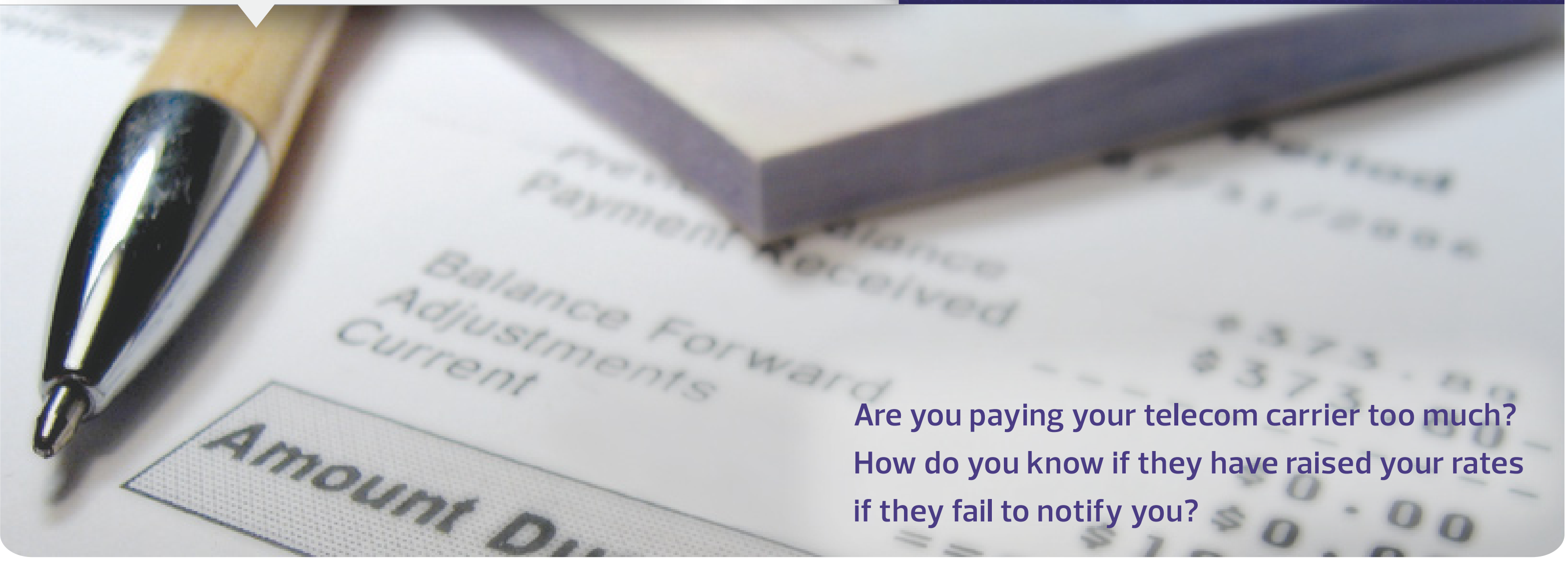
Case Study: Telecom Billing Error of $11,000 Discovered by OfficeWatch

METROPOLIS



Are you paying your telecom carrier too much? How do you know if they have raised your rates if they fail to notify you?

Business managers and owners frequently complain that their companies have been overcharged by their telephone carriers. A specific rating plan is initially negotiated and implemented, but then changes after a period of time has elapsed. An Aberdeen Group report found that companies that do not arm themselves with a call accounting or telemanagement system can lose up to $8 million per year in carrier rate increases and errors. Additionally, the Gartner Group reported that 12 to 20 percent of corporate telecom charges are in error, and 85 percent of such errors are in the carrier's favor. Telecom billing errors also place corporations in danger of non-compliance with the Sarbanes-Oxley Act, which requires companies to accurately report operating expenses.

The Challenge:

After a period of four months, a legal firm realized a significant amount of lost revenue due to telecom billing errors. This firm had been conducting business as usual and did not immediately notice that their carrier had suddenly raised their phone rates, leading them to pay significantly more for their telecom usage than in previous months.

Because the firm bills telephone calls back to its clients based on a specific rating plan, they were notified of the error when a client received his monthly bill from the firm and complained. Embarrassed by the mistake (which also put the relationship with their long-time client in jeopardy), the firm embarked on a quest to find the cause of the error.

The Solution:

The firm decided to implement OfficeWatch, a software-based call accounting and tele-management system that would be able to help the organization identify the problem. After collecting phone data for several days, the staff ran a phone bill reconciliation report and immediately found the cause of the issue was that their carrier had indiscriminately raised their rates without prior notification. In total, the firm had lost $11,000 over a period of four months due to the rate increase, as well as additional $12,000 from writing off the majority of their client's bill in order to maintain a positive working relationship with him. Fortunately, because OfficeWatch was able to accurately identify the exact amount the firm had been overcharged, the firm was able to contact their carrier and negotiate a lower rate, as well as have $9,000 credited back to them, bringing their total loss from $23,000 to $14,000. The firm now uses OfficeWatch's phone bill reconciliation report on a regular basis to ensure they are being billed correctly by their carrier. Additionally, OfficeWatch is used by the firm to bill their clients for phone consultations and calls made on their behalf. OfficeWatch calculates the charges and then exports the amount to be billed to the firm's billing/invoicing program.

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