

FREQUENTLY ASKED QUESTIONS

OUTSOURCING TELECOMMUNICATIONS REGULATORY SUPPORT

There is general agreement that ensuring telecommunications equipment and services are compliant with the law is vital to ensure those can be used on time and efficiently (not to mention legally). When telecommunications cannot be used for lack of a license, or because the equipment is stuck in customs, the negative impact on the organization is immediate. But what is the case for retaining outside support on telecommunications licensing & compliance, when it can be done in-house? Most of our clients are large global organizations with highly competent staff and country offices capable of handling multiple items of administrative and legal work. Can the work not be done internally more proficiently, or at least equally proficiently? The subject involves multiple considerations; this note will focus on the following:

- A) Licensing and the regulation of telecommunications does involve some complexity for which training and experience is useful;
- B) An organized approach to licensing and compliance invariably leads to better results than an ad hoc approach;
- C) It is not part of the organization's core mission.

A. Depending on the subject, most anyone can get at least some types of permits. Nevertheless, licensing & the regulation of telecommunications is a specialized topic for which training and experience gives good results. Here the case is essentially the same as applies to those subjects that are of general application, yet at the same time governed by a complex set of rules. For instance, people don't necessarily need to retain professional support to file their tax returns, and filing tax returns without the assistance of a professional is commonly done. At the same time, there is a clear case for retaining specialized support for such work, particularly as the size and complexity of an organization grows. It rids the organization of that burden, allowing it to focus on its core mission. And professional experience allows its beneficiary to obtain the best benefit of the law, avoid delay and eliminate costly mistakes. To put it another way, experience in an area governed by specific rules can save much money and time.

Telecommunications licensing is governed by telecommunications regulations, bureaucratic process, and by the bureaucrats charged with applying those regulations. It is hardly surprising then that knowing the letter of regulations, the inner workings of procedure, the organizations involved and their people provides a

competitive advantage, in the same manner that it would for other walks of life, such as say, in taxation or IT support. But while applied knowledge is key, the case for professional support rests just as much on more general factors.

B. Having a plan to deal with organization-wide resources is demonstrably better. In the main, efficiency and success in managing licensing is not a contest of intelligence between different single individuals as may be tasked with the subject. Properly communicated, the regulation of telecommunications can be made readily accessible to any literate person. Rather, such differences in outcomes as organizations experience nationally and globally have more to do with whether the organization has a program to deal with the issue, and whether licensing is part of its core mission or not. These are universal factors, which affect any actor in the field, but are particularly impactful in international organizations, whether multinational corporations, United Nations agencies, or other global concerns.

Dealing with the information required to do the best job possible in a specific field, in over a hundred countries, would be a sobering task for any person or organization regardless of merit or ability. There are hundreds of pages of regulations in often opaque language, myriad procedural niceties, reams of paperwork, people and policies to know. No single item need be fatal, but ignorance of one routinely leads to months of delay, and avoidable cost. Identifying those issues, collecting that information, understanding what the rules say and how they are applied, and keeping the whole thing on track is laborious. When that work is not organized institution-wide, the institution has no way to engage with it to its best advantage, or even to know reliably what is going on in its own house.

To measure that, it suffices to take note of the fact that large global organizations that rely heavily on telecommunications are on record as spending millions of dollars in licensing fees, and more in indirect costs. Yet, if the global scope is wide enough, and unless there have an organized plan to deal with and report on the subject, it is not possible to know how much is being spent or lost. Neither will it be easily possible to determine compliance or not. Individual offices and specific staff will certainly have granular knowledge, and of course any single person on staff who is knowledgeable will be an asset. But where there is no center of competence marshalling any of that information in an organized institution-wide manner, the verifiable and unsurprising result is less compliance, at a significantly higher cost. All of this is surely fair to say of many types of resources, but as a resource rises in value to the operations and efficiency of the organization, so does the cost of inattention increase accordingly.

C. You could actually do it in-house, but you're not doing it, and you don't particularly want to. It's not part of the organization's mission. Any organization will have a mission, be it humanitarian, corporate or other. In performance of that mission, the organization will seek out the resources necessary to succeed, husband those resources, train them and generally allow those resources to grow through experience or investment. Because of that, it will most often improve at executing that mission. This is how things should be. Likewise, it is no discredit to such an organization that, unless that mission is to understand how telecommunications are regulated, it will not normally spend its in-house resources on it. For some organizations, such as Hyde & Associates, expertise in telecommunications regulation is the mission.

It is not that medium to large organizations are not capable of, or cannot become proficient at dealing with the regulation of telecommunications. Of course they can. It's that they do not want to. They want to focus on what most directly helps accomplish their mission, be that a social, environmental, or corporate goal. Their mission is not just what they are good at, it is what they choose to do. Indeed not only is there every argument to the effect that qualified professional support pays for itself, to be sure there is the companion notion that organizations should not redirect internal staff resources best reserved for core competencies.