

# Tips for Telecom Cost Optimization

## TIP #1

### Remove Carrier Mobile Device Subsidies

Carriers want your minutes, not your devices, and are willing to provide you much better rate plans if you free them from being a hardware middleman.

#### Reasons to take action

What's the price of having your device costs baked in with your monthly plan? As much as \$25 per month, per line, per device. For enterprises with thousands of mobile devices, that's a hefty convenience fee.

#### Actions to take

- Uncouple device rentals from your rate plan and unlock savings up to six and seven figures
- Remove carrier device subsidies

## TIP #2

### Implement "End of Life" Mobile Device Plans

Many enterprises continue to lose thousands of dollars paying monthly service fees for devices no longer in use. But that's not all - you will need to watch the monthly service plan, too for end of life device subsidies. Large enterprises frequently pay more than \$2,000 for \$599 smartphones because the carrier does not stop billing for the subsidy after fully paid.

#### Reasons to take action

Avoid wasting thousands of dollars paying monthly service fees for devices no longer in use or fully paid off.

#### Actions to take

- Implement "end of life plan"
- Keep close track of the device pay-off dates
- Monitor monthly service plans

Large Enterprises  
End Up Paying:

3.33x more

## TIP #3

### Watch the Telecom Regulatory Fees

In the year 2000 the Universal Service Fee was only 5% of applicable spend. In 2022 this same contribution rate is up to 33% ...a 400% increase! Telecom regulatory fees and taxes such as the USF fee, property tax, cost recovery fees and administrative expense fees should all be audited frequently to identify savings opportunities.

Universal Service Fee  
(Percentage of Applicable Spend)



#### Reasons to take action

On average enterprises commit over 40% of all telecom expenses to taxes, fees, and surcharges. This presents incredible savings opportunities!

Expenses Committed to Taxes, Fees, And Surcharges

40%

#### Actions to take

- Review accuracy and applicability of USF, recovery fees, property taxes, and tax exemptions
- Establish approval and filing process; create implementation plans
- Engage with professionals to take advantage of regulatory changes and technology evolution that can reduce or in some cases eliminate your company's tax and fee burden

## TIP #4

### Use a "Top Expensive Users" Report

A top 10 most expensive user list will increase awareness of how mobile usage affects budget.

#### Reasons to take action

Increase awareness of how mobile usage affects the budget. End users will not want to show up on this list and will change behavior to avoid appearing on it.

#### Actions to take

- Create and use a top 10 most expensive users report
- Implement a reward system (for example: free company t-shirt for lowest cost user)

## TIP #5

### Use a Mobile Expense Management System Other Than the Carrier Portals

#### Reasons to take action

Don't depend on your carriers' systems. Accurately allocating mobile expenses across a large enterprise is a big challenge and the temptation to "let the carrier do it" is understandable. However, it is wasteful both in terms of manpower and opportunity costs. If you leverage the carrier systems only it will limit your ability to pool data effectively; waste time by duplicating processes across carriers; and require manual, time consuming carrier system updates.

#### Actions to take

- Leverage a Mobile Expense Management platform with carrier and enterprise system (HR, ITSM, ERP) integrations
- Ensure a thoughtful implementation to maximize automation and spend visibility
- Regularly review the data to thoroughly optimize the environment for cost takedown
- Setup end user campaigns for spend awareness and zero use device suspensions

## TIP #6

### Tie Your Mobile Inventory to Your HR System

There should be two-way integration between your HR system and your mobility inventory. When someone leaves the company, this will ensure that HR has accurate information as to what assets they have, so that devices can be collected and services can be suspended or terminated. Zero-use service lines are a considerable source of waste within most mobile environments; Why wait until several months have elapsed to determine that the line is no longer in use?

#### Reasons to take action

Ensure HR has accurate information as to what IT assets they have, so devices can be collected and services can be suspended or terminated.

#### Actions to take

- Implement a two-way integration between your HR system and your mobility inventory

## TIP #7

### Use Travel Platforms to Reduce International Roaming Charges

#### Reasons to take action

By integrating with a travel platform, your managed service provider knows which devices to put onto international roaming plans as well as the trip start and end dates so that the plan can be changed after the trip has concluded. Extra bonus points if un-billed usage and MDM can be leveraged to provide ancillary sources of information regarding international roaming.

#### Actions to take

- Integrate your mobility platform with a travel platform
- Leverage un-billed usage and MDM data to provide ancillary sources of information regarding international roaming

## TIP #8

### Pay Your Invoices On Time

#### Reasons to take action

Late fees are 100% profit for vendors who have been increasingly aggressive in applying and sustaining late payment fees. The resources required to dispute and recover these fees are substantial and significant.

#### Actions to take

- Ensure your payment process is flexible and efficient
- Utilize a third-party vendor specializing in invoice processing and payment
- Obtain supply chain financing, if available from your payment vendor, to extend working capital and pay bills on time
- Negotiate longer terms for payment or a late fee waiver

## TIP #9

### Care About What Others in Your Industry Are Paying

#### Reasons to take action

Ensure you are not paying over market rates by regularly engaging in a benchmarking exercise. Too often a vendor will offer a reduction at renewal that appears to be both attractive and rewarding but it may not be as low as the market has already driven the prices.

#### Actions to take

- Maintain an accurate and reliable inventory of services
- Ensure availability of the data for sourcing and quoting events
- Access third-party toolsets such as FiberLocators
- Regularly quote services during ordering
- Obtain third-party benchmarking data during sourcing events

## TIP #10

### Avoid the Tariff Trap – Pre-Negotiate a Gap Credit

#### Reasons to take action

If a vendor does not approach you in a timely manner for renewal, or you simply start negotiations too late to avoid having rates revert to tariff, obtain buy-in from the vendor that they will provide a credit back to the expiration date of the previous contract.

#### Actions to take

- Keep track of your contract renewal dates
- Set system to remind you well in advance of renewals so you are not rushed in negotiations
- If you do move to tariff, reach out to your vendors immediately and negotiate a gap credit

### Meet the Integrated Platform to Manage All Your Communications Services

Every enterprise works to maximize cost savings opportunities wherever possible, but going at it alone can make the journey feel like an uphill battle. At Sakon, we help lighten the load through unmatched expertise, personalized support, and tailor-made solutions.

For more information on how Sakon can help your enterprise reduce its Telecom spend, schedule your free demo and value assessment today. Together, we'll work to pinpoint the areas where we can help, and develop a sound game plan that's tailored to your needs.

Start Your Demo

sakon

