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# White Paper

Telecommunications Expense Management - UTR Global Corp

New Jersey Energy Company

2008

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# Past

## Excel, Paper Bills and Headaches

“ABANDON HOPE, ALL YE WHO ENTER” - DANTE

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This New Jersey Energy company has revenues exceeding \$6 billion per year, locations in almost every country and employs over 22,000 people world wide. The North American operation is responsible for \$32 million per year in telecommunications expense - voice, data, wireless and audio/video conferencing. The company uses 28 vendors to facilitate telecommunications services for the organization. Equipment and services are managed at a high level in a couple of databases and analyst's spreadsheets. Internal AP and Accounting standards dictate that all charges must be assigned to a cost center and general ledger code prior to processing. Paper bills are received almost every day of the month. They use excel to manage the billing.

### I'm Drowning

The vendor management people barely had time to meet with us. Their day was filled with receiving paper bills, coding the charges in excel, attempting to track payment and billing issues with the vendors, and trying to get cost centers from various departments that had ordered service. Looming over their heads was the 22 day countdown to get all the bills coded and paid before it all started up again. The group never had any time to follow-up on getting the proper credits for service changes or to reconcile the charges for determine billing accuracy. When a Department Manager in the organization asked for a report on his charges it was a mad scramble to compile the information from various sources and it often fell short of answering the question - “What am I being billed for?”

This company like most lacks the resources, the tools and experience to do a proper job of telecommunications expense management. Billing errors were festering on the accounts month after month because there was not enough time and expertise to isolate the areas, the company was paying over \$30k per month in late fees because the bills were processed manually, opportunities to optimize billing were missed due to lack of experience and analytical tools and the business intelligence that is associated with the billing data was never distributed to managers that could have monitored the expense against a budget. The cost impact to the organization was anywhere between 12-15% higher than necessary.

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# Present

## Centralized Repository, Vendor Portals and 1 Hour Lunches

“GOOD DAY SUNSHINE” - THE BEATLES

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Nobody likes transitions. But it is a necessary activity in the business cycle to improve, update and make more efficient your function in the company - how else do you get a different result. The definition of insanity is doing the same thing over and over again all awhile expecting a different result. Change is good.

### Help is here!

The first activity UTR did for this organization was to perform an audit on every vendor bill. All billing was considered incorrect until proven correct by UTR's audit practices and standards. The audit found a number of issues: contracts, optimization, network migration problems, tariff and wireless plan issues. The results of the audit produced a \$654,000 refund check for historical billing errors and \$29,000 per month in savings and optimization. As each vendor was audited and corrected, the UTR Team implemented the vendor bills within the Financial Telemanagement System (FTS) along with the company information of employees, cost centers, locations and GL codes and began the process of Telecom Expense Management.

With all of the telecom bills error free and in the FTS centralized repository, the UTR team hit the vendor portals everyday to download the billing. Once downloaded the billing was imported into FTS and put through a rigorous and automated reconciliation process whereby all charges were checked against contracts, tariffs, rate schedules, tax categories and wireless plans. All errors were flagged for investigation and sent to the vendors for resolution - directly from FTS so that tracking the correction was built-in. Cost Center and General Ledger Code assignment to itemized vendor bill charges was easy to perform. UTR used our standard HR file interface to import all employees and their cost centers so that our allocation file was always up-to-date and the audit mapped all billed charges to the proper General Ledger Code. With the company info and vendor billing entered in this single, dynamic FTS system getting accurate reporting (business intelligence) to cost center managers was an easy task confidently performed with a few key strokes. UTR was saving time and money for this organization - as well as fulfilling their new found corporate obligation of fiscal responsibility and compliance with Sarbanes-Oxley.

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# Future

## Endless Possibilities

“THE BEST IS YET TO COME” - FRANK SINATRA

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This organization (like most) hit a home run by implementing a better solution to manage their telecommunications expenses. The savings from the initial audit propelled forward a self funded solution to implement the vendor bills within the FTS system for management. The company realizing that they specialize in the Energy sector decided to have UTR provide a managed solution - meaning it would be UTR's responsibility to process all vendor bills, track credits, right-size and analyze all charges, deliver accounting downloads to AP /Finance for payment and cost allocation and UTR would interface with the users to provide reporting and answer any questions regarding the charges on the vendor bills.

### **A Good Place to Be**

Inventory Management, Desktop Management, Centralized Service Orders, Call Usage Processing, Self Serve Reporting, Budget Tracking, Project Planning... are just a few jump off points that a company can easily transition into an existing and successful Telecom Expense Management System and Process. As a company implements all or some of these related activities into the FTS system and expense management process, added benefits and savings become apparent immediately. Automation and Business Processing Management are the essential keys in bringing groups of people together, who are responsible for pieces, to focus on the whole - running telecommunications efficiently and productivity and spending not a penny more than you have to!

In this project the people - the same that barely had time to meet with us - have also transitioned. Today, they are much more engaged in their roles and functions in the company. The staff is proactive instead of reactive. They are working within a process which makes them contribute to the greater good of the organization. They are better employees and the company is a better place.

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# Financial Facts

“JUST THE FACTS JACK” - BILL MURRAY

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- Audit produced a \$29,000 monthly savings. Every month - \$29k eliminated from billing.
- Audit produced \$654,000 refund check. Took 4 months to complete.
- Wireless quarterly optimization 4-6% reduction in charges (\$5,400 per quarter).
- Consolidated vendors from 28 to 19 vendors reduced 10 FTE hours per week.
- Consolidated vendor accounts from 1974 to 875 accounts reduced 15 FTE hours per week.
- Automated reconciliation reduced 30 FTE hours per week.
- Eliminated late fees on vendor bills - savings \$30k per year.
- Automated Cost Allocation reduced 2 FTE hour per week.
- Automated Cost Center assignment reduced 5 FTE per week.
- Automated Reporting reduced 5-15 FTE hours per week.
- Streamlines Billing disputes reduced 4 FTE hours per week.
- Supported Contract Negotiation with accurate data .5 - 1.5% reduction on overspending.
- Audit and TEM Implementation completed in 5 months.

For more information on this Case and UTR's TEM services and solutions, please contact:

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