

## .....Guest Column

by David C. Perdue



### **How to manage telecom expenses**

**Take inventory first to ensure the accuracy of subsequent billing management.**

Taking inventory is an important first step before implementing an automated telecom expense-management solution. If you do not know where you are when you start this journey, how can you determine where you are going or how far you have come? Thus, taking inventory should be a priority before launching a new automated system.

Accepting the carrier's inventory of your assets would expedite the process, but you would be leaving a great deal of money on the table and might never realize the full potential of a telecom expense-management software solution.

A carrier's inventory records are the basis for bills to your company, but error rates for telecom invoices are frequently 6% or more. The most basic function of telecom expense-management software is bill reconciliation. So, if you accept their inventory records, you are accepting the errors that come with it. That would mean a loss of millions of dollars per year for Fortune 1000 companies.

Think about the money you could recoup if you could correct carrier inaccuracies going back in arrears. So, that is the first problem with carrier inventories: you would lose the initial savings that is realized when telecom expense-management software is deployed.

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Problem two is that when you accept a carrier's inventory and import that data into a telecom expense-management solution, the inaccuracies continue. If you start out with inaccurate inventory data, trend reporting will never really be accurate because the historical data was flawed

from the beginning.

You may take several years before you can trust the reports enough to make cost-effective decisions. Meanwhile, you are still losing money because telecom spend decisions are made on inaccurate data, even though you may be catching new billing errors.

If your staff is already overloaded merely trying to keep up with paying bills, how do you find the time to perform an in-house inventory? Consultants are one option, with thousands available to assist with the inventory process.

Finding a consultant and selecting your telecom expense-management software should be two separate processes. Both are specialists, so choose the best for each task in the process.

When you begin the inventory process, first interview key personnel and acquire long-hidden records that rest in various silos across the enterprise. Providing copies of your company's carrier invoices will help you find the possible location of any records.

Other offices, branches and departments should also be searched for contracts, assets and invoices that never passed through the appropriate channels.

All of the data should be entered into the telecom expense-management software through easy-to-use logical templates. When selecting this software, compare your company's unique needs and data sets to the functionality each solution provides. If the software does not have the capability to customize business rules that match your own and is not able to organize the inventory by your organizational hierarchy, keep looking.

Once you have completed your audit and implemented your new telecom expense-management software solution, load your inventory in as you get it and the software will begin to track that and save you from billing errors on those items. After all the data is entered, the software should be able to analyze inventory, contracts and invoices. Trend reports should improve your ability to negotiate effective agreements, track usage rates, justify new products and increase forecasting accuracy.

Gathering your inventory does require time and resources, but take it a step at a time. The investment pays off quickly when an automated system is launched and offers ongoing, accurate, insightful and, most importantly, permanent control.

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