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Money for Nothing: Audit Your Wireless Bills

Many businesses are overpaying for wireless services – such as cell phone accounts from former employees that were never closed, or junk fees, erroneous text messaging, and other errors in billing. Third-party Wireless Expense Management firms can help you save big bucks.

Customers often complain about the complexity of their phone plans. Apparently, many of them are so complex that the carriers themselves can't even keep them straight; especially when it comes to billing. Estimates vary, but the Federal Communications Commission and most independent research groups that monitor the telecom industry agree, that conservatively, around 66 percent of all bills have errors.

Here's just one way that happens:

April 2008 was a bad month for Sprint, as it consolidated two billing systems into one. It was even worse for the thousands of customers nationwide that received bills wildly off their normal balances, some topping more than \$10,000. Sprint spokeswoman, Kathleen Dunleavy, explained to reporters at the time, "The problem stemmed from decimal places misaligned by two places during the consolidation process."

As bad as that sounds, the good news is that the larger mistakes were so grandiose and widespread that Sprint's errors made immediate headlines and were, therefore, immediately corrected. But what happened to those smaller errors that went unnoticed?

These things are not unusual anymore and can happen at anytime to any company, and that's why many small and mid-sized businesses are finding it worthwhile to hire an outside Wireless Expense Management Consultant to audit their invoices and often overhaul the way the accounts were set up in the first place. A lot of companies are overpaying by at least eighteen to twenty-five percent based on billing errors alone – like paying for lines that were cancelled and never removed from the account. These Wireless Expense Management firms can find money for you and that money goes directly to your bottom line.

\$17,000 in savings and still counting

MasterCare Flooring, a Mohawk Industries flooring distributor based in Arbutus, Maryland, is a mid-sized business operating with some 50 wireless devices. While their flooring operation may be crystal clear, internally the company has struggled with not-so-clear wireless bills. "With over 100 pages from one wireless invoice that comes in each month, many were going to Accounts Payable, and no one was looking at them," says Russ Sterner, President of MasterCare Floors. Then we hired Wireless Resolutions to take over the bills.

“Right off the top, this firm found a \$3000 billing error that was credited to the account within 24 hours. More savings were found when our plans were restructured to fit our calling patterns and usage. This restructuring saved us an additional \$14,000 the first year. They were able to cancel phones we were not using without the expensive early termination fees. They were able to manage our fleet better than we could and save us money all along the way. They have negotiation skills that the carrier can identify with and they know what to ask for.

“That adds up to \$17,000 in savings and that doesn’t include the ongoing savings by hiring this firm to baby-sit those invoices on a regular basis.”

Wireless Expense Management

Wireless savings are always possible but are rarely taken. Organizations everywhere blindly overpay for their wireless and cell phone services and the cellular companies do little or nothing to prevent it. The reason is simple: it generates billions of dollars in incremental revenue annually for them! Large or small, public or private, for-profit or not-for-profit, light user or heavy user; the fact is most organizations (more than 80%) are overpaying by 18% to 28% on average for their wireless and cell phone services.

For most businesses today, cell phones and wireless broadband access have become a critical component of their day-to-day operations. For many, cell phone and wireless acquisition/deployment has evolved over the years as a decentralized function. And in an overwhelming number of companies, even some very large ones, no one really knows how many cell phones and wireless devices they have or who is actually using them.

We hear it from clients almost every day, “Our cell phone bills are completely out of hand! Last year we spent \$X, this year we’re spending more than twice that amount! Can you help us figure out what we have, what we need and where we need to go?” High-energy, fast-paced companies that desperately need mobile technology to facilitate their business often find it hard to dedicate the time and expertise it takes to truly optimize and manage their wireless phone and PDA wireless services.

Businesses need to focus on phone bill errors. A report by the Gartner Group shows that 65% of phone bills have errors on them. Most (98%) of these errors are never found or reported. The 2% that are found and reported typically get resolved and receive a refund within an average of 60 to 90 days.

The Center for Public Integrity discovered some wireless carriers were charging customers for a service that would not even be available to them for two more years! That prompted the National Association of State Utility Consumer Advocates, a group made up of 44 government officials in 42 states, to file a petition with the Federal Communications Commission (FCC) in March demanding that the FCC regulate misleading line items on cell phone bills. Until that FCC intervention happens, leveraging outsourcing expertise is one way for businesses to insure they only pay for what they use.

Cell phone companies and third-party-vendors, eager to pry more money from subscribers’ wallets, are marketing extra services like ringtones, games, music and more, but an increasingly angry chorus of cell phone customers complain that they’re getting mysterious bills for bogus text messaging, data charges and monthly services that they did not intend to sign up for...which can often taken months to cancel.

Customers are also upset about paying for spam text messages on their phones. And lawsuits and consumer groups are targeting the huge early termination fees most companies charge and the seeming myriad of taxes that can make up as much as a fifth of monthly phone bills.

The true key to long term wireless and cell phone services optimization is either dedicating the time yourself to keep up with the continual changes in the industry, or hiring an outside expert to do it for you.

According to the Better Business Bureau, cell phone companies drew 30,483 consumer complaints last year to become the top-ranked industry for grievances. The most common complaints: inaccurate bills,

Inadequate customer service, and deceptive contract terms. Cell phone companies were the subject of more complaints than such perennially unpopular businesses as car dealerships, hotels, retail outlets and insurance companies, BBB statistics show.

Experts attribute the rise in customer dissatisfaction to fallout from mergers and acquisitions in the wireless industry, including the Sprint-Nextel merger.

Kirk Parsons, senior director of wireless services for J.D. Power and Associates says study by the famed marketing research firm found that consumer satisfaction with wireless phone service providers in 2007 was down 35 percent from 2006 levels.

Below are details about some of the most common cell phone complaints, as lodged in recent lawsuits and filings to the Federal Communications Commission and the Better Business Bureau.

The Biggest Gripe

Wireless industry experts including J.D. Power and Associates' Parsons say that much of the frustration experienced by Cingular, AT&T Wireless, Sprint, and Nextel customers stems from the complexities involved in merging the technologies and billing processes of huge networks.

Parsons added that consumer expectations have risen as the cell phone industry has matured. "Today's cell phone users have zero tolerance for dropped calls," Parsons says.

However dropped calls don't top the list of cell phone gripes. Instead, **billing issues** account for three times as many complaints as service quality according to the FCC's May 2006 Quarterly Report on Informal Consumer Inquiries and Complaints.

Billing issues have prompted several state-level initiatives by consumer groups attempting to change the way wireless carriers do business.

In New York state, the AARP and other consumer groups are backing legislation that would force cell phone companies to make their bills easier to understand and allow customers to cancel service contracts without penalties. Similar initiatives are in the works in California and Minnesota.

Bottom Line: If you are a wireless customer, it pays to remember that your best strategy is not to depend on government agencies, but to police your own bill. Watch it like a hawk, read the fine print, and ask lots of questions...or better yet...

Find an outside expert to do it for you!