

## **Top Myths about Managing Telecom Costs.**

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### **I will have to change vendors. That is a lot of work.**

You can resign with your existing vendor with a 50% savings. You can have us renegotiate the rates and eliminate unnecessary charges from your contracts. You can also have us make sure the new contract is implemented. Sometimes you may decide another vendor is a better option, and we'll work with them to make sure the changes go smoothly.

### **The savings won't be substantial.**

Some of our best clients were skeptical. One said –

**"I went into this project a bit skeptical** that we would save enough money to make the effort worthwhile.



I couldn't have been more wrong. We're saving close to 50% of our yearly voice and data charges as a result of the efforts of Berlin Pacific. This project has made me a hero with our CFO. I would not hesitate to use Berlin Pacific again on similar projects or to refer them to any company looking for significant communications savings.”

Most of our clients save about \$500 per employee per year. That can really add up, even a company with 25 employees can save over \$12,000 a year. A company with 500 employees can save one million dollars over 4 years.

### **I'm probably getting ripped off.**

Or

### **I'm not getting ripped off, so there is no savings.**

Odds are your phone bill isn't full of expensive errors and you're probably getting the same deal everyone else is. Most people have a pretty good sense of what they need to buy and what is a normal price. Your phone bill is probably correct. You can still save around 50% for several reasons.

- You're probably buying a lot of services that are underutilized or you no longer need.
- You probably don't know *exactly* what you're paying for as the phone bill isn't clear.
- You're probably buying some things which have really dropped in price, but you don't know which ones.

You can have us take care of those for you.

### **I'm too busy**

Like most of our clients you're too busy to aggressively manage voice costs. Aggressively managing telecom costs is a tough challenge – it requires plenty of spare time, consistent follow up on open issues, dealing with difficult phone company employees, understanding the technical aspects of telecom, contract and financial analysis, and expert knowledge of market prices for a wide variety of services.

You can give all the work to us and stay focused on your job. We will inventory all your services, come up with cost saving suggestions, and implement the costs savings. All you have to do is get someone on your staff to review and approve our suggestions.

How many hours would you spend on something that would save \$20,000 a year for the next few years? How about \$100,000 a year?

### **I'm not so busy that I can't check my bills closely.**

How do you check your bills?



Most companies make sure that overall total is reasonable and inline with the previous bill. Often people will check for new and unusual items.

How do you know that each regulatory charge and tax on the bill is correct?

You may know that you're being charged the right amount for each item on your bill. Maybe you compute the rate per minute and double check the rate per line or service. Or maybe you don't because there are a lot of services.

How do you know if there isn't a better deal on that service that you're not aware of?

How do you know which services are underutilized or unneeded?

How do you know you're not being double billed for a service? Our clients use a spreadsheet listing every single service – this makes it easy to see if something crops up in multiple bills.

Things are constantly changing. The bill you're getting today may reflect what was best for your months or years ago, but might not reflect what you need today.

### **My phone company is helping me**

Often they give a 10% discount off your last contract or on certain services like long distance. They may be happy because you may be buying more than earlier. The phone company doesn't want to figure out what services you should stop buying from them. Nor does their boss want them giving you the lowest possible rates on all their services.

Think of it from their perspective too – the last thing they want to do is undercharge you. Can you imagine them sending you a bill for services you used for years and never paid for, or paid to little for? That wouldn't go over very well. So they make sure that they never undercharge you for their services. It is built in to the system.

### **I am under contract.**

**Or**

### **I just signed long term contract**

We help our clients with this all the time. The most important thing is to make sure that your contract is in fact properly being enforced. We do find that a contract will say one thing and the bill another. We have a good understanding of contract language and can make sure that provisions are being read in your favor. We also find that clients may think they're on the hook for services they no longer need.

If you're well in to your contract, this is in fact the best time to negotiate a new one.

While we don't advise clients to enter long term contracts of over a year, we are always willing to find ways to help those who do.



### **Why shouldn't I work with you?**

If you have less than fifty employees you may not get as excited about the savings. Saving anything less than \$25,000 a year might not justify spending fifteen minutes talking to us about how you can cut costs.

Or maybe you're so busy you can't sign new contracts that would save thousands of dollars per year or per month. If your time generates \$10,000 an hour in profits (not sales) it might not be worth talking to us, just in case we can't help.

### **We have someone (a consultant) that takes care of all that. I'm sure he's doing a great job.**

So are we. We're able to complement your existing process, be it internal, a consultant, or outside firm. Consultants tend to use different methods. Most consultants focus on billing errors, which are 10-20% of the potential savings. The other 80% goes unrecovered.

What kind of results are you getting today? Are prices decreasing by 50%, are you spending \$500 per desk/office employee?

You can ask for a second opinion. We're able to quickly review your records. Your consultant should be giving you a complete inventory showing every single service, how much it costs, and why it is needed. If they can't they're not finding all the savings. If they are, then it won't take us long to review your records and find potential savings.

### **We just had an audit**

Or

### **We're in the midst of an audit right now**

An Audit means different things to different people. Usually what is meant by an audit is that their phone bills were reviewed for errors. This is a good way to find savings. However, usually only 10-20% of the savings are from errors. We can complement your audit. Most auditors understand bills, but aren't trained to understand the technology or understand the market for pricing. This leave unnecessary costs in place.

If you're pretty sure your audit is finding all the ways to save you can still ask for a second opinion. You can also ask yourself what kind of results you're getting.

Are price decreasing by 50%?

Are you spending \$500 per desk/office employee?

We're able to quickly review your records. Your auditor should be giving you a complete inventory showing every single service, how much it costs, and why it is needed. If they can't they're not finding all the savings. If they are it won't take us long to review your records.



**We're using T-1's with Voice over IP (our bills are simple, level costs and the bills are clear)**

If your bills are simple it won't take us long to determine how we can help. Often we find things aren't as simple as they first appear. At the very least we can help you know if you're getting best market rate. We often have access to special pricing due to our high level contacts. There's nothing wrong with getting a second opinion, especially when it is free!

**But we have accountants, IT, office managers, telecom managers, on staff who take care of this, why don't they catch everything?**

Their training is not in managing telecom costs. They don't spend all day every day looking at countless bills for every single possible way to save. One person is probably not familiar with what different services are really for, how to read the bills, what are the laws and regulations in their area, running numbers to price different technical options and service configurations, how to do contract negotiation, and the best prices in their market.

Also, they are busy doing their job! We don't have what it takes to do their job and run your business day to day. Your staff is focused on serving your customers and the business. Our specialization is managing non-core vendor costs like telecom.

**Wow, this is a great idea? Why don't I just do it myself?**

If you have the time and expertise you should. Of course if you had the time and expertise you probably would have done it already. But we are sure your people are bright and you could probably re-invent the wheel. We can even send you a short paper on how to do it yourself. You should consider the following as well.

- How much time do you have? Our experts generally work very fast, but still spend one hour for every employee an individual client has. We also do this over a period of months. We continue to track open issues for up to a year. It is a long term project and a part time job. If your staff is distracted with more urgent projects the delays alone can make it more expensive to do internally.
- Do people on your staff know all the ins and outs of different regulatory fees and taxes? What are applicable charges? What are erroneous?
- Will the person reviewing the bills understand exactly what each service is for, and whether it is still necessary?
- Do they have connections at all the different carriers who will give them sweet-heart deals in any city you're in? Do they know which carriers are best for which services? Which ones are easier to work with? Which services are commodities and which are not?
- Which services to negotiate, and which are impossible to negotiate?



**We are located far away from you.**

Or

**We have offices all over the country.**

Same with our best clients. We help support companies and offices all over the country and we never have to visit them. Of course if there is a need to visit, we will be happy too. Generally our client like that we do the work and they never have to see us.

**Won't this be disruptive?**

Most of our work doesn't involve any physical changes. Occasionally clients wish to change vendors to get better service and pricing. We help them manage the changeover process – which often involves no physical changes. If you don't have someone you can rely on to bring in new services, we can also help you find someone good.

**Berlin Pacific Vendor Management - Anything Less Is A Waste Of Money.**