

**EXPOSED: What the Service Providers
Don't Want You to Know!**

**How to Reduce Your
Telecoms Spend by 30-40%**



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Specialist in Reducing Unnecessary Overspend on Business Telecoms

Telecoms Expert Reveals: What the Service Providers Don't Want You to Know!

**This 10 Step Plan Shows You...
...How to Reduce Your Telecoms Spend by 30-40%**

PLUS...

**How Businesses are Clawing Back Huge Rebates on
Unnecessary Overspend!**



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“How do we Grow as a Business, But Keep Our Telecommunications Costs Down?”

Growing organisations invest in IT and telecommunication services to support their business, but don't realise that in most cases, they are overspending on the voice services they subscribe to.

This is usually for two reasons:

1. With all the talk about Digital Transformation, AI, Big Data, the Internet of Things and everything associated with computing and the Internet... Voice Gets Overlooked! It's simply not seen as sexy.
2. Because there is nobody actively looking at voice communications from within the organisation, business owners often find they are...
 - a. On contracts with excessively high tariffs
 - b. Are paying for services they no longer use, or...
 - c. Using expensive and out of date technology

When things are going well, it's easy to accept the status quo and ignore the excessive costs you might be incurring.

The problem is, this overspend averages at 30-40% for each business that I work with!

A question we therefore get asked on a regular basis from our clients and prospects alike is...

“How do we grow as a business, but keep our telecommunications costs down?”

Most businesspeople don't actually know how their telecommunications tools work, how they are billed, the terms of contract and in some case, who their contract is with.

These are a few things we will cover in this guide, with the objective of helping you...

...Reduce the Cost of Your Telecommunications and Even CLAIM BACK YOUR OVERSPEND

Before I start, I want to stress that this relates primarily to telecommunications products and services in the UK. There are many differences around the world, which you should be aware of if you do use services internationally, but with that said, this document is specifically aimed at telecoms cost management within the UK telecommunications market.

One of the things businesspeople ask us on a regular basis is...

“So How do Get Our Telecoms Costs Under Control?”

Answering this question and giving tips and tactics to do this, is one of the key learning objectives of this guide. It's to help you understand some of the complexity that's involved in putting together, managing and controlling the costs of your telecoms estate.

There are many pitfalls you can fall foul of.

In fact, with an increasing focus on personal data security and GDPR etc, there are also a lot of legal responsibilities you may have to adhere to as well.

If you inadvertently get something wrong you may find yourself subject to hidden costs, long term contractual obligations or little gain from a new capital investment.

NOTE: I'm not writing this guide to scare you, only to make you aware that this area within your business is not only mission critical, but quite complex and a permanent moving feast as far as management is concerned.

This is one of the reasons why you should seriously consider working with a professional team of telecommunication specialists, rather than do it yourself.

For a FREE Review of Your Telecommunications Estate to Identify Savings and Performance Improvements...
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The truth is, there is no reason why you can't ask anyone of your senior management, who has done any kind of purchasing or is 'tech' competent, to purchase a fleet of mobiles or purchase a new VoIP based phone system. They could and more than likely they'd do a great job of selecting a competent mobile supplier with a competitive tariff or a "now" telecoms system for your office/s.

However...

...The purchasing element of your telecoms makes up a tiny percentage of the overall telecommunications cost, the real costs come after the purchase!

That's why we recommend you work with a professional (independent) telecommunications specialist or have an independent team manage your procurement process.

As I said, this guide is to help you understand a little more about how the world of telecommunications works and what things to look out for, not only in the purchase of, but the ongoing management of any telecoms products and services.

How to Reduce Your Telecoms Spend

- There are two stages to the planning and management of your company's communications needs. Stage one is a review/audit of what you have and what is necessary for your business and its employees to function as a successful business.
- The second stage is to benchmark what you have against other products, services and suppliers in the market to ensure you are getting value for money and on the best and most appropriate tariffs.

Stage 1 – The Review (Audit)

The first stage is to review and audit the whole of the company's telecommunications.

There's a lot of work and a lot of preparation that needs to be done before any decisions are made to alter, change or buy your telecommunications. All this preparation will increase the likelihood of a successful acquisition.

Step 1 – Collate ALL Your Telecommunications Spend.

Step one is to identify, exactly, what it is your company spends each month on its telecommunications. There will be several obstacles in your way; monthly invoices, quarterly invoices, annual charges, rental in advance charges or even historical charges for minutes or data that you have no means of accurately evaluating.

For example, the line rental charges on a mobile phone contract is normally invoiced differently to a phone line/broadband rental on a "fixed" line contract.

The next challenge is that many of your invoices will be paper based and some will be in an online portal that will have to be accessed and made sense of.

There's a whole host of telecommunication invoicing that may have been allocated to other departments. For example, the IT department often has lines, fibre and online backup services that they subscribe to, all of which is billed directly.

Then there are services for teams on the road or homeworkers, who's line rental at home, perhaps a sim card rental for a tablet or laptops, as an example, may be paid for via a departmental expense account.

Therefore you've got to know who you are spending money with and exactly how much.

The benefit of this step is to create a "suite of documentation" which will support you in all the following steps.

As well as the invoices from the myriad of suppliers, there are other considerations you need to be aware of as well, things like the term of each contract i.e. the length of the contract and **as you add another phone or line to that contract does the contract term extend?**

So, that's the first thing to do.... **Collate ALL Your Telecommunications Spend.**

Step 2 – Identify Anomalies

Now we know what we have, as far as costs are concerned, the second step is to collate the information in a format that allows you to easily see not only what you have, but also any potential anomalies and things that you are not sure about.

For example, perhaps you don't recognise a mobile or business phone number on the list (or on an invoice). Perhaps you don't recognise a monthly charge for a rental or the lease of a product (which is usually given a code not a product name).

**Many Anomalies Lie Within the Itemised Sections of Your
Supplier Invoices, Where Incremental Rounding Errors
Are Adding Up to a Small Fortune!**

Other anomalies lie within the itemised sections of your supplier invoices.

- i. Other anomalies lay within the itemised sections of your invoices from suppliers. It may be a rental charge that you don't recognise either because the description is a product code or that it isn't an amount that you recognise. These amounts could reference a rental charge for a product or service, it could also be a monthly or quarterly charge with a partial month, because the product/service was ordered part way through a month. Anomalies such as these need your full attention on a regular basis.

- ii. Other errors come in the form of price per minute. For this you need the original contract from your supplier and the clause that states what they are going to charge you per minute (for data, this may be a per MB charge). Now you have to look for a one-minute call, or as near as you can find to see what they are actually charging you.
- iii. One of the other anomalies is the “minimum call charge”, which is the charge for a sub one-minute call. Does your supplier charge a minimum charge plus per second billing up to a minute? For this you need to look at a few calls that are less than 30 seconds, work out the price of the call divided by the number of seconds the call lasted and then multiply by 60 to find whether all calls add up to the price per minute in your contract.

Step 3 - Data Bundles and Overage Charges

I recommend that this report is built in Excel, or similar, to enable simple formulas to be added and aid you with the calculations. I mention this now, as calculating data bundles and overage charges, plus the fact you may have a rollover clause in your supplier contract, is complex to manage and to keep up with on a monthly basis.

To ensure accuracy of your data (this can be data on broadband/fibre, VoIP, mobile etc), you will need to study the individual clauses that pertain to the data usage and the clauses on “overage”.

For example, a fleet of mobile phones may have 2TB of data that the fleet share between them. That seems a lot and to be fair it is. However, one of the challenges is if any number of your fleet happened to be in a country where the data bundle isn't included, or if one month the fleet does go over the 2TB limit, what then?

What is the price for additional data? I can assure you it won't be cheap and it's one way the service providers make a lot of money; especially if this happens on a regular basis.

Step 4 – Non call and equipment charges

Once you have finalised your report document and built in all your usage costs, the next costs to check and list are the non-usage charges, the lease and rental of equipment, lines, phone numbers and the infamous “all other charges”!

Once again you will need to go to the original contract and source the section that covers rental charges. Once found, you need to check that the monthly/quarterly charges marrying up with each invoice you are checking. Some charges will be a partial month or partial and a month in advance!

The simple rule in step 4 is never assume any of the charges are correct or to put it in plain English...
...your assumption should be that they are always wrong!

Once all the formulas are in place and all the data is inputted, monthly, then you have a working document ready to submit to your suppliers/s for querying all anomalies

Recommendation: The Key to Avoid Overpaying is Constant Diligence

Stage 2 – Benchmark Your Telecommunications

The process of “Benchmarking” ensures you are not paying more than the current market rates. It also allows the relevant people in your team to see at a glance how close or how far away your telecoms costs are from you could be paying and make informed and prompt decisions for cost savings.

Benchmarking will also help you create a communications business case and an action plan moving forward. Benchmarking must obviously be accurate, meaningful and reported in such a way that progress and actions can be made with confidence.

Once the benchmarking document has been completed you have a negotiation document and process for engaging with suppliers or potential suppliers.

Let Us Help You Create a Business Case and Strategy For Effectively
Negotiating with Service Providers and Suppliers...

Contact Us Today at www.Avantconsultants.co.uk

Step 1 – Inventory for Comparison

Now the audit document is complete, you have a detailed summary of the stable of products and services you own, rent or lease. Now you can benchmark this detail against what is out there in the telecommunications market.

List all your products and services, rental charges etc in a way you can easily compare them with prospective suppliers.

For most of our clients, we do the audit and benchmark for them, but if you are doing it yourself, the benchmark is a powerful tool.

Note: This exercise must have a like for like comparison to be beneficial to you and your future negotiation process. There are thousands of tariffs in the market and hundreds of products but unless the benchmark is using information that is relevant to your company's spend and future needs, then the exercise isn't worth spending time on.

Step 2 – Potential Supplier Selection

Once your benchmarking document is set up, you're going to need several telecommunication companies to quote on all or some of the products and services you have at the moment. Many companies in the telecoms industry specialise in a particular product or service, therefore you may have to look at 3-4 companies per product / service to complete a detailed and worthwhile benchmark.

These suppliers will need some detail of what you have at the moment and your preference to contract term, lease or purchase, type of equipment and volume (product, data usage, calls, both national and international, number of sites etc)

Step 3 – Due Diligence

There are hidden pitfalls in collating your own information that could cost you money, but, let's assume that the information you have received from the potential suppliers is accurate and pertinent to your needs.

Now you have the necessary information within your benchmarking document, the decision-making process is as follows:

1. Is there a single provider that can offer ALL services and products at a reasonable saving?
2. Is there a single provider that can offer the high level of service your company requires from your suppliers?
3. Are the savings adequate to make the decision to move suppliers?
4. Over the contract period are you sure the savings are there? Often a provider can save money on initial migration costs but long term the savings aren't there.
5. What are their policies on disconnections of "seats" and mobile numbers within contract? Some carriers and suppliers will charge you until end of contract and offer

no percentage of seats or connections for disconnect.

6. Set up fees, are there any?

TIP: Our advice is that somebody, whether it's you or it's someone from Avant Consultants, acting in the best interests of your company liaises with all the potential suppliers and manages the minutiae of each contract.

Step 4 - Objectives

The objective now is threefold:

1. You have all the information you require to make a deliberate decision on moving your communications to a new supplier(s).
2. You have enough information to go back to your incumbent supplier to get a better deal and in many cases a rebate on being overcharged compared with the market.
3. Go back to the preferred supplier and negotiate further discounts based on your newfound knowledge.

Step 5 – Continual Management

After all this work, which will take weeks to collate, you will now have to wait for “end of contract” dates from incumbent service and product suppliers, this process will need managing correctly and an intimate knowledge of your existing contracts will be essential.

Many providers will drag their heels, if allowed, on when a contract is complete. They can also be slow in issuing things like PAC codes (codes that allow a new provider to request movement between suppliers and networks).

At this stage it would be prudent of us to mention “Co-Terminus” agreements.

This is an agreement whereby, if we take mobile phones as the example, all connections have the same date of connection/disconnection.

As an example, let's say you have 100 mobile connections that began on the 1st Jan 2020, during the year your company has grown and therefore the mobile fleet has grown to 130.

What you wouldn't want, is that when the contract came up for renewal for the 100, that the 30 newer connections had to stay with the old provider until their contract expired!

A co-terminus agreement allows all the fleet to have the same contract end date.

Step 6 – The End is Only the Beginning!

Hopefully, because you've completed all the preparation to maximise your chance of success, you will now have...

- A complete inventory of your telecommunications.
- A negotiation tool for incumbent and potential suppliers and best of all...
- A deep understanding of your telecommunications estate and any loopholes within it.

Once you have decided and completed new contracts, its time for one final step, the new delivery of products and services.

This can be a testing time, as your telecommunications is one of the most crucial aspects of your business, you could say mission critical, you need a dedicated project manager working alongside the account manager from the supplier.

TIP: Ask for a written project plan with names, direct phone numbers, dates of delivery and how the compensation process will work if there is any disruption to your business.

IN CLOSING...

This is an audit and benchmarking process explained from start to finish. I trust this information has given you some valuable insight into how these processes work.

I think you'll realise its not an easy journey and one where you should engage a professional to help with some, if not all, of the process.

Its tempting to do this yourself, and you could IF you have the time and the resource, but it could cost you more money in the long run.

We, at Avant, often get companies asking us to fix the situation they have found themselves in. Often there are problems that could have been avoided if a process was correctly mapped out and executed in the first instance.

Please don't think that this can be done in someone's spare time or on the cheap, it will cost your company much more in the long run.

**If we can help you in any way...
...feel free to ask for a viability audit.**

Call Mark on 0113 512 5999

www.avantconsultants.co.uk

Now that you understand the Audit and Benchmarking process and how we can help maximise your chances of success, potentially unlocking many savings and benefits to your company's telecommunications, there's only one last thing to say...

"Take the necessary action for the benefit of your company and be glad that you did. Don't look back in months to come and wish you had."