate communications technology effectively and manage technologies like presence well, they optimise their external interaction and become more effective. Once they reach their customers, suppliers and partners without incurring great cost, they realise cost benefits and achieve an edge over less clear-thinking competitors. Some of these savings are measurable; others, like saved opportunity costs, less so.



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But take care...

It would serve companies well to remember that total cost of ownership of a technology goes far beyond its upfront price. Maintenance is an oft-forgotten invisible cost that sometimes blind-sides technology buyers. For instance, least-cost routing is often embraced without considering the high cost of maintaining it.

In short, be sure to look at both sides of the deal – costs saved versus costs incurred. Does the right side pull the scale down?

Ends.

About Tellumat

Tellumat is an innovative, black empowered, South African technology company that has achieved a BBBEE Status Level 4 rating, defined as "Superior Contributor to BEE" in terms of the DTI's Codes of Good Practice. It consists of three major trading divisions; Communications, Defence and Contract Manufacturing, and three partly owned companies; Sia Solutions (Pty) Ltd, Eence Engineering (Pty) Ltd and SIMpill (Pty) Ltd. Tellumat services three primary market areas, namely wireless voice and data communications, defence communication systems and high precision electronic and mechanical manufacturing. Tellumat is a world-class business focused on innovation, offering our customers dynamic and competitive technology products and services. We focus on understanding our customers' needs and forming long-term strategic alliances with likeminded enterprises worldwide.

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