

Wireless Management Made Simple.

Is Your Wireless Expense Management Company Doing Enough to Save You Money?

Wireless Cost Reduction is Not a One-Time Affair

By Dan Hughes, President of GSG

Wireless is a highly dynamic cost center—and an extraordinarily difficult expense for businesses to control. Vendor rate plans change with the wind. Users are constantly adding or changing phones and device accessories, and what was initially an optimal plan for an individual or group of employees may no longer fit when usage patterns change. What’s more, errors are notoriously rampant in wireless billing, and even when rectified, they have a way of creeping back into invoices.

The majority of wireless expense management companies take a cut-and-dried approach to cost reduction. This generally involves a single invoice audit and optimization of a company’s wireless service plans, features and usage. When all goes smoothly, this process may produce an immediate savings of 10-15% of the company’s total spend. After that, the expense management firm bids their client “adieu” and pats itself on the back for a job well done.

While it would be great if wireless expense reduction could be addressed with one invoice audit, the reality is that cost reduction is not a one-time process. Up-front savings are nice, but the real payoff comes from an ongoing audit and optimization process that’s tightly synchronized with the evolution of your business.

Below is an overview of audit and optimization “best practices” that are proven to drive significant and long-term wireless expense reduction. If your audit firm or wireless expense management firm is not following these practices, you are undoubtedly missing out on the substantial savings that can come from analyzing your spend.

AUDIT CHECKS

Reviewing Nominal vs. Actual Charges

Each wireless charge should be reviewed on a monthly basis by the expense management firm to ensure that the negotiated discounts, tariffs, waivers and credits have been applied. If the actual charge does not match the expected charge, the firm should initiate a dispute process with the vendor. It is important to review charges on a monthly basis, as history shows that carrier billing systems are prone to mistakes in applying credits, discounts, and international roaming charges uniformly across a billing group.

Identifying Duplicate Charges For Devices

The expense management firm should check for duplicate charges both on a single vendor invoice and across vendor invoicing for the month. It is common to see double billing on devices when they are ported from one wireless vendor to another. It is also common, particularly with services/features like Blackberry and Blackberry International, to get charged twice on the same device. All of these instances should be noted and disputed on a monthly basis.

Preventing Early Termination Fees

Early termination fees apply to devices terminated while still under contract. In cases where clients have a large number of devices, the expense management firm should work with the vendors to get this fee waived. If the fee is waived, the firm should check the invoice each month to ensure that no charges are present. In the case of vendors that will not waive this fee, the firm should check the contract termination date prior to deactivating a device.

Eliminating Activation Fees

Activation fees are similar to early termination fees in that companies should have them waived. If they are waived, the expense management firm should make sure the fees do not show up on invoices.

Fees Related To Downloads, Ringtones, Or Third-Party Vendors

With the rise in data usage, there has been an upsurge in downloads, ringtones and third-party charges on wireless bills; most of these charges are initiated by the end user unknowingly. In addition, third-party vendors like to charge fees similar in amount to acceptable feature fees (ie. Navigation fees so these charges are more likely to go unnoticed and paid.

The expense management firm should review each device for downloads, ringtones, premium text messages and third-party charges (horoscopes, matchmaking services, weather alerts, etc.). End users, managers and vendors should immediately be made aware of any found charges, depending on company policy. Many companies choose to block these services; if the charges do show up on invoices, the expense management firm should dispute it with the wireless vendors.

Fees Related To Roaming Charges

International roaming charges lead to some of the biggest variances on invoices from month to month. Expense management firms with the right platform should be able to require that an international traveler contact the helpdesk prior to traveling to activate international features. The firm's technology should also clearly flag devices that incur roaming charges.

Locating One-Time Billing Errors

The expense management firm should audit their clients' wireless invoices on a device level each month. These audit checks will ensure that one-time charges (such as equipment purchases, activation fees, termination fees, and late fees) are applied properly. The firm should also check the MRCs and usage on a monthly basis to ensure that any billing errors happen only once—if at all.

Identifying Fraud Prior To Invoicing

Once the expense management firm is notified by a device holder about a missing device, they should coordinate the blocking of that device so that no further charges are incurred. The firm should maintain close contact with the wireless vendors and be aware of escalation procedures if fraud is suspected.

Other Similar Issues That Arise On A Month-To-Month Basis

Other major wireless issues that an expense management firm should be able to address include zero-use phones, voice charges showing up on the corporate account under split liability billing where company is to only pay for data service, and ensuring that all devices are on proper BlackBerry (or similar) servers. It is also crucial that they be able to flag excessive 411 and text messaging usage.

OPTIMIZATION

Plan Optimization

The expense management firm should review each employee's usage on a monthly basis and ensure that all users are on the optimal plans. Companies are generally able to negotiate excellent discounts, waivers and cost-effective plans. These plans as well as the publicly available (and often little-known) plans should be considered when the firm is making optimization recommendations.

Firms with the right platform are able to consider usage from prior months as well as seasonal business patterns in optimizing plans for their clients. They can then predict future usage patterns and assign the most beneficial plan in the context of those plans available post-discount. This process doesn't necessarily apply only to primary plans (i.e. voice or data); it can apply to text messaging and other features as well.

Managing And Monitoring Pooled Minute Plans In Real Time

Pooled minute plans are the next best thing to having a flat / per-minute plan. These plans need to be monitored on a monthly basis. They also need to be engineered based on peak usage plus a buffer of 10-15% to eliminate the possibility of overage.

While it is possible to install software on the devices or check the wireless vendor portals on a regular basis for usage, real-time pool management is a challenge. This is primarily because pooled minutes are peak non-mobile-to-mobile minutes (so software on the device cannot easily detect usage) and carrier pooling credits are applied at month's end according to the associated BANs usage. The expense management firm should have a sound methodology for planning, monitoring and managing pooled minute plans so that the client always has the appropriate amount of pooled minutes to draw from.

IMPLEMENTATION

Implementing And Validating Rate Plan Changes With Vendors

The expense management firm should implement rate plan changes with the wireless vendors either through the vendor portals or through submission of order forms to the account representatives. These rate plan changes are typically implemented back to the preceding billing cycle date and are then validated off the invoices the following month. If the revised rates do not show up on the invoices, the firm should contact the vendor to ensure the plan changes go into effect and credits are applied.

Wireless Refund Claims: How Far Back Can You Go?

Typically, wireless claims have a shorter claim period than wireline claims. While wireline claims can go back to the start of the contract, wireless claims may be limited to three months. The expense management firm should work closely with the wireless vendors to ensure that the client always receives the maximum refund allowed under its contract.

GSG AND MOBILEMANAGER: A FRESH APPROACH TO WIRELESS EXPENSE MANAGEMENT

GSG's MobileManager is a powerful, easy-to-use web portal that allows for ongoing analysis and optimization of telecom spend via a sophisticated analytic engine. It's designed to solve two of the most pressing challenges facing businesses today: the need to reduce wireless costs and the need to automate the tedious back-office work related to managing wireless devices.

Of the many capabilities found in MobileManager, recovering hard-dollar savings stands out as a clear differentiator when comparing GSG's services to other TEM (Telecom Expense Management) services available today. Over the years, we've refined analyst-driven processes that enable us to dig deep and significantly pare down telecom-related costs for our clients. To date, GSG has saved millions of dollars for companies that range from those with less than a hundred wireless devices—to Fortune 500 clients with tens of thousands of users. We've even worked for some of the world's largest wireless service providers to help locate and administer savings with their premium customers.

The strategies described in this paper were derived from GSG's comprehensive system of 50 audit checks and 15 optimization processes. We utilize this approach to uncover the maximum level of wireless savings, month after month, resulting in a perpetual return on investment for our clients.

Take another look at the best practices outlined above, and then ask yourself, "Is my wireless expense management company doing enough to save me money on my wireless costs?" The answer just might surprise you.