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Making Sense of Wireless Expense

Optimizing the cost of an outstanding productivity tool

A New Expense...

- ▶ Wireless communication, whether cell phone, Blackberry or otherwise, is a relatively new productivity tool. It is also a new and growing expense for business. Due primarily to the rapid growth of wireless device use, the expense can be a difficult one to control and optimize. Programs that carriers offer are difficult to understand.
- ▶ Bills are very complicated.
- ▶ Terminology often does not mean what it implies.
- ▶ Programs change rapidly, often more than once a month.

As a result, businesses often pay as much as 25% more than they should for their service! Prices, programs, coverage and technologies continue to evolve and improve. Making the right wireless choice for a business, then keeping employees on the most cost effective program is a tough task demanding a lot of time and ongoing research and comparison.

...and growing fast

How long ago did you get your first cell phone?

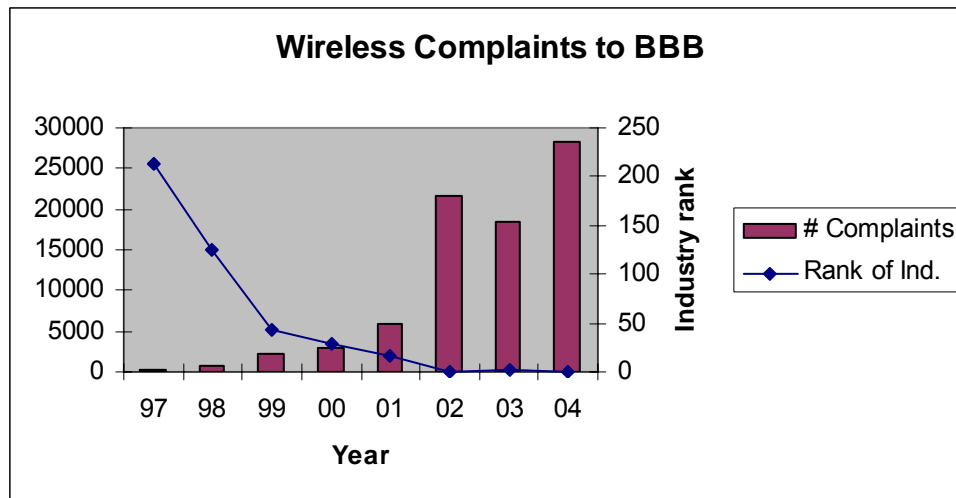
For many of us, it was about 10 years ago. Businesses began providing cell phones and other wireless communication devices to their employees more widely 5-7 years ago. The number of wireless devices in the US alone has grown from 16 million in 1994 to 170 million in 2004. Over that time the number of companies offering phones and service has grown considerably, all of them racing to sign up more subscribers than their competition.

Why should the executive responsible for communications cost and/or general business expense care? The answer: because in a market that is growing this fast, carriers will continue to spend the majority of their time signing up new individuals and companies. The wireless industry and their investors measure success based on growth in subscriber count and revenue, NOT based on the satisfaction of current customers. Once you are signed up, it is unlikely that you will be contacted by your provider about a new program or a program change that better suits your needs. They just don't have the time.

The proof of the service problem is in the data

The Better Business Bureau began tracking customer complaint data on the cellular industry in 1997. It took only 5 years for cellular to become the "most complained about" industry. In 2003 the industry improved to number two behind only one other business type, automobile dealers. Wireless again became the most complained about industry for calendar year 2004.

Protecting your wireless rights... Right Plan. Right Price. Right Result.™



According to the BBB report, cellular issues fall into three categories:

Billing: 2/3 of all complaints. Issues include

- Problems with bill set up and access
- Problems with billing accuracy
- Failure of the bill to reflect changes, such as a credit or a rate plan change

Customer service: Customers are able to access a carrier service center, but

- Are dissatisfied with the lack of substantive response from the call center
- Found the instruction or advice to be inconsistent from one issue to the next
- Experienced other call center related issues

Miscommunication: Various situations where the customer believed that the carrier

- Acted deceptively
- Misinterpreted the terms of the contract

The complaints were dispersed across the US in proportion to state populations. That suggests that this is a widespread and consistent issue, not an issue related to only one carrier or to a specific region.

Tuned your car lately?

Not many people fix their own cars these days. Engine tune-ups and many other necessary tasks have become too complicated for most of us to perform, or we have better things to do with our time. Payroll and freight bills are both good examples of tasks that companies once managed internally, but now often get outsourced, and with good reason. The changes, variables, and regulations involved with each are too complicated and numerous for any but the largest companies to keep up with.

Wireless plans certainly fall into this category. Many people struggle to understand the difference between pooled and shared minutes, or believe they are the same thing, and this is only one of many issues.

To further complicate matters, it does not appear that the number of “new plans” being introduced by the carriers is slowing down. But which plan is the right one? And who do you ask if you can’t be sure that the advice you get from the individual carrier is even accurate?

So what can a company do TODAY to manage this issue?

Managing wireless invoices and plans is a task where outsourcing is likely the right answer. Not many companies can pay to have an individual or team on staff that can:

- ▶ Keep up with the monthly plan changes introduced by the carriers
- ▶ Understand the detail on the bill they receive
- ▶ Audit every bill to find errors
- ▶ Audit the next bill to ensure that plan changes and errors found during the last review have been correctly executed
- ▶ Make the right changes to individual plans within the company to reduce and optimize communication expenditures.

Most company's demographics and customer base evolve over time. It is important that companies monitor the resulting change in wireless use to assure that costs remain optimized.

Here are a couple real time, real life examples:

A very large construction company with over 1500 cell phones found it unproductive to pay an employee to audit and manage phone bills and programs on a monthly basis. Wireless was a small percentage of their overall expense and if some one needed a cell phone on a multi-million dollar job, they just added a new cell phone!

The Bill Police, a wireless services cost management company did an analysis of the company's phone use and their phone plans. They then proposed and implemented changes that will save the company over \$250,000 this year in hard cost; over \$100,000 in soft costs by reducing personnel who worked on the bill internally. The proprietary software used by the Bill Police makes it easy for their analysts to find the savings and provide a simplified bill and other helpful management data to the company. The Bill Police performs the audit/analyze/propose/correct process monthly, and expects the savings this year to grow as they "learn" more about how the company uses wireless.

As with payroll and traffic bills, this seems to pay dividends for smaller companies as well. Another company with 37 phones became a Bill Police customer 15 months ago and saved over \$15,000 the first year. They like the fact that the monthly service makes sure that their cost does not get out of hand again.

Most importantly, as with most good outsource companies, The Bill Police is not affiliated with a specific wireless provider so their analysts can be an objective proponent for their customer.

Summary

Wireless communication as a percentage of the total communication in business will continue to increase. Not only because of voice, but due to the rapid growth of internet access by mobile workers and the emergence of data upload and download applications, etc. Whether you chose a company like The Bill Police or you do it yourself, be sure you

- Monitor the programs and special offers that your carrier, and others, introduce each month to ensure that your people are always on the right plan
- Have someone who really understands wireless audit your bill EVERY MONTH for errors and accurate reflection of plan changes you requested.
- Watch for trends that indicate a shift in how your employees use wireless, and adjust your plans accordingly to optimize your expense.

Wireless is a new but very necessary expense. With informed and effective management you CAN materially improve your return on this investment.

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