SpyGlass

STATE OF TECHNOLOGY SERVICE EXPENSES

Where Your Industry Stands

Proprietary Technology Spend Analytics

Driving technology expense management for 20+ years

EXECUTIVE SUMMARY

WELCOME.

Over 20 years ago, SpyGlass began with a vision of using the power of analysis for universal technology and communications savings. As the company's founders with over 40 years of combined telecommunications experience, our detailed knowledge and understanding of carrier billing led to a national team of experts providing industry-leading telecom and technology service savings recommendations. From public and private companies, government and financial entities, higher education, schools, and healthcare systems and beyond, we pride ourselves on providing the best technology expense savings solutions to over 13,000 clients throughout the U.S. and Canada.

With this, we present findings from our technology service expense database. Unlike any other, the SpyGlass technology expense insights index offers industry-best practices to empower your technology services budget. In the post-pandemic environment, the technology required for resilience and future growth continues to take precedence in every organization's budget. From cloud-based subscriptions and large-scale telecommunications data networks to video conferencing services and increased device deployment, enterprises face the unknown of additional technology service costs.

While the future adds complexity and likely reduced cost control, our report provides much-needed awareness and clarity to proactively question the technology cost status quo. Just as we began, our dedication to benchmark data analysis to best serve our clients is ongoing. We look forward to supporting your technology and communications technology service savings by providing the answers you need — for today and tomorrow.

EMPOWERING TECHNOLOGY EXPENSE SAVINGS FOR 20+ YEARS

Ed DeAngelo
Co-President

Brad Clark
Co-President

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INTRODUCTION

What do technology service savings mean to you?

It's a critical question, yet one that many enterprises struggle to answer clearly.

The reality is that telecom and technology service savings are often thought to be a misnomer. If you take 10 different companies and ask them to define how and why they should save on telecom services, you'll likely get the same answer: savings on technology services are unclear, time-consuming to clarify, and probably don't justify the effort. As the perpetual elephant in the room, technology and communication service bills are generally left unquestioned and simply get paid.

As connectivity's role is elevated in a post-pandemic world, technology is at the heart of required digital transformation — but the costs associated with the growing reliance are vague. With today's business models built around voice, data, internet, cloud services, SaaS licensing, and mobility, the need to adapt to new technologies as they emerge is imperative. And if you're a CFO, CIO or IT leader, the uncertainty of telecom service expenses is challenging.

Americans pay far more for slower internet service than their European, Canadian, and Asian counterparts.[1] To help answer what technology and communication service savings mean for organizations, this paper shares our industry benchmark analysis of annual expense data, recommendations, and savings opportunities compiled from over 13,000 SpyGlass clients.

We'll make the case for why you should question your organization's current technology expenses to gain clarity for digital transformation. In addition, we provide a glimpse of where certain industries stand on telecom expenses and the average amount their peers are saving — industry-best technology and communication service savings information that means a lot.

SpyGlass

INDUSTRY-WIDE CLIENT FACTS

13,000+
Total clients in all industries

73
Average number of identified savings recommendations

20%+
Average % of telecom spend identified as savings opportunity

[1] "People in the U.S. pay more for slower internet than European, Canadian, and Asian counterparts, according to the Open Technology Institute," published Wednesday, October 6, 2021, https://www.cnbc.com/2021/10/06/heres-why-high-speed-internet-is-so-expensive-in-the-us.html

OUR ANALYSIS

Helping Forecast Your Technology Expense Future

> *"Our analytics database was built from the ground up and caters specifically to what we do. While we dissect bills line by line with a more traditional approach, our technology spend analytics allow us to provide tailored guidance for each industry to make sure they're getting great, competitive pricing."*
>
> — Stephanie Juhasz,
> Senior Manager, Audit & Analysis

If 2020 taught us anything, it's that we should never assume. This couldn't be truer as it relates to forecasting telecom and technology service pricing. If managing the costs of evolving technology — from networking and storage to added devices and cloud services — was already challenging, the pandemic transformed the "want" of technology services into a definitive spending "need."

As the demand for advanced infrastructure capabilities is central for the future, planning for ways to capitalize on technology and communication services to thrive and grow is essential. But calculating future expenses while building a proactive strategy is often beyond an organization's time and resources.

To get answers, many enterprises turn to technology expense management (TEM) services to get a better handle on their assets and services — a growing trend that has become a necessary tool. In fact, by 2025, organizations will increase their reliance on external consultants for guidance, as the greater urgency and accelerated pace of change widens the gap between their digital business ambitions and internal resources and capabilities, according to Gartner.[2]

Technology + Hands-On Analysis = Savings

There is no questioning TEM's benefit, but a technology expense audit is only as good as those performing the analysis. In a world where artificial intelligence (AI) is increasingly used for data analysis, standout TEM solutions deliver results through sophisticated technologies paired with hands-on customer service.

EFFICIENT & EFFECTIVE TECHNOLOGY EXPENSE SAVINGS TAILORED FOR YOU

<2 MONTHS — Average time from client Kickoff Meeting to Presentation of Savings Opportunities*

4 MONTHS — Average time from client Kickoff Meeting to Implementation Completion Date**

*2,011 Clients; IPM Complete Date - 6-1-20 - 5-31-22; 36.1 ave number of days - KOM to SOF; 133.8 ave number of days - KOM to IPM Complete

[2] Gartner Forecasts Worldwide IT Spending to Grow 5.1% in 2022, 18 January 2022, https://www.gartner.com/en/newsroom/press-releases/2022-01-18-gartner-forecasts-worldwide-it-spending-to-grow-five-point-1-percent-in-2022

OUR ANALYSIS

Case in point: Errors in carrier billing are known as a source of large profit loss, but AI alone may not be able to confirm or correct them through simple variance analysis. In addition, human reasoning is necessary for technology service data collection and processing to locate the causes of those errors.

The SpyGlass TEM specialists pair proprietary technology spend analytics and sophisticated software with hands-on analysis to help clients manage the human side of business forecasting.

To understand how a personalized SnapShot Audit and our team of Implementation Project Managers (IPM) and Audit and Analysis experts utilize an efficient and proven TEM process, we present data from our technology expense insights index. From our kickoff meeting with a client to the presentation of savings opportunities, SpyGlass provides timely savings solutions for a wide variety of industries, regardless of the size and scope of telecom service billing.

"We understand the IT professional's highest priority is making sure all of the technology they manage functions and that they can continue to learn about emerging technology — not managing the technology cost center. The goal is to produce a result so they can go back to their day-to-day responsibilities, with as little intrusion from us as possible. We're focused on providing our clients savings on technology service costs."

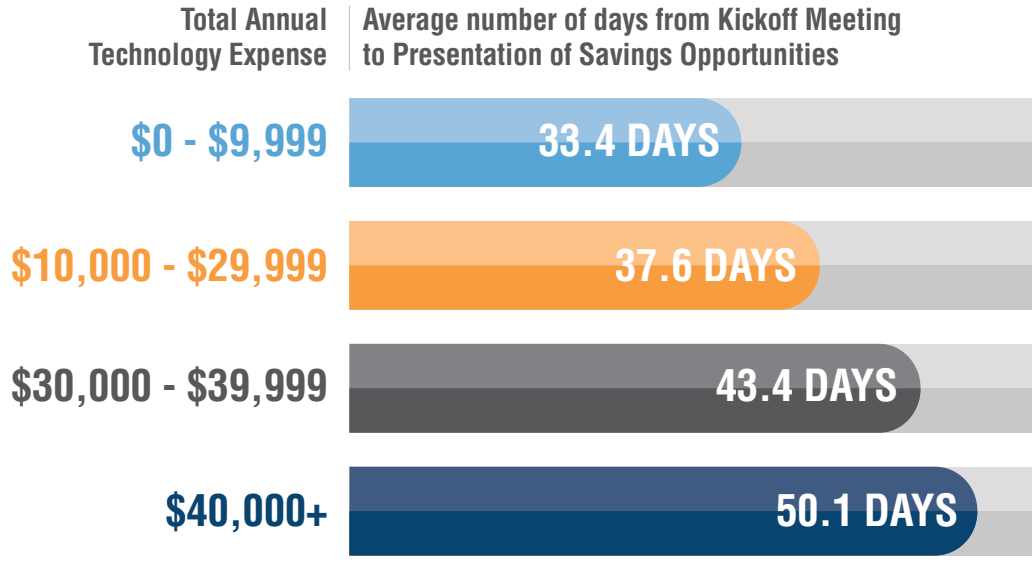
– Davis McClure, Senior Director, IPM

"We have a massive collection of data that continues to grow as we add to our source of over 13,000 clients. Our industry benchmark analytics allows us to provide detailed spending averages by service compared to others in your industry, by region. Creating this database is key for providing the best savings recommendations."

– Owen Hood, Vice President, Business Analytics

OUR SERVICE

Catered To Your Industry's Needs



INDUSTRY INSIGHTS

"They offered very high-level and high-quality customer service, and their analysts were on top of everything. They found over $50,000 in annual savings that can be then incorporated into the annual budget — these savings are a big thing. The overall experience of working with them was great."

– Justin Alderate, Finance Director
City of Richmond, Texas

City and County Government

To build resilient and future-ready city and county governments, technology communication services are essential to connect with the citizens they serve. The pandemic exposed the realities of poor broadband quality, which can disproportionately affect underserved areas and populations. Research from The National Association of Counties (NACo) shows that more than 11 million Americans, particularly those in rural areas, lack access to broadband that meets the federal definition of minimum broadband standards.[3]

From supporting economic development to connecting unique government assets, high-speed internet is a lifeline in a world now inextricably tied to technology. But building the bridge between broadband and the technology services it powers can be expensive. Today, many municipalities throughout the U.S. are restricted when it comes to establishing their own broadband networks, forcing them to rely on telecom services that are already available within their jurisdiction. Unfortunately, this roadblock leads to fixed pricing, poor reliability, and slow internet speeds.[4]

Focused on guiding over 1,700 city and county government clients throughout the U.S., SpyGlass offers industry-specific connectivity cost knowledge for much-needed savings. With the goal of providing fiscally sound telecom investments, our expertise contributes knowledge into top areas for potential savings. We are able to deliver technology savings recommendations and identify savings opportunities specific to a city and county's percent of technology spend. As a result, we empower our clients to be strong stewards of public funds.

1,754
Total City & County Government clients

108
Average number of identified savings recommendations

29%
Average % of telecom spend identified as savings opportunity

[3] NACo. Counties and the American Rescue Plan Act: Broadband. March 1, 2022, https://www.naco.org/resources/featured/arpa/broadband
[4] Broadband Now Research. Municipal Broadband Is Roadblocked or Outlawed in 18 States. April 6, 2021, https://broadbandnow.com/report/municipal-broadband-roadblocks

TOP TECHNOLOGY EXPENSE INSIGHTS

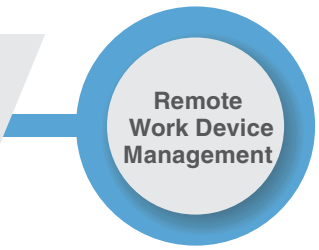
City and County Government

1 Preferred Pricing Models

Capitalize on our expertise of telecom pricing models specifically for regional municipalities. These pre-negotiated rates allow municipalities to purchase telecom services for pennies on the dollar — ensuring an efficient use of tax dollars.

2 Remote Work Device Management

As many accessed the CARES Act Coronavirus Relief fund, often a large allotment of devices were purchased with only a portion being deployed but not tracked. In understanding the municipality environment, we assist with management of costs of remote devices.



3 Grant Money Savings and Reallocation

Technology investments are not one-time expenses. While grant funding pays for the hardware, it doesn't always pay for technology services. We identify the average use of each device and optimize the plan structure for the "new normal" through completing a SnapShot Audit before service costs hit the budget.

4 Interdepartmental Service Uses

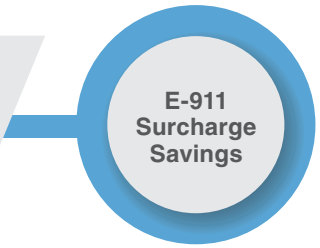
With industry knowledge into telecom-specific class of service uses, we assist our clients' technical resources in understanding legacy set ups. From replacing telephony services and technology with Voice over IP (VoIP) and Session Initiated Protocol (SIP) based services, to integrating Unified Communications and Collaboration (UC&C) tools and apps, we ensure the best pricing structure for their needs.

5 Zoom and Video Conferencing Services

Driven by the demand for remote and virtual work, video is now one of the world's most important communication tools. But inadequate conferencing from lost productivity and time due to service disruption can be expensive. We leverage video conferencing volume to better fit the client's need for service and price.

6 E-911 Surcharge Savings

Wireless, landline and VoIP telecom surcharges are a hefty expenditure when partnering the equipment and service. We ensure our municipality clients have the optimal set up and get what they pay for.



INDUSTRY INSIGHTS

Education

Education technology, or edtech, has long presented possibilities for growth through online learning. While many districts and institutions have returned to in-person or hybrid instruction models following the height of COVID-19, it's highly anticipated that online learning and virtual classrooms are here to stay.[5]

The edtech market size was valued at $254 billion (USD) in 2021, with its growth expected to reach over $605 billion (USD) by 2027.[6] And technology services are critical for providing scalable bandwidth with lightning-fast speed to support edtech's success. As a result, a massive investment in edtech hardware, software, content, and training functioning purely through telecom services is essential for distance learning.

> *"We didn't fully appreciate the possibility in a big campus, with lots of telephone lines, bills and moving parts that something was getting overlooked. Delegating the audit to SpyGlass was a no-lose proposition — our savings equaled $40,000 realized cash, or the equivalent of an employee"*
>
> – Lauren Wobby, CFO Norwich University, Burlington, VT

As the education landscape continues a predominantly digital shift, the future costs of technology and telecom services remain uncertain. To get clarity and proactive budgeting guidance, over 2,700 education clients collaborate with SpyGlass to gain in-depth analysis of tax and tariff codes, fees and surcharges, usage analysis, and contract compliance — personalized recommendations that equal sizeable savings for future edtech investments to support student success.

2,738
Total Education clients

79
Average number of identified savings recommendations

19.8%
Average % of telecom spend identified as savings opportunity

[5] "The Rise of Virtual Schools" (pdf) Rand Corporation, 2021. https://www.rand.org/pubs/research_reports/RRA956-5.html
[6] "EdTech Market: Global Outlook & Forecast 2022-2027" (press release) ResearchandMarkets.com, 2022. https://www.globenewswire.com/news-release/2022/02/01/2376551/28124/en/Global-EdTech-Market-Outlook-Forecast-Report-2022-Market-Size-was-Valued-at-254-80-Billion-in-2021-and-is-Expected-to-Reach-605-40-Billion-by-2027.html

5 TOP TECHNOLOGY EXPENSE INSIGHTS

Education

1 Preferred Pricing Models

Capitalize on our expertise of pricing models for school districts and higher education. These pre-negotiated rates allow for purchasing telecom services for pennies on the dollar — ensuring an efficient use of tax dollars.

2 Remote Work Device Management

Many accessed the CARES Act Coronavirus Relief Fund for added support, including providing MiFi devices for staff and students. But often a large allotment of devices are purchased with only a portion being deployed. In many cases, this was not tracked due to getting students and staff up to speed quickly for remote learning. In understanding the education industry, we assist with management and costs of remote devices.

3 Grant Money Savings and Reallocation

Technology investments are not one-time expenses. While grant funding pays for the hardware, it doesn't always pay for technology services. We identify the average use of each device to optimize our education clients' plan structure for the "new normal" before service costs hit the budget.

4 Zoom and Video Conferencing Services

Driven by the demand for distance learning and remote work, video is now one of the world's most important communication tools. But inadequate conferencing from lost productivity and time due to service disruption can be expensive. We leverage video conferencing volume to better fit the client's need for service and price.

5 E-911 Surcharge Savings

Wireless, landline and VoIP telecom surcharges are a hefty expenditure when partnering the equipment and service. We ensure school districts and higher education organizations have the optimal set up in place and get what they pay for.

INDUSTRY INSIGHTS

"For us, the challenge with telecom expense is always lack of options. Our branches are in small rural communities and competition for phone and data services is non-existent. Working with SpyGlass helped us realize we were being over charged by several thousands of dollars per year, saving us over $23,000 annually"

– Drew Wright, EVP/Compliance Officer
Timberline Federal Credit Union
Crossett, AR

Financial Services

Like many sectors, the financial services industry has adapted and accelerated digital transformation efforts following pandemic-fueled disruption. While banks and other financial institutions typically lean more traditional when it comes to digital standards, many organizations in this sector are among the earliest adopters of the latest trends. According to research, three in four banks and credit unions have undergone a digital transformation initiative while another 15% plan to implement one in 2022.[7]

From mobility services and video conferencing to VoIP and cloud-based private branch exchange (PBX), unified communications systems are key to moving the banking and financial industry forward. It's predicted that banks and investment firms will spend $623 billion (USD) on technology products and services in 2022.[8] It's clear that telecom is vital for the future, helping financial institutions personalize the client experience, ensure customer privacy and data compliance, detect fraudulent transactions, and improve remote work communication.

To help forecast technology and communications costs, SpyGlass supports over 1,100 financial service clients across the U.S. with valuable technology SnapShot Audits for substantial annual savings opportunities. Our proven experience offers in-depth knowledge into the top financial industry technology savings insights to ensure these services provide the ultimate return.

1,166
Total Financial Services clients

57
Average number of identified savings recommendations

18.4%
Average % of telecom spend identified as savings opportunity

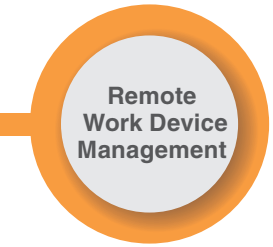
[7] Cornerstone Advisora. "2022 What's Going on in Banking" 2022, https://www.paymentsjournal.com/all-you-need-to-know-about-digital-transformation-in-the-finance-sector-in-2022/
[8] Gartner. "Forecast: Enterprise IT Spending for the Banking and Investment Services Market, Worldwide, 2020-2026, 1Q22 Update" 2022, https://www.gartner.com/en/newsroom/press-releases/2022-05-24-gartner-identifies-three-technology-trends-gaining-tr

TOP TECHNOLOGY EXPENSE INSIGHTS

Financial Services

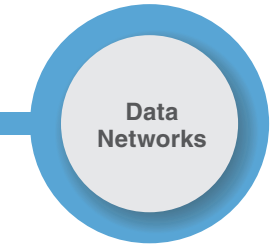
1 Remote Work Device Management

The pandemic forever changed how employees work. MiFi for mobile Wi-Fi hotspots and tablets were purchased by organizations in large quantities to provide employees work from home service. As employees make their way back into the office, we assist with device management and costs related to remote work.



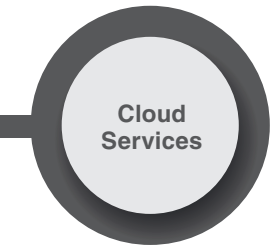
2 Data Networks

Our industry benchmarking detects configuration anomalies in telecommunications data supporting not only savings, but optimal plans for the security of users, devices and personal information. In addition, industry analytics support the issues of connecting locations and shared data paramount to the financial services industry.



3 Cloud Services

Heavy amount of data storage calls for cloud-based services the financial industry relies on. Our pricing benchmarks, along with other industry case studies, provide guidance into the what and why of the cloud market for optimal service savings.



4 Zoom and Video Conferencing Services

Driven by the demand for remote work and client needs, video is now one of the world's most important communication tools for those managing financial services. But inadequate conferencing from lost productivity and time from service disruption can be expensive — and hurt client relations. We leverage video conferencing volume to better fit the client's need for service and price.

INDUSTRY INSIGHTS

"Everyone was curious to see what the results would be. SpyGlass is really on top of their game and gave us a streamlined understanding of telecom and savings that helps the mission indirectly. Any savings that are found are found money."

– John Rutigliano, CFO, CancerCare
New York, NY

Healthcare

Harnessing digital technology's power became the predominant focus for healthcare leaders as the pandemic prioritized convenience and access to care. With digital transformation continuing to empower health system services, the reliance on technology and communications services for the consumer experience is increasing.

In fact, a recent Deloitte survey of technology executives throughout 25 health systems found that 92% of respondents hope to achieve better patient experiences as the top desired outcome of digital transformation.[9] And one of the leading technology services that both patients and physicians want to continue and grow is telehealth. According to American Medical Association (AMA) research, 85% of physicians surveyed indicated that telehealth increased the timeliness of care and 70% were motivated to increase telehealth use; patients also found added value in having a digital opportunity to connect and interact with their care team.[10] With the continued technology shift, telecom service costs represent an essential line-item expense.

To assist healthcare CFOs and IT leaders in their ongoing quest for technology service savings, SpyGlass provides industry-specific insight to over 890 organizations throughout the country. From preferred-pricing models and remote work management to capitalizing on video conferencing service costs, our 20-plus years of experience help healthcare leaders realize the full potential of digital health — while capturing technology savings required for the best patient care.

893
Total Healthcare clients

86
Average number of identified savings recommendations

20.4%
Average % of telecom spend identified as savings opportunity

[7] Cornerstone Advisora. "2022 What's Going on in Banking" 2022, https://www.paymentsjournal.com/all-you-need-to-know-about-digital-transformation-in-the-finance-sector-in-2022/
[8] Gartner. "Forecast: Enterprise IT Spending for the Banking and Investment Services Market, Worldwide, 2020-2026, 1Q22 Update" 2022, https://www.gartner.com/en/newsroom/press-releases/2022-05-24-gartner-identifies-three-technology-trends-gaining-tr

TOP TECHNOLOGY EXPENSE INSIGHTS

Healthcare

1 Preferred Pricing Models

Capitalize on our expertise of pricing models tailored for healthcare organizations. These pre-negotiated rates allow for purchasing telecom services for pennies on the dollar — ensuring an efficient budget to support patient care.

2 Remote Work Device Management

The reliance on digital technology has become a predominant focus for healthcare. Mobile Wi-Fi hotspots and tablets were purchased by organizations in large quantities to support services including patient check-in and telehealth to ensure the best care and outcomes. We provide technology service insight for savings to benefit patient care.

3 Grant Money Savings and Reallocation

Technology investments are not one-time expenses. While grant funding pays for hardware, it doesn't always pay for technology services. We identify the average use of each device and optimize our healthcare clients' plan to best fits the needs of the "new normal" before the service costs hit the budget.

4 Zoom and Video Conferencing Services

Driven by the demand for telehealth, HIPAA-compliant video conferencing is now necessary for communications between organizations, care teams and patients. But inadequate conferencing due to service disruption can be expensive. We leverage video conferencing volume to better fit our healthcare clients' need for service and price.

INDUSTRY INSIGHTS

"We serve 45 million people and are funded by Medicaid, Social Security and New York state, and it's getting harder and harder to get the financial support. SpyGlass saved us $38,000 annually — in five years that's $190,000."

– Frank DeLucia, CFO
Independent Living Association
Brooklyn, NY

Non-Profit

Giving back to the community is central to the non-profit industry and technology services are key for supporting the overall mission. To overcome the vulnerabilities imposed on the non-profit sector during the pandemic, every organization is leveraging technologies to better manage their organization, optimize and automate processes, improve their financial transparency, and better reach those they serve.

Even before the pandemic, digitalization and information technology were steadily increasing their role within non-profits. While organizations are turning to technology for the future, many don't have ample technology budgets, the equipment necessary for successful online programming, or allotted funds for added telecom service costs.

Even with Congress allocating $350 billion in COVID-19 relief funds for state, local, Tribal and non-profits, non-profit leaders are facing the added financial strain of decreasing power of donations received due to inflation.[11]

With non-profit staff resources allocated for new technology initiatives, SpyGlass provides a helping hand to save on much-needed communications services. Across our work with over 600 non-profit clients throughout the U.S, we provide guidance on industry-specific telecom billing insights for savings to support each non-profit organization's needs.

620
Total Non-Profit clients

63
Average number of identified savings recommendations

20.1%
Average % of telecom spend identified as savings opportunity

[11] NonProfitPRO. The Effect of Inflation on Charitable Giving. Retrieved July 18, 2022, from https://www.nonprofitpro.com/post/the-effect-of-inflation-on-charitable-giving/

TOP TECHNOLOGY EXPENSE INSIGHTS

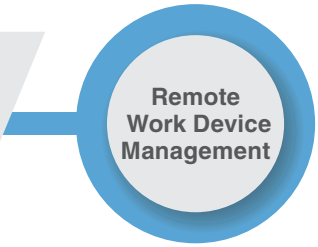
Non-Profit

1 Preferred Pricing Models

Give back more to your community by gaining from our knowledge of pricing models for non-profit organizations. These pre-negotiated rates allow for purchasing telecom services for pennies on the dollar — ensuring an efficient budget to support the future.

2 Remote Work Device Management

The reliance on digital technology has become a predominant focus for every industry, including non-profits. Mobile Wi-Fi hotspots and tablets purchased by organizations in large quantities support work from home staff and the community they serve. As employees make their way back into the office, we assist with device management and costs related to remote work.



3 Grant Money Savings and Reallocation

Technology investments are not one-time expenses. While grant funding pays for the hardware, it doesn't always pay for technology services. We identify the average use of each device and optimize our non-profit clients' plan structure to best fit the needs of the "new normal" before service costs hit the budget.

4 Zoom and Video Conferencing Services

Technology services support a non-profit's overall mission and the video conferencing it now relies on. But inadequate conferencing from lost productivity and time due to service disruption can be expensive. We leverage video conferencing volume to better fit a non-profit's need for service and price.

CONCLUSION

Capitalizing on technology and communications service costs

Organizations rely on proven processes to boost the bottom line, but the impact of technology and communication service savings is often overlooked. While telecommunication costs vary widely with activity or volume, they are rarely questioned. The fact that your business needs, provider plans, pricing, technology, and contracts change repeatedly always presents an opportunity to save — especially in the post-pandemic environment of required connectivity.

With digital transformation exceedingly important, the future costs of technology services are unknown. As organizations across all industries initiate forward-looking strategies including investments in the Internet of Things (IoT), cloud services, and AI services, the telecom and communications industry are at the epicenter of this technological growth.

To help forecast telecom service costs, SpyGlass technology expense management specialists pair proprietary technology spend analytics and sophisticated software with hands-on analysis to provide personalized savings opportunities. The combination of over two decades of industry-leading technology cost SnapShot Audits and a growing technology service expense database provides reliable insight into every industry's needs. By providing inside intelligence on where your organization stands on technology expenses, SpyGlass identifies savings opportunities that provide cost clarity.

SpyGlass provides technology and communications service expense knowledge for dependable savings that build resilient, agile, and profitable businesses in a world guided by digital transformation.

ABOUT SPYGLASS

For more information,
visit www.spyglass.net

SpyGlass is an industry-leading telecom and technology expense management company providing solutions to over 13,000 clients throughout the U.S. and Canada. For virtually every type of business, in every sector, we challenge the technology cost status quo to deliver surprising savings that empower your bottom line. Armed with our industry-leading technology cost SnapShot Audits and a growing technology service expense database, we're relentless about providing reliable technology spend insight for every industry's needs.