



## Is Call Accounting Still Relevant?

**In an era of lower long-distance rates, is it still worth the effort to manage and support a call accounting application? It is if you believe the findings of organizations like the Gartner and Aberdeen research groups, who say the expense side of voice and data communications is typically the third-largest business expense after payroll and rent, and usually the one with the least control.**

While the cost-per-minute may be low, the phone bill can be high indeed. An Aberdeen Group report estimates that an average Fortune 500 company spends about \$116 million on telecom services each year. Medium- and smaller-size companies often see an even larger percentage of variable costs going to communications bills.

More than 50% of large enterprises don't know what they are spending on telecom-related services.

– Aberdeen Group

In addition, the explosive growth in usage-based services like wireless devices, audio, video and Web conferencing exacerbate overall communications costs because, unlike long-distance rates, the costs for these services have not fallen. They still need to be managed using “accountability tools” that enable companies to hold vendors accountable with their own source of usage and cost data.

In an earlier study, the Aberdeen Group reported, “More than 50% of large companies don't know what they are spending on telecom-related services.” So the traditional view of call accounting as a long-distance cost management tool is far too narrow given the array of telecom services, strict financial demands, and tighter corporate accounting requirements.

On top of that, the broader concept of telecommunications management encompasses other areas such as employee productivity and corporate security. In fact, the most far-reaching benefits of call accounting have always been about productivity, regardless of prevailing carrier rates. Informal call centers such as internal help desks, telephone sales teams, and accounts receivable departments are spread throughout most organizations and often don't have access to detailed phone-usage reporting.

Another research study concluded that companies spend nearly four dollars per call for persons making six calls an hour, whether they make contact with anyone or not. And the real value is not the labor cost. It's the “opportunity cost” of closing one more sale, handling more internal requests, or accelerating collection of receivables. Improved productivity in these groups affects both the top line (revenue) and the bottom line (profits). Call accounting reports are a tool that line managers can use to evaluate, train and motivate employees based on actual call activity. At a time when competition is fierce, managing productivity is essential.

Since 9/11, external threats to employees, physical property, and corporate networks have come into sharper focus. According to AT&T, attempts by malicious hackers to steal long-distance services by exploiting holes in voice networks costs over \$4 billion annually and can seriously disrupt a company's operations. The ability to pinpoint the origin of such phone calls early is the key to resolving these emergencies quickly and shortening the exposure period. As bad as external threats are, employees can pose an even bigger threat to company assets and intellectual property—information that can be (and is) shared by phone more easily and often than by any other method. A tool that can be used to investigate potential wrongdoing protects both the company and its employees.

So...**is call accounting still relevant?** If you're just interested in allocating long-distance costs at two cents a minute, it may be a hard case to make. But the reality is that communications costs as a whole have gone up, not down. The case for call accounting as a tool to better manage your communications expenses is still compelling when you consider:

- Globalization initiatives
- Decentralization of the workforce
- Rampant mergers and consolidations
- Heavy reliance on the phone to conduct business
- Ever-present need to improve productivity
- Increasingly common threats from both inside and outside the organization

So as you begin planning for the new year, consider this: Is your definition of call accounting too narrow? Should your New Year's resolutions include an evaluation of whether your existing call accounting system is performing to expectations, or whether a new system can help make one of the fastest-growing expense areas more productive and secure? To learn more, complete our contact form or call us at (800) 775-0025, ext. 4516.

---

**SAI**

1106 Windfield Way, El Dorado Hills CA 95762

(800) 775-0025

Fax: (916) 939-4171

<http://www.sierragold.com>

Copyright © 2008 SAI. All rights reserved.

---