

The Ultimate Guide to
**Reducing Your
Telecom Services
Costs**

Reducing Your Telecom Services Costs

Reducing costs for telecom services is quite difficult for the average customer.

Between a lack of transparency around telecom billing tactics, and vendors frequently not billing according to their own contracts, customers tend to overpay for these services without knowing it.

To find errors, overcharges, and breaches of contract, it takes a high level of knowledge and time that a typical customer doesn't have. Ultimately, it takes a thorough audit by telecom industry experts to truly start cutting costs in this expense category.

Let's take a closer look at the telecom industry, why there are savings to be found, and how P3 Cost Analysts bring these savings to our customers.





Telecom Industry Overview and Pricing

The telecom industry in the modern age provides wired and mobile phone services, internet services, and a variety of other data transmission services. Previously, when there were only a few vendors servicing the market, telecom was more regulated than it is today. Once more and more vendors came to the market, the government decided to make it a completely open market, letting companies compete and set their pricing.

Though telecom is an open market, vendors must still outline tariffs that exist as an agreement between themselves, regulating bodies, and customers as to how much they charge for their services. Vendors are no longer required to file their tariffs with the FCC, but many still choose to do so. Others file them with state-level utility commissions and also publish them on their websites.

While there is regulation in the telecom industry via the Federal Communications Commission, vendors tend to keep their billing tactics as secret as possible. They don't want customers questioning their bills and therefore don't release certain billing information unless a customer specifically calls in and requests it. The issue is, even if a customer requests more details about their bill, they often won't be able to understand the complex language or figure out if they are actually being overcharged.

Another issue is that customers simply don't know what they don't know. They think their IT or billing department is checking to make sure they are getting the best price, but these in-house employees rarely have the knowledge and industry expertise required to optimize spending on telecom services. Their expertise lies in keeping the technology running, rather than figuring out if they are being billed accurately and at the most efficient cost.

Why There Are Savings and How P3 Cost Analysts Bring Them to Clients

Below are the key areas of telecom billing that P3 Cost Analysts audits in order to discover errors, overcharges, and other areas of dispute.

Customer Service Records

A customer service record is a very detailed report of what telecom services a customer uses, what rates they're charged at, and how these rates are calculated. Anyone can request these records but many customers don't even know they exist. Even if a customer does request these records, they won't be able to understand them because they are written in a computer-generated code that only a trained expert would understand. It would even be difficult for a finance director or CFO to understand these documents.

Here's an example of what a portion of a CSR looks like:

ACCOUNT [REDACTED] BILLDATE 20190719		CUSTOMER SERVICE RECORD										FORM CRIS	
EXCH	CL SVC	SVC ESTB.	PRINTED	SLA	DPA	PAGE	PF	NPA CO	LINE	CUST			
WS	FRLCL	05-15-17	07-19-19			0002		[REDACTED]	[REDACTED]	[REDACTED]			
EFF DATE	TAX	IDENT	NUMBER	KS NO.	QUAN	USOC	DESCRIPTION OF SERVICE OR EQUIPMENT	BTC	TOTAL REVENUE				
051517	000				1	FUJMX	/SED 03-26-18/ZSER 7210000027 /TN [REDACTED]/SED 05-15-17 /ZSER 5110000004		2.84				
051517	N00				1	LNPCX	/TN [REDACTED]/SED 05-15-17 /ZSER 5810000005		NR				
032618	N00				1	NXMCR	/TN [REDACTED] /PKG PGO9J-BLC1UA		NR				
051517	N00				1	9ZR	/SED 05-15-17/ZSER 5F10000006 /TN [REDACTED]/SED 05-15-17 /ZSER 6610000007		9.35				
100318	N00				1	PGO9J	/TN [REDACTED] /PKG PGO9J-BLC1UA		132.00				
032618	100				1	BSLHJ	/SED 03-26-18/ZSER 6D10000008 /SED 03-26-18/ZSER 7410000009 B /CDR N		NR				
032618	N00	[REDACTED]			1	FRLCL	/TN [REDACTED]/PIC 0377 /LPIC 0377/PCA BO, 02-13-17 /LPCA BO, 02-13-17/NMC /PKG PGO9J-BLC1UA /TTRA [REDACTED]/EXK 336 765 /LRN [REDACTED]0/BRTG /SED 05-15-17/ZSER 7B1000000A		NR				
051517	N00				1	TTB	/TN [REDACTED]/SED 05-15-17 /ZSER [REDACTED]		NR				

At P3 we have trained experts who know how to read these documents and find errors or overcharges. Within these customer service records we look for:

- Unused lines that the customer is still being charged for: Once we know which lines a customer is being charged for, we work through a comprehensive line verification process where we call all lines and document which ones are actually active.
- Extra telecom service features that aren't being used: These can include features such as call forwarding, call waiting, and automatic redial. For example, we've seen customers being charged for call waiting on elevator or emergency lines, which obviously don't need this feature.
- Bill padding: Vendors will tack on fees for things such as unneeded tech support or wire maintenance.
- Rates on long-distance calls that are above industry benchmarks: In most cases, the long-distance minutes a customer uses aren't on their bill, and even if the customer is able to figure out these minutes and charges, they won't know if they are getting a good deal. We are able to cross-reference a customer's rate with industry benchmarks to verify the quality of a customer's rate.
- Misapplied surcharges, taxes, tariffs, and other fees.

Vendor Tariffs

Another key way in which we find savings is by comparing the customer service records described above with a vendor's outlined tariffs to make sure the vendor is actually following their pricing guidelines.

For the average customer, finding these tariffs can be difficult. Luckily, at P3 we know how to access these documents in order to compare them to a customer's CSR.

In some cases, vendors aren't following their pricing guidelines and at other times they're simply misapplying tariffs. Both of which we can verify and correct if needed.

Contracts

You would be amazed by how many telecom vendors don't bill according to their contracts. In many cases, discrepancies with contracts revolve around discounts not being applied to the customer's account properly.

Here are some examples:

- The vendor may outline a discount in the contract but the customer is unaware of it, or it's hidden within a lengthy document. Therefore the vendor doesn't actually apply the discount.
- There can be typing errors leading to a customer not getting their full discount. For example, the customer is supposed to get an 80% discount but they're getting billed at an 8% discount.
- Vendors say the discount will show up in a month or two, but the customer forgets about it and doesn't receive the discount.

P3 can also help clients enroll in new contracts. Sometimes a client's contract has expired and they fall under casual rates without knowing it. These rates are much much higher than contract rates and we help customers get back into a fair contract as quickly as possible.

Terms and Conditions:

The key reason we audit terms and conditions is to find out how far back we can look for disputes and what kind of credits can be reapplied to a client's account. In a lot of cases, when we open a dispute from a while ago, the vendor will just try to issue a customary three- to six-month credit instead of the full amount. We've been in the industry long enough to know that we don't have to accept this offer.



We are able to understand the language outlined in the terms and conditions in order to bring our clients the refund they deserve based on when the actual error occurred. Vendors typically comply with our requests so that the FCC doesn't need to get involved, but there have been rare instances where we have taken a dispute to the FCC.

The P3 Telecom Services Auditing Process

Step 1: Engagement

After the execution of our shared savings agreement, we gather customer service records, pull tariffs, and request contracts from the telecom companies. In most cases, gathering this info can take 5–10 days, or even up to a month with some vendors.

Step 2: Audit

During the audit phase, we apply decades of expertise in this industry to review and compare contracts, customer service records, and tariffs, searching for errors and overcharges. We also run all client expenses against our database of vendor benchmarks to be sure our clients have best-in-class pricing.

Step 3: Share our Findings

About 4–6 weeks after our initial meeting, we come back to the client with our findings and recommendations in a savings letter. The client can then authorize us to move forward with negotiating with the telecom vendors.

Step 4: Negotiation

Once our findings are approved, we work with the vendor to secure new agreements, resolve disputes, and set up the most cost-efficient telecom programs.

Step 5: Implementation

Once negotiations are complete, we implement our recommendations and then share in the cost savings with our clients.

Step 6: Contract Compliance and Bill Monitoring

During this phase, we monitor our client's invoices each month to ensure that savings stay intact and vendors honor their agreements and pricing. We have found vendors are constantly violating their own agreements and we monitor and fight off unwarranted price increases and overcharges on our client's behalf. Furthermore, we monitor market conditions and look for ways to keep costs down or drive them lower.

Average Savings on Telecom Services:

P3 averages finding clients savings of 15-30% on their telecom expenses. Below are some examples of work we've done for our clients.

Case Studies

School System - \$150,000 refund + \$3,000/month in savings

With this particular school system, the client was paying great rates for all of their telecom services. Most other aspects of the audit confirmed that there were no overcharges or opportunities for savings. However, the client did have a PRI that was being billed incorrectly. They also had associated taxes and fees that were being overbilled. The vendor had simply misentered the allowable charges (per the tariff) on the client's account. It had been billed in error for 14 years. We identified this error and began working to have it fixed by the vendor. Countless employees at the vendor would not acknowledge this was indeed an error. They did not understand their own tariff and believed it to be billed correctly. After finally finding someone at the vendor who agreed it was an error, they offered a 3-month refund of the overcharge, claiming that was all they were legally required to refund. We knew this was not true.

We knew with this particular type of error the client should have it refunded back to the point of error.

After many more calls with the vendor, and even seeing this escalated up to the CFO of the vendor company, our client received a \$150,000 refund check in the mail and saw their **bill reduced by over \$3,000/month.**

Government Entity - \$5,100/month in savings

A city was charged for about 50 business lines on a consolidated bill and individual contracts and the business lines were not under contract with a particular vendor. As a result, the city was charged very high rates for the business lines. P3 Cost Analysts worked with the telecom vendor to negotiate lower rates for the business lines. Once the business lines were placed under contract, **P3 Cost Analysts were able to reduce the charges by \$5,100 per month.**

Hazardous Waste Disposal company - \$1,000/month in savings

The wireless accounts for a company were not receiving any discounts. P3 Cost Analysts negotiated with the wireless carrier and applied discounts to the wireless accounts. By adding the discounts, **P3 Cost Analysts were able to reduce the client's bill by \$1,000 per month.**



Real Savings Are Possible with a Full Telecom Services Audit by P3 Cost Analysts

If you are a large business or organization with a high volume of telecom services, the only way you can effectively save on these costs is to hire someone in-house that has a tremendous amount of experience in the industry, or outsource to professionals.



P3 Cost Analysts.