

## Are You Billing-Error Prone?

*10 questions to ask when you consider a telecom audit*

**by Henry Dortmans**

from *Telemanagement* #202, February 2003

*(This was one of the first "On the Line" columns I wrote for Telemanagement, six years ago. It is even more relevant today.)*

Business telecommunications grows more complex every day, so it isn't surprising that billing errors occur. Suppliers are downsizing and cutting every possible corner, so they seldom catch the billing errors they make.

That leaves you holding the bag. If you don't protect your organization against incorrect billing (which always seems to mean over-billing — isn't that strange?) then no one else will.

Is it worthwhile to audit your telecom bills? No one can say for sure in advance, of course, but we've prepared 10 questions that help us determine whether a client may be "billing-error prone." If you answer "Yes" to the first question and "No" to two or more of the others, you should consider conducting an audit.

1. **Do you have an active telecom environment with frequent changes?** The more often you move, reorganize, upgrade, add, or remove lines and equipment, the greater the chances that billing errors will appear.
2. **Are your records complete and up-to-date?** Your organization probably has a comprehensive list of its office furniture — but do you have a complete inventory of all telecom equipment and services? If you don't know what you're paying for, you're probably paying the wrong amount.
3. **Have the same people remained in charge — both in your organization and at your suppliers?** No matter how good your records are, some important information will exist only in the heads of the people involved. When people change jobs, their knowledge often goes with them, leaving behind critical gaps.
4. **Do you receive one consolidated bill from each supplier?** You may have many sites with separate bills, or separate bills for different services at one site, or both. The more bills you have, the greater the opportunity for mistakes.
5. **Is one department in control?** Often every site makes its own decisions and places its own orders, which ensures that in most cases no telecom expertise is applied. Or you may have totally separate groups handling voice and data. You don't necessarily need a central bureaucracy to check every telecom order, but if no one has overall responsibility, changes can get out of hand.

6. **Are operations and accounting closely linked?** This is a special case of the problem identified by Question 5, and is possibly the single biggest source of billing errors. To protect against billing errors, you need to have a consistent closed-loop procedure which ensures that every phone bill is checked against the orders and the actual work.
7. **Is your accounting department confused by telecom?** One of the most certain warning signs of billing errors is an Accounts Payable group that doesn't even try to understand — they just pay the bills, and make whatever adjustments the suppliers ask for. A few hours spent educating your own accounting department is usually a worthwhile investment. But you must also check for past errors that still cost you on each month's bill.
8. **Have you had a complete telecom physical in the past two years?** Even in the best-run organizations, it's a good idea to regularly check the paperwork against reality. Unfortunately, it's getting harder and harder to find suppliers who have the time or inclination to do a complete physical check. And even if they're willing, they may not be able — in recent years there has been a distinct decline in the skills of suppliers' telecom technicians. A physical check will require you to coordinate the efforts of multiple suppliers — it's not easy, but it's essential.
9. **Do you get all your equipment and service from one supplier?** If you have only one supplier, and you aren't getting competitive bids, you're probably paying too much. But when you have more than one, errors frequently appear at the interfaces, the equipment and circuits that join them together.
10. **Do you have a defined process for administering telecom contracts?** There's probably someone responsible for administering your contracts for office cleaning, and coffee machines, and the like — and just as likely, telecom-related contracts are renewed automatically with no review whatsoever. Rental prices are multiplied by inflation-factors that have no relationship to reality; maintenance contracts include equipment that no longer exists — the possibilities are endless.

To repeat: if you answered "Yes" to the first question, and "No" to two or more of the others, a comprehensive telecom audit would be a good idea.

But an audit, no matter how it turns out, is only the first step. Our 10 questions should also lead to a review of your telecom management operations — and to changes that will reduce the danger of billing errors in the future.

---