



“Cutting Business Expenses – A Telecommunications Overhaul”

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If your business is involved in a turnaround process, or you need to save money for some other type of emergency, you can consider a communications overhaul. This is possible because the telecommunications configurations (data, voice, other) of most medium-sized businesses over time tend to become disorganized.

Although some businesses keep their telecommunications functions well organized, most are in disarray and a significant amount of savings can be realized quickly by performing a quick overhaul.

If your company has a PBX telephone system with a lot of incoming lines it is a good bet that these lines are not being used optimally. With the recent increase of alternative forms of communication, it is likely that some of the capacity associated with those lines is being wasted.

Many of those telephone lines that come into the PBX are likely being used by the customer support and customer service departments, but staff members likely use other methods of communicating such as email, personal cell phones, among others.

Your job is to identify this unused capacity and disconnect those resources associated with it. The trick will be not to get too involved in the process.

With any revamp of technology configurations, there will be possible many long-term improvements and a few highly productive (in terms of cost reduction) changes that can be made quickly and easily.

For example, if you have a PBX and it is maintained and programmed by an external company. Suppose you bought it from a telecommunica-



tions vendor and they programmed it initially, and your local Information Systems department performs minor maintenance but nothing complicated; maybe they program telephone extensions and manage simple call groups or some other superficial function.

Although you may believe that your local support people have been keeping everything optimized, this is hardly ever the case due to the complexity of telecommunications systems and the large number of changes in a typical business.

To get a quick cost reduction, bring in the vendor of your telephone system and have them perform a quick resource evaluation to determine any optimizations that can be made.

The process can be messy because you will be working from two sides. On one side, you have the actual phone system and the physical lines and other resources; on the other side you have all of the monthly bills from the telecommunications provider.

The other aspect is the actual business environment and what it requires in terms of resources. This is the part that can get more complicated, but there may also be some savings there as well.

Usually, matching the requirements of the business environment to the resources is a long drawn out process because it must take into account business growth and other factors.

Your primary goal during a turnaround is to identify the quick cost reduction items, so you can make a note of these longer-term action items, but stay focused on the simple tasks now.



To illustrate this process, I am going to give you a simple example, and in this example, I am going to only tell you about one aspect of the many things that were evaluated.

Our goal was to optimize the telecommunications processes in the company and to reduce short and long-term costs. Although we investigated various aspects of the voice and data configuration, I will focus only on the voice situation we encountered.

Our first step was to identify the physical telephone lines the company was paying for. We gathered together the various monthly statements for these lines. Upon reviewing them, we discovered that the company was paying for approximately 70 incoming physical lines (voice/fax/other).

This particular telephone system had about 40 lines coming in and there were several fax machines located throughout the two main office buildings, along with some other individual lines that were hooked to various telephone management programs, but the other lines listed on the statements were a mystery.

After a thorough investigation and search, we determined that the remaining lines were being paid for but not being used anywhere. They had been installed over the years for various reasons but had somehow never been disconnected. They simply terminated at the wall, and were still carrying a signal, but no device was hooked up to them. And they were still being paid for!

The total savings on these lines alone translated to several hundred dollars per month, and thousands per year.



We also determined a better way to optimize resources on the telephone system, and we were able to eliminate several more lines right away by evenly balancing the overall system call load.

We ultimately installed a new phone system, but that came many months later in the overall process. I use this example to illustrate the extreme savings that may be lying just under the surface and easy to find.

You can also work with vendors to obtain volume discounts and term agreements for further savings, but these also are longer term and beyond the immediate cost reduction goals of a turnaround.

Another thing you can do for quick savings in the telecommunications area is to terminate any cell phone accounts that are being paid for by the company.

Even though most will be on a term agreement, you can still save by terminating them early and stopping all activity on these accounts. This will return transparency to the process and eliminate a big expense. It will also put a stop to a lot of personal phone calls and texting, along with the time wasted.