

Reducing Cellular Telephone Expenses:

Simple Changes Can Mean Big Savings

The key to effectively managing cellular costs lies in accurately identifying the usage needs of individuals and groups. These needs may be related both to how each user conducts business, as well as the appropriate communications requirements for accomplishing user-specific tasks or functions.

Identifying opportunities for savings in this area of administrative expense can be as simple as running a cursory check on usage versus plan limits and features, although fine-tuning the details may require more expert assistance.

The following are **RED FLAGS** for savings opportunities:

Overages – this is clearly the most common source of cellular cost abuse as excess usage (above and beyond plan minutes) can easily turn a \$60 monthly charge into \$200 or more. If a user regularly exceeds their plan minutes, the plan needs to be revised to accommodate the user's actual activity. If a user exceeds plan minutes only occasionally, or even just once during a calendar year, the excess charges will likely result in costs far greater than the expense incurred by moving up to a higher usage plan. In addition to excess regular minutes, overages can also come in the form of roaming or long-distance activity. Again, plans should reflect realistic user activity.

Unused phones – an unused phone creates expense, but offers no productivity. Unused phones may be due to inactive or retired employees, users having multiple or substitute devices, or a user's preference for other means of communicating and conducting business. Regardless of the cause, an unused phone means unnecessary expense; furthermore, these expenses can be significant when considering

larger corporate environments in which there are greater numbers of employees, increased turnover and more intra-organizational relocations.

Right-sizing – while an under-used phone will generally not incur the kind of excess expense seen with overages, it still represents unnecessary expense. A 2000-minute plan for a 250-minute user that never approaches or exceeds the plan limits should be appropriately adjusted.

These next two items represent areas for savings opportunities that require a little more attention to logistics, but can result in meaningful expense reductions:

Pooled Plans – these plans provide for a shared pool of minutes for multiple users. For example, a plan offering coverage for 5 users at 500 minutes each provides for a total of 2500 minutes. Pooling minutes mitigates the risk of overages, as any one user's excess can be offset by all other users' shortages. While pooled plans are offered by all cellular providers, they are not always published, so it is in your organization's best interest to inquire as to each vendor's plan requirements. For instance, each vendor may require a different minimum number of users in the pool, and will offer varying levels of pooled usage.

Special Features – voicemail, caller ID, rollover minutes and text messaging are some of the more common special features offered by providers. All plans should be carefully reviewed to determine which users require or depend upon which features, and how the costs of these features impact total billing. Rollover minutes are most effective when users have erratic activity, or experience seasonal or isolated variations in usage.