

## Wireless Costs: Detached From Mainstream Cost Containment Processes

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*July 12th, 2010*

A category of spend with the highest probability of achieving savings is Telecommunications. The primary reason is that individuals managing Telecom expenditures are usually technical specialists without experience in strategic sourcing or possessing an intimate knowledge of telecommunications billing practices.

Effectively managing wireless expenditures can be the most daunting. Wireless Services have the following characteristics:

- Each voice/data line plan has a separate individual 1, 2 or 3 year expiration date
- Without proper management tools, unchecked user behavior will quickly erode anticipated savings
- Unlike most wireline carriers (i.e., ATT, Sprint, Verizon), which frequently demonstrate very competitive pricing, most wireless carrier's pricing tends to be similar in unit costs, equipment provided and associated discounts
- Porting wireless voice and data services between carriers can be challenging
- It is very difficult to properly manage plans and optimize services as carriers typically provide minimal useful and actionable billing information

The following is often true for Wireless Services:

- Inefficient usage plans caused by explosive growth
- Significant payments for lines with little or no use
- Overpayments for excess capacity
- Decentralized ordering and billing
- Billing errors - rates are variable and negotiable, details are overwhelming
- Corporate users create churn when comparing existing business services to the consumer “deal of the day”

Solutions include:

- “Right-sizing” plans based on accurate organization needs and usage patterns, revised regularly
- Improved contracting: negotiating, implementing and monitoring a master contract that takes into account the service requirements across all facilities
- Adjustable rate contracts based on continuously updated industry price benchmarks
- Ongoing audits of telecom billing at the line-item level
- Developing a cogent wireless policy with approval processes
- Consolidating from multiple to no more than two suppliers; better discounts
- Consideration of resellers or consortium solutions

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**Paladin Associates Inc.** a Sourcing Cost Reduction firm, offers multiple-commodity sourcing expertise, with a unique emphasis on Telecom and is able to help clients quickly find savings for the most challenging telecom categories including Wireless.

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