



TEM SOFTWARE

VS

TELECOM AUDITS

**The Complete Guide
to Understanding
Which is Right
for You**

About Profit Advisory Group

PAG is a cost management consultancy headed by 2 partners with decades of experience working for various telecom carriers. In 2002, Profit Advisory Group was formed to help companies learn how to navigate the confusing and ever changing telecom services industry.

PAG levels the playing field for you.

Since it's inception, PAG has saved clients over \$100 million dollars in telecom expenses including more than \$1 million dollars in direct refunds due to inaccurate billing.

PAG know the plays in your vendor's playbook because we used to play ball on their team. We trained their reps how to maximize profits and commissions. For years, we sold their services.

Now it is our mission to help you save as much as you possibly can on telecom. With almost 80% of telecom invoices containing errors, we know we can help you save money.



Ken Reda, Partner

Ken brings over 30 years of Telecommunications Sales & Management experience to Profit Advisory Group. He leads our operations and audit teams in the quest to save our clients from overpaying for telecom and IT services. He prides himself on his ability to find billing errors even other auditors missed!

Prior to signing on as a Partner at PAG, Ken was Regional Vice President of Sales for Birch Telecom, managing a sales organization consisting of 22 local offices with a total staff of over 200 people.

During his tenure at MCI/Verizon, Ken was responsible for an organization of sales professionals in North and South Carolina with sales revenue in excess of \$40MM, and always ranked among the top 5% of his peers within the sales organization for sales production.

Throughout Ken's career, he has utilized his management and expertise of the sales process to build highly effective teams which have successfully generated millions of dollars in new revenue, as well as a loyal client base.

Ken earned a B.S. in Economics from the James Madison University.

Barry Bazen, Partner

Barry graduated from Clemson University with a Bachelor of Science in Economics and started his career with Lanier as a Sales Manager.

Barry entered the telecommunications world when he moved to Charlotte, N.C. and joined Global Crossing, where he became General Manager for North & South Carolina.

Barry then became the Regional Sales Director for Major Accounts with MCI. His tenure at MCI was very successful as he rose to Director of Sales & Service.

Many clients at MCI were confused by their bills, causing them to be overcharged. Since 2002, PAG has made it its mission to save companies as much as possible on their telecom bills.

Over our first decade, PAG has recovered over \$1M in credits and reduced client expenses by over \$120M. The average telecom cost reduction for PAG Audit clients exceeds 20% annually.

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Introduction

When looking to shave off unnecessary telecom expenses, it's not uncommon for financial executives to search out the quickest and easiest way to cut costs. Many hope to find a "silver bullet."

While this approach is completely reasonable given the complex nature of the telecom industry, the danger lies in assuming that there is a simple "one-size-fits-all" approach that can be applied to any telecom billing system in any industry.

The honest truth is: There is no silver bullet.

Without taking the time to become intimately familiar with the ever-vacillating trends of telecom, or working with someone who already is, your company is likely spending thousands of dollars unnecessarily each year.

The above statement may cause some amount of discomfort, not only because it sheds light on a monetary drain, but because it also implies two seemingly undesirable solutions to fix the problem:

- 1. You, or someone on your team, must spend countless hours becoming "telecom experts" - a potentially costly and uninviting proposition.**
- 2. If you choose *not* to invest these resources into telecom expense management, telecom costs can quickly inflate - often within a matter of months - and no one will be there to catch it.**

So then, what's the answer?

Without a doubt, the most beneficial thing you can do to cut down on telecom expenses is begin to understand the world of telecom so you can make truly informed decisions. Fortunately, it doesn't have to be painful.

In this eBook, we've compiled an exhaustive guide that includes everything you need to know about telecom expense management so you don't need to spend any more time researching than necessary. We'll fill you in on behind-the-scenes industry insights and help you gain control over your telecom expenses.

The book is divided into four parts:

- 1. Understanding telecom expense management (TEM) software**
- 2. Understanding telecom audits**
- 3. Understanding your business needs**
- 4. Getting the best possible return on your investment**

Let's get started...

Understanding TEM Software

Global telecom expenditures recently surpassed \$5T, and in the last few years alone, nearly \$2B of that was composed of TEM software sales. Clearly, it's critical to understand the role of TEM software in telecom expense management.

Telecom expense management (TEM) software, processes and organizes the large amounts of data created by your telecom billing system. TEM software allows you to combine multiple telecom invoices into one monthly report, and therefore to make adjustments as necessary.

You can think of it like a P&L statement for telecom.

TEM software allows companies to:

- **Identify significant savings on telecom expenses**
- **Eliminate fraud and unauthorized charges**
- **Identify errors and recover funds through close inspection or an outsourced audit of wireline and wireless services**
- **Increase accuracy in expense tracking and reporting**

TEM is designed specifically with Enterprise clients in mind. Those who may benefit most from TEM software are large companies with an extensive telecom inventory of lines, circuits, users, and locations. The average TEM user is often managing over \$50,000 of phone bills per month, with even larger companies reaching upwards of \$100,000 per month. The implication then is that TEM is usually cost prohibitive for smaller companies.

For practical purposes, you want to average a monthly spend of several thousands of dollars across a wide platform of telecom bills in order for TEM software to be a truly beneficial option.

Like any other audit software, TEM requires programming with data and billing/usage parameters, and requires review or tracking on a regular basis. TEM is used to monitor monthly invoices to ensure that billing rates match the rates in the database, to eliminate billing inaccuracies.

In other words, the data you get out of it is only as good as the data you put into it. This means that before TEM software can even begin helping you manage monthly expenses, you should have a thorough understanding of:

- **Monthly billing parameters**
- **Usage fees**
- **Overage fees**
- **Up to date billing rates**

TEM can also be set up to monitor contract expiration dates so that discounts do not vanish or contracts automatically renew without your knowledge. It can be used to identify lines with zero usage and will be able to report billing errors and track disputes in order to ensure all owed credits are posted.

TEM software is best used by large clients with complex billing and extensive telecom assets who have already performed a very thorough inventory and billing review.

Understanding Telecom Audits

Whether or not you plan to implement TEM software for your business, an important step in managing your telecom expenses is the telecom audit.

Manual telecom audits employ the knowledge of an auditor (or team of auditors) who do a thorough search through all of your company's telecom related bills in order to find billing errors and identify cost reduction opportunities.

Audits can generally take place every 12-18 months, with some audits offering an ongoing review of telecom expenses each month for the following 12 months after initial hire. Manual audits are meticulous and non-intrusive, allowing business to go on as usual without disruption.

When you consider that 80% of all telecom invoices contain billing errors, and that over 95% of invoices have services that aren't needed, or aren't billing at the best price point possible, the cost of the audit process is often outweighed by the savings realized.

What You Get From a Comprehensive Telecom Audit

- **Expert review of every line item on your invoices**
- **Thorough comparison of charges to contract and billing tariffs**
- **Identification of any billing mistakes**
- **Identification of under-used (or unused) services**
- **Identification of any credits/refunds due from your carrier**
- **Complete inventory of all lines, circuits, wireless devices, and features, across the enterprise**

- **All services properly assigned to correct cost centers**
- **Understanding of all existing contracts, what commitments are, and when terms expire**
- **Development of a formal contract strategy**
- **New contracts entered which level the playing field regarding terms and conditions**
- **Thorough review of procurement policies for telecom-related orders (including disconnections)**
- **Suggestions for procurement policy revisions to eliminate potential breakpoints**
- **Blueprint for future vendor accountability reviews to insure proactive management of services**
- **Price points, correct billing, etc. so that corrections put into place stay correct moving forward**

Audits are also very useful in helping you determine exactly what your telecom assets are - since most bills do not clearly spell this out. Audits identify billing mistakes (which are very common with telecom invoices), get bills corrected, and secure the maximum credit possible.

A thorough audit will review all billing line items to determine if there are any features, lines, circuits, or other asset charges for services not being used (this is far more common than you would ever suspect).

An audit will further review all individual contracts to determine contract expiration dates and help devise or refine a formal contract strategy, as well as review current versus known best in class pricing to help reduce costs moving forward.

While the option to conduct an exhaustive, internal audit of your own is always on the table, many companies find that without a thorough understanding of every telecom related pricing point, plan, and add-on, the audit doesn't work as expected.

Many hours are invested only to produce underwhelming results.

While TEM software is often employed in companies with a monthly telecom spend of over \$50,000, a manual audit is desirable for larger companies as well as those with a significantly lower spend.

In fact, the right audit partner will not only be thorough, independent, and have unparalleled industry expertise, they will also only charge you based on the amount of overall savings your company realizes, which makes it a perfect way to see a huge return without a risky investment.

Running a business isn't easy, and a telecommunications audit can be a time consuming and thorough undertaking that many employees are not prepared to take on. A telecommunications audit is a great way to maximize telecom savings and to do so in a non-intrusive manner.



See how we saved companies over \$120 million in telecom expenses

[Get the Guide](#)

The image shows a promotional banner for a guide. On the left is a book cover titled 'PAG SERVICE GUIDE' with the tagline 'Turn Knowledge into Profit!'. The main text in the center reads 'See how we saved companies over \$120 million in telecom expenses'. On the right is a red button with the text 'Get the Guide'.

Understanding Your Business Needs

Since there's no "one-size-fits-all" solution for managing the telecom expenses of every business, how do you go about determining which solution is best for you? We recommend that before you start exploring solutions, you first understand your needs. This will give you the means to make the best decisions and enable you to find the right partner to work with.

Here are some questions to ask before considering a specific solution. Spend some time thinking about each question and then write down the answers:

- 1. How much money do you spend on telecom each month?**
- 2. How much does it currently cost you to process and manage each individual phone bill in-house per month?**
- 3. Are your reporting needs simple or complex?**
- 4. When, if ever, was the last time your company conducted a telecom audit?**
- 5. Are you familiar enough with telecom terminology, pricing, and plans to be able to understand each bill in detail?**
- 6. If you were to move forward with a TEM solution, could you assign someone to manage it month in and month out?**
- 7. Similarly, if you were to conduct a telecom audit of your own, who could you assign to the research and implementation of an exhaustive audit?**

By coming to an understanding of your current telecom management system, and how it can be improved, you'll be able to take the first step toward securing a solution that will bring you the savings you deserve.

Getting The Best Possible Return On Your Investment

Telecom, by its very nature, is fluid. Pricing plans are constantly changing in response to the competitive landscape. Features are added and forgotten. Phone lines are re-allocated.

So the question of which solution (TEM software or a Telecom Audit) will give you the best return is actually better asked as,

“When should I employ either solution to provide me with the best possible return?”

Both TEM software and Audits have a role to play in telecom expense management. Most people who engage in a discussion around *Software vs. Audit* have a clear cut opinion on which they think is better, and why. If you force yourself to pick one over the other, there are clearly pluses and minuses on both sides.

What we've seen in most cases, however, is that both services are needed in order for each to be fully utilized to their maximum capabilities.

TEM software manages invoices but doesn't really provide deeper understanding of your overall telecom services. Audits provide great understanding, but do not manage future spend. Audits will also identify future savings whereas software is more focused on identifying billing mistakes.

Audits are the precursors that allow TEM software to be most effective. In other words, audits and TEM are complementary and not competitive.

The Value of an Audit

What is not up for debate is that if you are a small company, the cost of TEM software is almost always too large of an investment (and the return too small) to justify implementing an entire software system.

An audit is always more thorough than software. An audit is going to find things in a line item analysis that no TEM software will ever be able to find.

Audits are also much less intrusive than implementing an entire TEM solution. Audits are designed to be able to be performed off-site. Often the only thing your team must provide is a copy of your previous months' invoices and a list of all of your current vendors' account reps and their contact information. All other work can then be done by the auditor and your vendors with very limited involvement by your team.

The Value of Software

If you're a company with a large monthly telecom spend and can see the value in implementing and managing TEM software internally, then you will reap the benefits of increased accuracy in expense tracking and reporting, making it possible for you to see an ongoing increase in efficiency.

The data and the reports that are generated from TEM can be reviewed on a continuous basis and new data continuously entered as prices are updated, new contracts are signed, vendors are changed, locations are added or closed, or existing services are added, disconnected, moved, or changed.

The caveat is that, in order for software to be a valuable tool, you need to be sure you enter the right information at the outset. Bad information in equals bad information out. And vice versa. So unless you're going to devote a full time employee(s) to managing this software, you're not going to achieve the ROI you desire.

In this way, audits reset the clock and TEM software becomes a running clock moving forward.

So the question remains, "Is it time for you to reset the clock?"

Save Big on Telecom

Discover How Effective a Telecom Audit Can Be

Request Your Assessment

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What To Expect From A Telecom Audit From PAG

Our typical telecom audit client recovers up to 2 months of expenses in refunds and gets an overall reduction of 23% of the telecom spend. Our mission is to save you as much money as possible on your telecom expenses and to do it as seamlessly as possible. We work to maximize savings with the existing vendors you have already invested countless hours into working with.

Regardless of your direction after perusing this eBook, making changes in your business's telecom services is not something to take lightly. Not only are there numerous factors to consider, it can be a time consuming process. Reducing the cost and streamlining your telecom services can pay big dividends for your company's bottom line.

If you'd like to learn more about how PAG is able to help you start eliminate wasteful spending and optimize telecom efficiency, get in touch!

How can you save on telecom?

Improving your bottom line is our top priority

[Request an Assessment](#)

