

## Billing Management can help companies reel in wireless savings

**By David Wise and Kevin Whitehurst, mindWireless**

Faced with the current economic climate, many organizations are searching for ways to reduce costs across the organization. Managing the costs of wireless services has been proven to deliver sometimes huge cost savings.

Billing management and optimization are the most effective methods for driving costs down, even beyond negotiated corporate discounts. Bottom line, if you manage your billing smarter, significant savings (20-40 percent) can be achieved.

Most organizations have not taken advantage of the cost savings available to them through wireless cost management simply because they lack tools and staff. With sophisticated software and a highly analytical staff, an organization can manage the billing process more effectively and efficiently.

So, why have organizations not taken advantage of this cost savings? Two reasons: First, only in the last few years have wireless carriers had the ability to produce time relevant electronic data to analyze. Second, five years ago, most organizations had very few wireless phones.

Today, organizations have two options for managing their wireless costs:

1. Develop systems and staff to insource wireless cost management
2. Outsource wireless cost management to a 3rd party

### Requirements for Insourcing

First, an organization must hire a staff that can manage high level analysis techniques such as predictive statistics and variance testing as well as working knowledge of databases. These are some of the basic skills needed to take a historical series of data (6-9 months) and predict the minutes your wireless end users will use in the future.

Along with a statistical / analytical background, the individual must have an intricate knowledge of the wireless industry, the carriers and their billing structures. Insight into billing options and techniques will lead to a good analysis, producing deeper savings.

Secondly, an organization must either procure or develop an application that measures and optimizes monthly billing for their wireless users. With millions of data points produced monthly from the carriers, a sophisticated database will be needed to warehouse the data, such as Microsoft SQL or Oracle. Importing capabilities must exist for each wireless carrier as well as an analysis engine that can adapt to the differing billing methods of each carrier and account for the ever changing billing models.

The decision to insource such a task is difficult as it involves risk. Will the cost savings benefits cover the staffing and development costs? How long will it take to hire staff and develop or procure a system to analyze

wireless costs? What is the return on investment and when will it occur?

### Benefits of Outsourcing

Outsourcing wireless cost management involves hiring a third party organization to gather monthly wireless billing information, analyze the bills and manipulate the wireless billing to achieve the overall lowest price -without changing the carrier or how the end user utilizes the phone. An outsourcer may also take on services including carrier negotiations, contract execution, procurement, escalated help desk, cost allocation, and asset management.

When deciding whether to insource or outsource wireless cost management, consider the advantages for outsourcing:

- **Resources and Systems** - Leverage the staff and systems of wireless cost management outsourcers to produce significant savings without taxing your own.
- **Quick Results** - With staff and systems in place, savings can be realized quickly.
- **Customized Reporting** - Cross carrier reporting and customized reporting is available to meet the needs of an organization. If a centralized bill is in place, reporting capabilities can be used to create allocations for accounting, down to individual line usage.
- **Reduced Risk** - Wireless cost management outsourcers often guarantee their fees, guaranteeing that savings will surpass a multiple of costs, lowering an organization's risks.
- **Focused Expertise** - Most wireless cost management outsourcers have technical expertise, deep industry knowledge and analysts that watch the market continuously. Clients can benefit from their focus and knowledge.
- **Removes Administrative Burden** - The daily burdens of wireless administration can be removed by outsourcing the tasks of bill auditing, credit resolution, monitoring, and dealing with employee problems that arise.

### Consider the Achieved Savings

mindWireless has worked with several clients to prepare business cases, customized for their organization, on whether or not to outsource wireless cost management. Time after time, outsourcing proved to be the more efficient option, providing faster realization of savings, and greater total results. Savings over a 3 year period were 24 percent higher and the net present value of the project value was twice that of a client-developed and staffed system.

When debating whether to insource or outsource wireless cost management, consider the costs of achieved savings, the actual costs savings received less the cost to get the savings. Think long and hard about the required

expenditures to build a system and to hire the analysts and managers versus the cost to outsource your wireless management to a provider with proven technology, analytics and expertise. The choice is yours.

**About the authors:**

David Wise and Kevin Whitehurst founded mindWireless in 2002 following successful careers at Andersen Consulting. mindWireless, based in Houston with offices in Dallas and Chicago, delivers total wireless management and outsourcing services. Visit [www.mindwireless.com](http://www.mindwireless.com).

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