



# Making Cents of Communications Expenses

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trying to get you to sign on.***

By Wendy Smith

Life used to be simple—once upon a time there was just “Ma Bell.” But today with myriad options available to meet your business’s unique communications needs, you require some tools for evaluating and choosing a provider of local, long distance, data and Internet services. You know how you feel when long distance carriers call your business trying to get you to sign on. Do you grimace when you get the call? Here’s how to take control of the process and call them before they call you!

According to Jim Cavagnaro, CEO of Telecom Consulting Group NE, Corp., the first step is to determine your average telephone usage. This is done by gathering your six months previous bills and selecting one that you decide is an average local and long distance bill, i.e. not your highest, nor your lowest bill. Then you make copies of that bill and send it out to at least five long distance carriers for quotes.

- Is there an annual minimum monthly charge for this quote?
- Are there any monthly fees, installation, or service charges?
- What value-added services can you offer me?
- What discounts would be gained in bundling services?

You should be able to make your decision after this meeting. Be sure to discuss important issues such as service and account management, and be specific about your needs. If you want to go further and look at your overall communications package, you just follow this same procedure, but this time send out copies of your data line and Internet bills for quotes. The advantage of doing this extra step is that you can negotiate bundling services and getting better rates when you meet on site.

According to Cavagnaro, the whole idea is to take control of this process

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Step two involves evaluating the estimates you receive and deciding which are the two best responses. Usually you’ll want to choose the midrange estimates, according to Cavagnaro, unless of course, money is the determining factor for your business. Remember that all long distance carriers have good services; the challenge is to find one that matches your particular business needs; for example, high daytime usage. A quote is a combination of prices and services, and sometimes the cheapest isn’t the one best suited for your requirements.

After choosing your two most competitive carriers, proceed to step three, which is inviting them for an on-site meeting, in which you ask them questions and provide information about your company. Some questions to ask them are:

- What is the customer service telephone number?
- What are the hours for the customer support center?
- What are the technical/engineering support contact hours and telephone number?
- Can you provide a copy of your billing format?

yourself and be proactive. You set the date for the meeting and you call them. Better yet, you do it with a program in mind. The most important thing, he stresses, is to do this procedure on an annual basis or at least every two years. If you haven’t already been doing this, you are leaving money on the table. Since many businesses are under contract, you will need to set a date before your contract is up to do this, often six months prior to its expiration. He cautions that no one should ever sign a contract for more than two years duration, unless there’s a clause stating they will review the contract on an annual basis to remain competitive.

When might you call in a consultant to do this for you and what are the advantages? Using a consultant is advantageous if you have a complicated business environment or multiple locations. He or she helps not only negotiate the best rate and program, but also helps develop a relationship with the carrier and provides specific details about your usage that you are only estimating by choosing an “average bill.” In Mr. Cavagnaro’s experience, “understanding how you use these services and what you actually pay, combined with careful negotiations can often improve overall service levels and may amount to savings of 20% or more.”