



**Simplicity**  
VoIP

## Mastering VoIP

5 Ways to Reduce Your Telecom Spend



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hanks to the rapid evolution of communications technologies over the past two decades, it's become easier and more efficient to collaborate and advance business objectives. However, there is one looming negative side effect that all organizations should be aware of: telecom spending sprawl. According to AOTMP, organizations spend \$1.5 trillion dollars a year, globally, on fixed and mobile telecom services. Far more than they should.

Most companies have acquired a hodgepodge of landlines, mobile contracts, IP-based networks, cloud services and more. While the bills continue to be paid, these businesses often lack full visibility into what it is that they're actually paying for. Without a solid grasp into the full extent of this inventory, organizations may be paying for lines and services that are no longer needed or aren't fully utilized. There's an enormous opportunity for businesses to significantly reduce their telecom spend.

**In the following, we explore the five best practices for doing so, and they all hinge on transparency and modernization: the telecom audit, plain old telephone service (POTS) consolidation, technology updates, mobility management and partnering with a trusted advisor. When implemented across the board, organizations can regain visibility and control for all of their telecom assets across the enterprise, enabling them instead to direct their efforts towards driving business transformation and growth initiatives.**



# 1

## The Telecom Audit

One of the initial and necessary steps to reduce one's telecom spend is to conduct a comprehensive audit. It's a multi-step process that can be time-intensive, especially for multi-location businesses. Done right, organizations can reap significant benefits.

Here are the basic steps to conducting an audit:

- Scour Your Invoices – Create a spreadsheet or database to track every supplier, service, and their associated costs and usage information based on the invoices. Since most telecom bills contain errors, what you're recording will need to be reconciled with what is turned on and being used in the field—as well as with what you've contracted for.
- Obtain Contracts – If these aren't immediately accessible, contact your suppliers to request the latest versions. Then match the contracted services with what you're being billed for. Note any discrepancies, how long is left in the term, or if it's a pay-as-you-go agreement.
- Physical Audit – Next, match what's been verified between the bills and contracts with what's actually being used. For fixed telecom services, it's possible to conduct a visual check to find out what's installed and whether these are necessary connections. On the mobile side, match the company address book with the spreadsheet information. In both cases, investigation skills may be needed. Call or text unknown numbers to find out who or what they connect to. Numbers could be associated with fax machines, former employees, even elevator call boxes, and emergency building services.

**“Done right, organizations can reap significant benefits.”**

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# 1

## The Telecom Audit

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- Identify What Network Services You Can – With non-voice services (hosted PBX, unified communications, SD-WAN, legacy WAN and MPLS, SIP trunks, broadband circuits, etc.), the same process should be followed to reconcile invoices and contracts. Some level of expertise may be needed to conduct the physical audit, but these should be added to the spreadsheet or database as well. Don't forget back-up and failover circuits.
- Take Stock—After your spreadsheet/database is complete, perform an analysis. Look for where services are provisioned but unused or under-used, where you could be overcharged, and where you could make cost-saving recommendations. Ask questions like: is it necessary to have more than one fax line? Are all ex-employees' services canceled? Do you need MPLS for all WAN links?
- Optimize – Once the audit and analysis is complete, scale back, replace or cancel superfluous services. Businesses can also optimize their services by grouping them together by department in order to get a clearer picture of the resources being dedicated to each area and where there may be potential waste.

If an audit sounds daunting—don't forget that there are telecom expense management (TEM) services for a fee and other professionals, like telecom agents, who will help with the task at no cost to you.

**“If an audit sounds daunting... telecom agents will help with the task at no cost to you.”**



# 2

## Plain Old Telephone Service (POTS) Consolidation

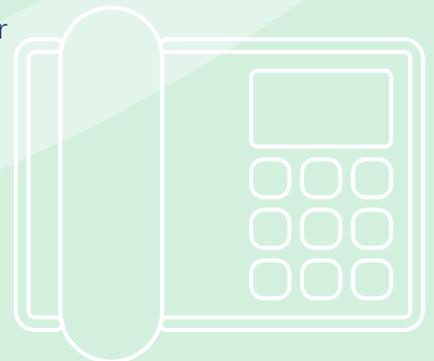
Despite the move to VoIP and IP, many businesses still run on traditional telephone service. Sometimes businesses are locked in by contract, and some simply like the familiarity of analog. Whatever the reason, different carriers may serve different offices for multi-location enterprises, and even for smaller companies. The footprints may be redundant or overprovisioned. Because of this, some low-hanging fruit when it comes to reducing spend is taking an inventory of one's POTS lines. Businesses can gain control over their POTS collection and save hundreds or thousands of dollars monthly by consolidating traditional phone lines from different carriers, onto one bill.

This allows visibility into what's being used and paid for, resulting in better telecom expense management. Also, rather than dealing with multiple phone companies when adding, moving or changing a phone line (not to mention dealing with all of the separate account numbers and authorizations required), organizations can eliminate operational headaches and achieve a single point of contact for everything POTS-related.

The telecom audit will be an important key to doing this—a quick look at the spreadsheet should make apparent what POTS lines are provisioned where, and from which providers. For those lines not under a long-term contract, businesses can then identify a carrier to shift their billing to, keeping in mind the relative merits of footprint availability, SLAs, company reputation and of course cost. Most of the time, switching carriers will bring with it significantly discounted rates, particularly for those POTS lines that have been in place and unchanged with regards to contract terms for a long time.

Because of the organic growth of most business telecom environments, having contracts that are out of sync is the norm. With staggered contract end dates, many businesses are locked into a position where it is difficult to move all of their services at the same time. Often, some negotiation will allow these organizations to update their contract terms and achieve better flexibility.

**“Businesses can gain control over their POTS collection and save hundreds or thousands of dollars monthly.”**



# 3

## Update Your Technology

POTS lines still exist, but they're rising in cost and could potentially be shut down by the local exchange carrier (LEC). Some large carriers have announced plans to sunset their traditional voice circuits. To both future-proof the business and save money at the same time, moving to VoIP and cloud services is an immediate victory.

Organizations implementing current IP-telephony technologies can greatly expand their cost-savings opportunities while gaining more agility. VoIP alone saves companies about 40% on local phone services, and about 90% on international calls. Businesses with offices located in different regions and countries can significantly benefit from moving away from POTS lines tariffing.

In addition, most VoIP, hosted PBX and UC platforms allow for line pooling and bursting since not every employee receives his or her own dedicated circuit. Instead, businesses contract for a bundle of lines (think of them as concurrent calls) that are shared across employees. With a bursting option, more lines are temporarily added as needed when the pool is being used to capacity, to avoid the equivalent of a busy signal. This eliminates under-utilization of resources and can be a big cost-saver.

IP telephony is also more flexible when it comes to adding functionality. For instance, securing in-house conference call functionality is inexpensive and simple with VoIP or a unified communications (UC) implementation. This function can eliminate the cost of travel and paying for third-party conferencing. Cost-savings advantages are enhanced with a move to the cloud and hosted/managed services, because these models effectively neutralize the increased costs and complexities related to on-site PBX-based service delivery. The cost of investing in on-premise equipment is reduced or eliminated, since service is delivered over a broadband connection from the cloud. The expenses associated with planning, deploying, maintaining and updating that equipment goes away as well allowing IT personnel to focus on other areas where they can add more business value.

**“Moving to VoIP and cloud services is an immediate victory.”**

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# 3

## Update Your Technology

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IT departments also can be secure in the fact that a hosted service is delivered from an always available, disaster-ready IT infrastructure in the cloud, unlike systems which always need to be kept patched to remain current. There's no more investing in costly equipment only to have it become outdated after just a few months. Additionally, employees have access to the latest software updates automatically.

Hosted services translate to lower IT-related energy costs and reduced security costs. There are also less tangible cost savings to consider that come from productivity gains. Theresearch firm Chadwick Martin Bailey's recent survey found that 49% of organizations that adopted UC saved up to 20 minutes per employee daily because workers were able to reach each other on the first try using the presence function. 54% saved time daily by escalating instant messaging (IM) chats into phone calls, thus answering questions and resolving issues more quickly. About 50% saved up to 20 minutes per employee daily by escalating IM chats into web conferences, for the same reason. Minutes count, and time is money.

**“49% of organizations that adopted UC saved up to 20 minutes per employee daily.”**



# 4

## Get a Handle on Mobility

As complex as telecom environments are on the desk phone and networking side of the house, managing mobile usage for most organizations means processing separate monthly payments for different sets of users, and/or coping with bring-your-own-device (BYOD) or company-owned devices, and personally enabled (COPE) strategies that may involve individual monthly reimbursements to employees. This rapidly becomes administratively burdensome and inefficient—and it opens the door for waste.

The trend of allowing the integration of personal mobile devices such as smartphones, laptops and tablets has highlighted the need for the presence of a holistic system for monitoring and managing usage and costs of these mobile resources. In addition to incorporating mobile into the telecom audit and billing/contract reconciliation process, there are mobile-specific approaches to managing this cost silo on an ongoing basis.

Enterprise mobility management (EMM) software can centralize the tracking of mobility expenses, particularly for companies with traveling salespeople or telecommuters, and for larger companies with multiple branches and locations. Each user will have an EMM app on their devices to track corporate vs. personal usage and that automatically populates an expense management system with the portion the business is responsible for. Many of these packages also provide analytics and reporting, so if a particular individual or department's mobile spending crosses an acceptable threshold, they can be flagged and addressed.

Switching carriers or consolidating onto a single provider can also eliminate waste and take advantage of volume discounts that come with bundling and pooling lines. Most carriers are now offering unlimited data plans as well, which can save thousands of dollars for a company willing to switch providers or upgrade employee devices. Examine the service options and gather quotes from the Big Four carriers—AT&T, Sprint, T-Mobile USA and Verizon Wireless—but also consider regional options for small business applications or solutions that your voice or data provider might be offering as a bundled suite of services, similar to the “quad play” in the residential market. The opportunities for cost optimization, especially for businesses that haven't updated their mobile contracts in more than 18 months, can be significant.

**“Opportunities for cost optimization can be significant.”**



# 5

## Partner with a Trusted Advisor

If the previous four best practices seem a bit daunting given one's resources, the good news is that there are options for streamlining these, through the assistance of value-added resellers (VARs), agents and other channel partners. These firms add an immense amount of value to any business' telecom strategy by being the front line in carrying out these strategies for expense reduction.

Channel partners can bring a range of telecom expense management (TEM) options to the table. This software automates much of the auditing and reconciling processes discussed here—and the channel partners themselves can fill in any gaps, perform analysis, and make recommendations for optimizing organizational telecom spend. They can also make recommendations when it comes to enterprise mobility management (EMM) software platforms, which similarly give automated visibility into mobile usage and spending.

When it comes to modernizing infrastructure, consolidating POTS lines and migrating services to IP and the cloud, experienced channel partners are provider-agnostic, meaning that they can help businesses explore all possible providers and solutions for their specific use cases. Providers pay the channel partners directly, so there is no cost to the business for tapping into their expertise. Look for a trusted advisor that wants to sit down to discuss your business objectives—not just technology choices. The right partner will understand that technology is merely an enabler for growth and strategic goals, such as better customer service or more effective collaboration with business partners. Armed with a solid understanding of a businesses' specific and unique requirements, a dedicated partner will customize a solution (or a few options) to fit the primary levers of functionality, cost, and ease-of-use. It takes the research, homework, and complexity out of sourcing new technology. Most channel partners will also manage the installation and perform a VoIP-readiness test to support optimal performance for the new services. Even better, they can generally mitigate any billing and operational issues that may arise, across multiple providers. The channel partner will be your primary contact and first line of communication for your entire footprint.

**“The right partner will understand that technology is an enabler for growth and strategic goals.”**



# Conclusion

Getting a handle on telecom expenses has become a necessary practice for businesses of all sizes, operating across all industry/business domains. Multi-location businesses are proliferating, the borderless office has become a reality and employees increasingly rely on their mobile devices for work. All of these new business realities have created a telecom landscape that can be a hodge-podge of legacy, cloud, fixed and mobile contracts for both voice and data applications—with organizations having little visibility into what is being used and what can be eliminated or optimized. With our five best practices, businesses can gain a handle on this telecom expense sprawl—and reclaim resources for carrying out strategic growth objectives instead.



**Call Today for a Free Telecom Audit**

To learn more about how switching to VoIP can help you become more efficient and profitable, contact us at **804-412-7283** or by email: **[info@simplicityvoip.net](mailto:info@simplicityvoip.net)**.