

Total Telecom Auditing

Tips, Tools & Techniques to Cut Your Wireline and Wireless Spending

November 13-14, 2006 • Dallas, TX • The Adolphus Hotel

Inventory Management: Leveraging Your Inventory for Winning Audits

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Intelligent Bills



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Session Topics

- **Gathering Business Intelligence**
- **Circuit/Asset Inventory Build**
- **On Site Physical Inspections**
- **Phased Approach to Reconciliation**
- **Identify Opportunity through Trending**
- **What else can be done with the Data**

All Drafted to Add Value to Billing Audits

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Business Intelligence:

a broad category of application programs and technologies for gathering, storing, analyzing and providing access to data to help enterprise users make better business decisions.

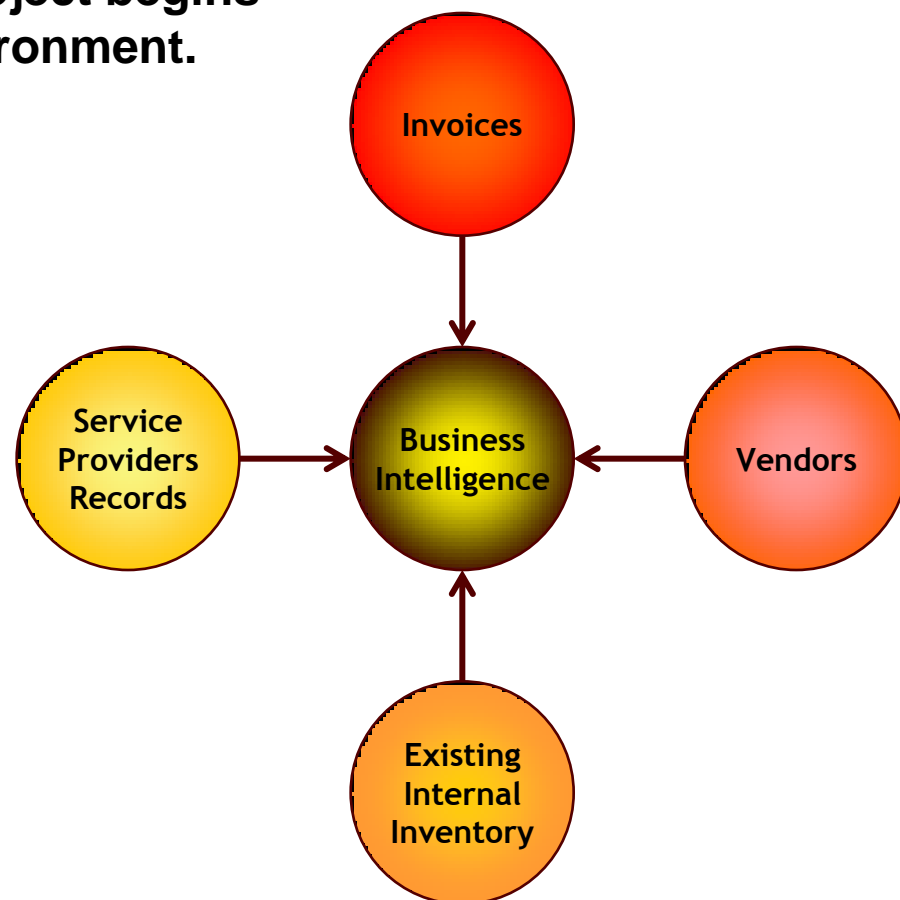
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How to Start

The start of any cost containment project begins with an understanding your true environment.

Gathering Business Intelligence

- Identify your total number of Invoices
- Identify your total number of Vendors
- Gather your Vendor Agreements
- Gather your existing inventory records
- Request inventories from your providers



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Invoice Intelligence

Understanding your Billing Environment

- **Summary Billing**
- **Standalone Accounts**
- **Suppressed Information (Details)**
- **How much information is given**

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Vendor Intelligence

Simply knowing how many different vendors you have per site will provide you with savings opportunities

- **Determine Vendors**
- **Determine Vendors providing similar services**

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Contractual Intelligence

Understanding your contracted billing elements and terms will assist you in finding opportunities for savings . . .

- **Determine Active and Inactive Agreements**
- **Simple Rate Tables by Vendor on Services**
- **Identify any special billing arrangements**
- **Determine Contract Dates for Different Services**

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Warehoused Intelligence

IT, Billing, Technicians, and AP folks tend to house quality information about your old and existing inventory

- **Through spreadsheets**
- **Through old and existing emails**
- **Through archived folders and files**

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Other Intelligence Is Readily Accessible

Vendor Web Portals, EDI, CDs & Reports

- ATT (Local & LD)
- BellSouth
- Verizon (Local & LD)
- Sprint
- Cingular
- Qwest (Local & LD)
- Along with others

The information is provided free of charge

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Circuit/Asset Inventory Build

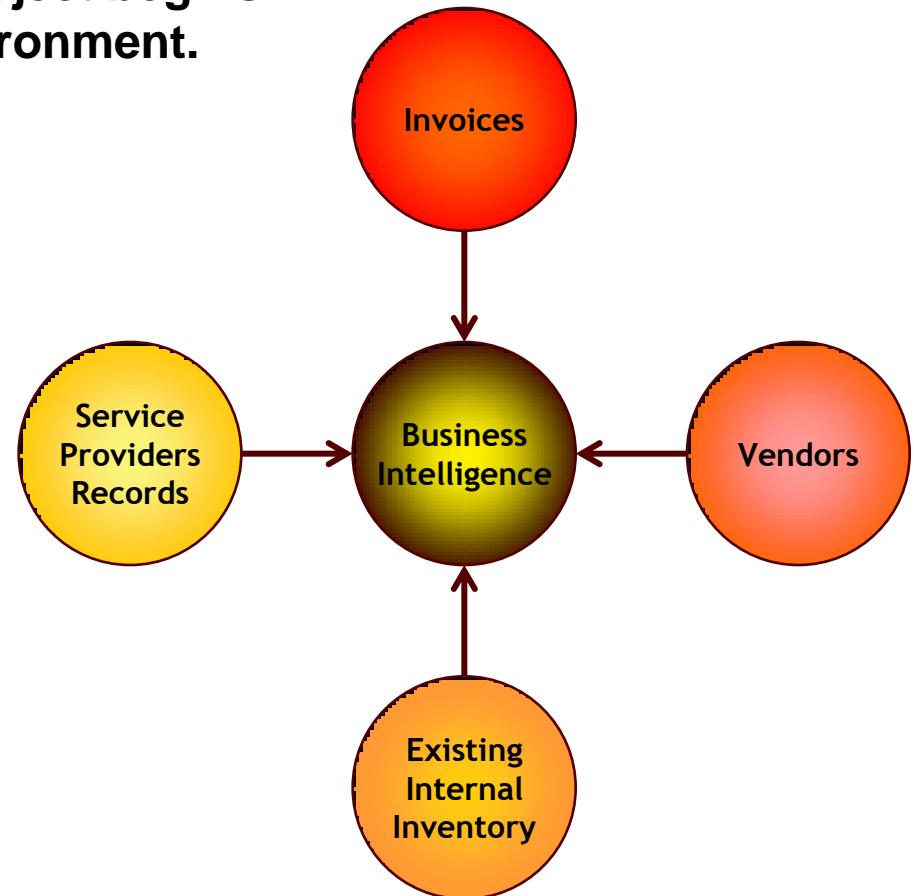
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Building the Database

The start of any cost containment project begins with an understanding your true environment.

Build a Circuit/Asset Inventory

- Add site addresses
- Add monthly recurring costs
- Add install dates
- Add contract dates
- Add a Column for Internal Inventory



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Site Addresses

Focus on Originating and Terminating Address

- **Populate with additional details such as Floors, Closets, Building Numbers, etc.**
- **Capturing this info will also give you visibility into your network footprint as it relates to your Service Provider Service Offering by Geography**
- **Also allows you to perform future Trend Analysis' by sites**

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Monthly Recurring Costs

Value add is for sorting similar service types for different vendors.

- **Breakout by Service Types**
- **Breakout by Elements if available, such as Mileage, NPA/NXX. . .**
- **Incorporate TCO for that circuit**

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Install Dates

Value is defined as such:

- **Dated technology (9.6 Data Lines still exist)**
- **May provide back up documentation for billing errors**
- **May also paint a picture of an upgrade in technology for a site that still has both services actively billing**

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Contract Dates

Unlike Install Dates, this information may need to be pulled from other sources

- **Services getting a contract discount may have expired but you are still reaping the benefits for a potential under billing**
- **Populate the start and end dates of the agreements, if you have that information available.**

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Cross Reference Column

This is for any additional information not readily available through your billing and/or your contracts

- **Create a column listing the type of information, such as an initial order submitted, emailed requests, a managed spreadsheet or even something as simple project number/name for the change**

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Additional Sample Field Names for Inventory Database

- **Entity Name**
- **Vendor Name**
- **Summary Account Number**
- **Master Account Number**
- **Circuit Prefix**
- **Circuit Number**
- **Date of Install**
- **Service Type**
- **Bandwidth**
- **NPA-NXX Originating Address**
- **Originating Address**
- **NPA-NXX Terminating Address**
- **Terminating Address**
- **Parent/Child Relationships**
- **Mileage Units**
- **Circuit Costs**
- **Term Agreement**
- **Contract Dates**

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Physical Site Inspections

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Onsite Physical Inspections

Using the Data Build, Determine which sites will provide the largest Return On Investment

- **Oldest Sites**
- **Most Costly Sites**
- **Sites with Largest Circuit Count**
- **Sites with Technology 5 Years and Older**
- **Sites with the Multiple Vendors**

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Oldest Sites

- **Rule of Thumb is sites 5 years or older determined by your inventory install dates (Critical Information)**
- **Usually any contractual obligation at this point has expired or is in the process of expiring**
- **Also a quick cross reference for closed sites**

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Most Costly Sites

- **Generate the most opportunity for the least amount of effort**
- **Identifies other areas of optimization for reduced costs**
- **Tends to generate the largest refunds for any identified billing errors**

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Largest Circuit Count

ROI is in the number of potential errors or opportunities that can be found.

- Through services not being used
- Services that were not completely disconnected

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Outdated Technology

Growth, Merger or Acquisition all play a role in organizations today.

The following are examples of change that you may have experienced that may be a good starting point for opportunity.

Sample Changes in Technology

- **Analog Trunks/Centrex to ISDN PRI**
- **ISDN BRI's to IP Video**
- **P2P Network to Frame Relay Service**
- **Upgrade to SONET Technology**

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Multiple Vendors

- **Determine which sites have the most vendors.**
- **Drill down further by determining which ones may be duplicating services at different costs.**
- **Identify which Service Providers may have recently merged**

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Perform an On-Site Inspection

First Round

- Using the ROI approach, identify which circuits to validate first at each site (\$\$\$\$)
- Take a Physical Inventory of all the services at your site (Demarc Blocks, NIU Cabinets, etc. . .)
- Cross Reference Initial Finding against Built Inventory for first round of validation
- Validate that all identified services from inspection are being used

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Phased Approach to Reconciliation

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Phased Approach to Reconciliation

- 1. Review of Active/Closed Site List**
- 2. Match Internal Records to Inventory**
- 3. Match Vendor & PBX Records**
- 4. Physical Inspection Data Reconciliation**

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Active/Closed Sites

- **Use Real Estate Records to determine if you have services still being billed at closed facilities.**
- **Determine if you have components of a disconnected circuit still billing at your sites. (Port, PVC, Local Loop, Etc.)**
- **Determine if the vendor did not completely disconnect all the services**

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Internal Records

- **Internal Inventory Spreadsheets to identify any exceptions**
- **HR Headcount Reports to identify overtrunking**
- **MACD Spreadsheet or Database to determine whether there was a downsizing or technology change at one time.**
- **Order Provisioning Tool Reports**

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Vendor/PBX Records

- **Switch Dump for Cross Referencing**
- **Vendor Provided Reports**
 - **Channelization**
 - **Inventory Detail**
 - **Engineering Records**
 - **Customer Service Records**

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Physical Inspection Reconciliation

- **Determine which circuits were not working**
- **Determine which circuits could not be found**
- **Determine which circuits were not cross connected to your switch**
- **Determine which circuits were standalones**

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Key Point to Take Home

- **It all begins with Inventory Trend Analysis**
 - **By Site(s)**
 - **By Circuit Type(s)**
 - **By Originating/Terminating Address(es)**
 - **By Vendor(s)**
 - **By Install Date(s)**
- **This info is vital for any billing audits**
- **Data is Vital for Sourcing and Optimization Efforts**
- **Integrity Check for your Chargeback Allocations**

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Results are Guaranteed

Historical Data

This data represents Ultra-Conservative 10+ years of TEM Audit & Optimization Results.

Results varied by client but these conservative savings estimates were derived from a culmination of several hundred engagements.

The list is provided as a means of letting you determine how to approach cost reductions and get the biggest results from your efforts.

Inventory Exercise	Estimated Savings %
High Capacity Service Review (T1's, T3's, SONET)*	1%
Dial Tone Review*	0.50%
One time charges and Credits	0.10%
Special Billing Arrangements*	0.50%
Strategic Sourcing	3.00%
Services still billing at closed or downsized facilities	1.00%
Services still in billing that were disconnected	0.50%
Services found not working from on-site inventory	1.25%
Services found not being used from on-site inventory	1.00%
Old technology or aged circuits	0.50%
Zero usage projects	0.25%
Services found not in use not working by remote testing	0.25%
Services remotely tested not to be working	0.25%

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Questions?

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