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FINANCIAL MANAGEMENT/Talk about overbilling

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By David Perdue

Telecom expense management software helps recover overpaid bills.

Fulton County, Ga., is recognized among the top 10 most technologically advanced county governments in the United States by the Folsom, Calif.-based Center for Digital Government. However, for years the county had a problem many enterprises can identify with — out-of-control telecom expense management (TEM). Recently, its Information Technology Department, headed by CIO Robert Taylor, sought to organize its telecommunications management in an attempt to save time and money.

With an annual telecom budget of more than \$8 million, the county had more data than its one telecom employee could analyze. There was no reconciliation, no reporting and no inventory management. "Paying telecom bills was like that episode of 'I Love Lucy' where she and Ethel were working at the candy factory. We did our best to keep up with the billing, but it was coming in faster than we could manage," Taylor says.

Approximately three years ago, Fulton County began evaluating products and services to help manage its multiple telecommunications service providers, contracts, voice, data and usage charges. It found three options: in-house software, manual auditing and business process outsourcing. Manual and/or periodic auditing can catch some billing errors but cannot optimize networks, allocate costs or forecast future expenditures. Business process outsourcing only shifts the problem externally, lessening control. The county chose to purchase software that would provide layered expense management, highlight any billing anomalies and be flexible enough to work with the current IT infrastructure.

The application also generates hundreds of standard and adhoc reports, from the enterprise level to individual charges on a line, all the way down to Universal Service Ordering Code levels, which connect customer premises equipment with their corresponding carrier. The information has identified billing discrepancies that have resulted in credits back to the county, ensuring that the county pays only for what it gets.

In Fulton County, automated TEM software has eliminated stacks of invoices and reduced days spent on billing from 30 days to 10 days per month. That leaves the telecom employee free to focus on network optimization and contract negotiations.

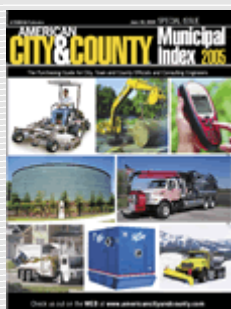
In short, county employees now can focus on the "big picture" rather than analyzing invoices. According to Stamford, Conn.-based Gartner Research, 80 percent of telecom bills are incorrect. Typically, large organizations, such as governments, are over-billed 6 percent to 8 percent per invoice.

Because TEM software needs vary widely between different organizations, the cost of implementing it can range from hundreds of thousands of dollars into the millions. With telecom billing inaccuracies and excessive processing time costing millions of dollars each year, however, large local governments could find savings by improving their methods for telecom expense management.

The author is president of Memphis, Tenn.-based Asentinel.

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