



## Call Accounting: The Cost of Doing Nothing

Tough Economy Demands Leveraging Technology to Optimize Telecom Costs

It's no secret! The economy is flat and companies are looking for ways to reduce the cost of doing business and gain a competitive advantage. All costs are fair game. That includes telecommunications which, despite being one of the largest variable expenses for most companies after employee salaries and benefits, is often overlooked as an immutable cost of doing business.

At the same time, telecom is the organization's "life blood" because it supports communication infrastructures that are critical for conducting business. It also offers untapped opportunities to enhance overall productivity as well as provide critical business intelligence for decision makers throughout the enterprise.

Over the years, however, industry analysts have confirmed that telecom costs are uncontrolled and under-leveraged in most organizations. In 2006, the Aberdeen Group reported two compelling findings:

- Entire categories of telecom spend were nearly invisible to enterprises due to lack of formal policies, poor control of procurement, and weak reporting; and
- Telecom spending continues to rise despite falling rates for telecom services, a trend caused by ineffective telecom cost management and increases in the consumption of services.

In addition, a 2008 Aberdeen study noted that "Internal challenges to assessing and managing telecom costs include poor visibility into telecom service contracts, device availability and usage, network configuration, and invoice accuracy."

It's not difficult to understand why. With so many carriers providing so many different services; with multiple personnel responsible for managing telecom expenditures within an organization commonplace; and with convergence blurring cost distinctions between telecom and other IT services; telecom expenses are frequently the least understood expense in an IT department.

Christa Degnan Manning, Research Director at AMR Research agrees. "These expenses are poorly understood and managed due to decentralized procurement and management procedures, poor asset and usage tracking, limited sourcing category expertise, and insufficient automation and controls."

### Use It or Lose It

That's why leading industry analysts like Aberdeen, Gartner and AOTMP have consistently recommended a proactive approach to managing telecom costs that includes leveraging technology and process improvements through outsourcing, hosted or licensed software to optimize services and improve visibility into telecom usage.

Companies that don't follow this advice face a variety of challenges in gaining control over their telecom expenditures. And while the recommendations made by AOTMP, Gartner and Aberdeen may vary slightly, there are some commonalities:

**1. Address the lack of internal visibility into telecom operations and assets.**

According to the Aberdeen Group, the telecommunications spend area is so wrought with inefficiency...that most enterprises don't know how much they spend on telecom services, never mind how they can best manage those budgets. Bottom line: before a company can optimize its current telecom operations, or plan for future needs, it must have visibility into and situational awareness of how that infrastructure is being used.

**2. Optimize telecom networks.**

Call accounting applications can help businesses optimize their telecom networks with powerful drill-down reports that help telecom staff pinpoint problems and identify important network trends to even out the peaks and valleys of telecom activity and realize network efficiencies. According to a 2008 AOTMP report, visibility into network utilization offers companies the opportunity to modify and right-size network infrastructure and supports optimal cost-to-service performance.

**3. Allocate departmental/divisional costs via chargebacks.**

Call accounting enables companies to promote transparency and accountability and gain control over the consumption of telecom services by aligning or grouping costs in a way that is meaningful to their business, such as charging back to departments for the actual costs they generate. An organization can then focus on usage behavior and variable costs that end-users and managers directly influence.

**4. Make informed decisions based on quantifiable metrics.**

Business executives make important decisions every day that affect their companies. The merit of those decisions depends on the availability of accurate information. Call accounting solutions enhance the accuracy of decisions by gathering business intelligence data in a centrally accessible location, and then aggregating and filtering it on the fly to identify spending patterns. When integrated business management tools are in place, people make better decisions that drive profits.

**5. Monitor and manage employee use of telecom resources.**

One of the most frequent causes of revenue drain, in both hard costs and lost productivity, is simple employee misuse and abuse of telephony resources. Data provided by call accounting reports can be used keep operation costs to a minimum by monitoring employee phone use and encouraging them to work more efficiently and be aware of costs incurred for daily business operations.

**6. Create and enforce company-wide telecom policies.**

In a 2008 report, AOTMP recommended creating policies governing the management and use of telecom resources that includes call accounting as a metric and a tool for enforcing those policies. At the same time, company-wide policies create a business culture that promotes expense control by empowering employees throughout an organization to take responsibility for how company revenue is spent.

**7. Don't forget Governance, Risk Management, and Compliance standards.**

Call accounting applications help facilitate regulatory compliance and sustainable corporate governance by providing tools to aggregate, monitor and analyze telecommunications data in order to correctly report expenses.

## Save with Call Accounting ... Especially in a Down Economy

Tight times demand fiscal austerity, but acquiring a technology like call accounting that drives process improvements and enhances decision-making with real-time analytics designed to help companies reduce telecom expenses is the wise move.

Call accounting maximizes the effectiveness of people and technology with true value-added analysis. At the same time, it helps companies focus on long-term strategies instead of ad hoc approaches and short-term fixes, freeing management to focus on the strategic goals of the company.

In the end, call accounting is about much more than just reconciling simple billing errors. It's about controlling the conditions that continue to drive telecom costs higher.

So what is the real cost of doing nothing? If you haven't deployed call accounting, or haven't used it as effectively as possible to reduce your telecom spend, and have no idea how you went over budget ... again ... you probably already know the answer. And SAI can help!

If you want to further reduce your telecom spend, or simply stay within budget month in and month out, complete our brief [contact form](#) or call us at 800-775-0025, ext. 4585 and we'll be happy to demo Sierra Gold for you and discuss strategies keyed to your specific IT environment.

### About SAI

Since 1980, SAI has helped businesses proactively manage their voice, data and wireless usage and expenses, simply and efficiently. Sierra Gold by SAI is the premier call accounting solution for Fortune 50-2000 companies in helping them control expenses, improve productivity, optimize their telecom networks and protect assets. Serving customers worldwide across multiple industries and supporting all major manufacturers of wired and IP voice products, SAI offers both On-Demand (SaaS) and On-Premise solutions. Sierra Gold by SAI sets the gold standard in customer service and support.

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