



How to Benefit From the Rapidly Changing Telecom Environment

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There is probably no industry that has changed more radically nor become more complex as quickly as the communication industry. Just 20 years ago, on the eve of deregulation, one large company provided both hardware and services and company managers were focused on scrutinizing phone bills to make sure that employees didn't use expensive long distance for personal calls.

Those were the good old days.

Today long distance may be cheap but managers have an infinitely more challenging task as they oversee complex networks that integrate voice, data and global Internet needs and try to craft an efficient and cost-effective telecommunications strategy. Unfortunately, this is an ongoing task since the industry is changing so quickly and even the best-designed networks can quickly become outdated as new technologies and competitive opportunities arise.

While most professionals in this area are very competent, in the daily process of operating these intricate networks few have the luxury to research and take advantage of the latest technological or business opportunities. Their job is further complicated because telecom is an evolving industry and the company with the best price or most impressive features today may not be here tomorrow.

A cottage industry of telecommunications auditors has grown to try and help executives and telecom managers fill this void. These auditors find the inevitable telecom provider billing mistakes, which in large companies can often total tens or even hundreds of thousands of dollars. Telecom consultants offer their expertise to help companies design their networks or negotiate with vendors on their behalf when new services are needed— and, this can be a valuable service if the consultants are truly unbiased and unaffiliated with any service, hardware or network provider.

But while executives often call in outside help to help design their initial system, unless there is a major external change, such as a relocation or merger, they rarely bring in external resources to assess or optimize their telecom architecture and/or services to take advantage of new opportunities. This is a shame because in my experience virtually every company can realize tremendous savings by evaluating what is currently in place and comparing that to what is currently available.

Let me give you a simple example. Most companies have a dedicated line for their alarm system. The line is used for two calls a day – opening and closing an office. The line typically costs \$30. This line can be converted to standby service. This costs 50 percent less, saving \$15 a month.

This \$15 a month savings doesn't seem like a lot, but what if this was a retail store chain with 1,000 locations around the country. That would be a monthly savings of \$15,000 or an annual savings of \$180,000.

– all from one simple change.

Every day new tariffs are filed and approved or rejected by the FCC. When the tariffs are filed and approved, they are available for a set period of time – sometimes only for 30 days. There are thousands of these filings a year. It becomes a fulltime job just to track them, see which ones can benefit you and your telecom system and then take advantage of them.

It's unfortunate, but you can't expect your carrier to keep you informed about these tariff changes – especially those that benefit you and not them. You also need to be very wary of marketing offers and new technologies that promise “free” service. A good example is Voice over IP (VIP), which is the hot telecom issue these days.

A hardware vendor may try to sell a phone system with VIP phones and server, saying it will save you money. But you may never even get back the cost of this expensive system because your calls will still have to utilize existing facilities for dial tone. On the other hand, you can realize great savings by using your existing phones and Internet access with a Voice Over IP service. But be careful because there are significant downfalls to this configuration. For example, the tones are often not recognized with VIP and connections are more easily dropped.

A far simpler way to save significant dollars is to ask your local phone company if they offer unlimited local, regional and long distance. Most do and for a relatively minor monthly charge you can save a lot of money. The bottom line is to do your homework.

Here are my top 5 hints for finding hidden savings in your telecom configuration.

1. **Be wary, but opportunistic.** Offers that seem too good to be true often are – but not always. This is a buyers' market, but the buyer must be aware.
2. **Take advantage of new technology, but be cautious of new companies.** Telecom companies are often like fruit flies. Too often they have a very short lifespan. An entrepreneurial company may have a really good technology, but may be under-funded and unable to support you for the long haul.
3. **Don't rest on your laurels.** Even the best designed systems need to be updated. Continually reevaluate your entire network and billings to confirm their operation and see what new opportunities are on the market.
4. **Don't depend on your providers to tell you about the best deals.** They don't have the time or knowledge to help you. And their primary interest is their own profitability.
5. **Don't be afraid to ask for help.** Sometime you need to bring in experts. But make sure they are qualified and unbiased – not associated with any hardware, software or service company.

About the Author

Robert Weinger is the founder and CEO of CRC Global, a telecom optimization consultancy that helps companies throughout the world assess and redesign their telecom systems to leverage the latest telecom and communications opportunities for maximum efficiency and cost savings.

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