

# Business Report

## Telephone Bill Auditing

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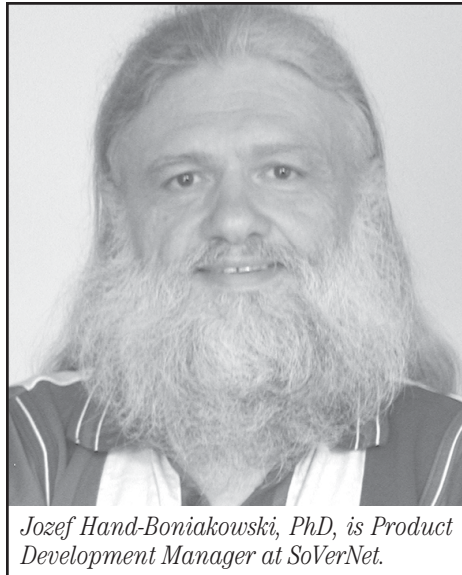
Every year, Vermont businesses lose thousands of dollars to unsuspected local telephone-bill overcharges and uncollected refunds. The Federal Communications Commission (FCC) estimates that 70 percent of all business phone bills contain errors. Eighty percent of these in turn, contain errors that favor the incumbent, that is the local telephone company. Businesses are losing money because they do not know that these errors exist, nor are they aware how prevalent the errors are. These errors have a dramatic effect on the businesses' positive revenue stream. The leak, however, can be plugged.

Plugging the leak means re-evaluating the priority a business places on detecting telephone billing errors. Businesses are well advised to have a telephone audit performed once every two or three years. Businesses that have never had a telephone audit done can do themselves a favor by requesting one. A telephone billing audit goes a long way toward detecting errors. The choice for a business is to have an employee learn how to read the records and then try to determine what is a good competitive rate for dial tone, long-distance traffic, and data.

Alternatively, the company can choose a telecom professional to review the records and their needs. The majority of professionals and businesses do not have time in their busy monthly schedule to spend two or three hours digesting the myriad of pages in their telephone bill. As one local business put it, "I sell fish. I don't do phones." The shortage of time in today's business environment and the increased demands on small businesses have allowed errors in billing to occur, month after month, year after year.

The lack of attention or interest in understanding telephone billing costs businesses thousands of dollars each year. There is a solution for the small business owner or large corporation with limited time and expertise. That solution is the telephone audit.

Telephone bill audits can be conducted by Competitive Local Exchange Carriers (CLEC), such as SoVerNet. A CLEC telephone billing audit offers the business a good chance of recovering incorrect billing and overcharges, thus reducing future costs. It also allows the



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business owner to continue to focus on their particular business while a third party evaluates the telephone costs.

CLECs are good independent resources for verifying Regional Bell Operating Company (RBOC) and Incumbent Local Exchange Carrier (ILEC) billing. RBOCs are one of the seven United States telephone companies that were created as a consequence of the break up of AT&T. In Vermont, that is Verizon. An ILEC is a telephone company that was providing local service when the Telecommunications Act of 1996 was enacted. In Vermont, ILECs include the independents such as VTEL (Vermont Telephone Company), Champlain Valley Telephone Company, and Shoreham Telephone Company. There are others. To complicate matters, Verizon is both an RBOC and ILEC. The short of it is, if a business has a choice of telephone companies for local service, then they might consider calling upon the default telephone company's competition to perform an audit. If the audit proves that a dramatic savings in telephone expenses can be realized, then a strong case is made for switching telephone companies. In most cases, a business will be able to keep the same telephone numbers. In Vermont, Verizon is the biggest local telephone company though, as mentioned, there are smaller independent phone companies scattered around the state.

Most CLECs are more than happy to provide free telephone audits for obvious reasons. There is nothing to lose and, potentially much to gain on both sides. SoVerNet, for example, (a Bellows Falls-based CLEC) provides such audits, educating the business consumer without cost nor obligation.

It is common for businesses not to review nor understand the service agreement that they have signed with their telephone company. It is even more probable that businesses are unaware of hidden costs, overcharges and unnecessary features or products. One common billing error includes charges which no longer apply and/or are in error. The confusing nature of telephone bills makes it easy to overlook unnecessary costs. A good audit will spot and eliminate them.

Recently, a small Rutland County business discovered they were being charged for 1-800 telephone service for years without ever actually having signed up for it — nor wanting it. Another company was paying for calling features they did not need nor know they had. Then, there is the business that contracted to receive a lower rate 24 months ago, but did not have their telephone company adjust their billing accordingly. When the business contacted the phone company they were given a credit in excess of \$6,000. While some errors may be bold, as in the previous example, they are nonetheless easy to overlook. Many businesses that downsized over the past three years are still being charged monthly fees for lines that no longer exist. Other businesses that changed their locations have been known to inadvertently leave behind a functional line. Though having moved to the new location, the forgotten line at the old location manages to continue to find its way to the company's bill: payment due. The wonders of technology make it easy for the billing to continue.

Yet other errors include charges for no-longer-needed directory listings, surcharges that are no longer in effect, or third-party billing that does not show up as a detail on the monthly bills — all are easily overlooked. Simply put, with the complexity of calling features and other telephone options, mistakes in billing are common. This is why the phone bill needs to be scrutinized line-by-line, and some telephone companies do not make it easy. The good news is that most companies who perform a telephone audit save on average between 3 to 45 percent on their monthly phone charges. Telephone audits for business come highly rated. Free audits even more so. Any information obtained during the audit remains privileged and secure between the business and the company performing the audit. □