With the economic health of our country in question it allows us time to ponder how we spend our time and money. Our expenses both in our personal life and in business tend to increase during good times. The reason for this is largely because the cash flow is very positive so often times expenses receive less scrutiny than they should. There are several practical steps a telecom manager or CIO can use when they assess the expense health of their department.

1. Do an audit of all services – this audit should include an inventory of all contracts including equipment maintenance contracts, lines, circuits that are used for voice as well as those used for data, internet provider, wireless plans and all other monthly commitments. When you are complete with this audit your organization should have a better understanding of where your dollars are going on a monthly basis as well as the purpose of each line and circuit. You may also find that you don't use the internet to the full extent that you have purchased. You could be money ahead if you combined your telephone and data services into one circuit. These circuits are IP based and allow users to share the bandwidth for both data and voice purchases. If you have never performed an audit of these services the likelihood that you will find billing errors and waste is extremely high. It is usually time and effort well spent to conduct a full services audit.
2. Focus on Wireless spending – this is an area of spending that has ballooned over the last few years. With more users carrying PDAs and using text to communicate there are many ways that old plans just don't fit the profile anymore. Do an assessment of each user. Do not assume that what is working for Joe will be the same plan that Jane needs. Take time to assess the viability of key users going to shared minute plans. Further, some employees carry the phone just to have in case of emergency. Check with your provider to see what the options are for pay as you go minutes for users in this profile.
3. Equipment Maintenance – many times customers will enact a maintenance agreement and then change equipment but never go back to clean up the maintenance agreement. Some things to look at are the number of telephones that are under contract. Check the cost of used phones. It may be cheaper to hedge your bets and purchase a used phone when the current set fails than carrying maintenance on all of those endpoints. You also may find that your incident rate is low enough that maintenance on telephone sets is not a requirement. Be sure that the way your switch is built (for instance the number of line and station cards) matches the configuration you are paying for in maintenance. Check with the company that supplies your equipment to see what their policies are regarding service for maintenance and non-maintenance customers before ever getting rid of your maintenance altogether. Some company's have similar

response times for non-maintenance and maintenance customers but others do not.

4. Contracts for monthly services – at this time it will be particularly attractive to sign that long term contract to reduce monthly costs. However, a five year agreement with the way technology changes is a risk. You may find yourself stuck in the middle of a contract term unable to go anywhere. If there is no choice make sure that your contract allows for a technology out clause stating that you can change to a different type of service within that same company without penalty. Additionally, be careful to not let contracts expire to where you will be paying the highest rate applied from the carrier for these lines and usage services.
5. New Office – if this new office is a remote office or secondary location and it is in beta until it is proven to be a viable location look at using your existing telephone system and using a small number of IP phones controlled by your main telephone system before purchasing stand alone equipment for this location. Another alternative is to "rent" services from a hosted provider. This is a way to eliminate using a lot of your own capital up front while gaining many features at the remote location. It would be wise to reassess this location in no less than 1 year to ensure that you are not spending more money than you would have to purchase equipment. However, if the office folds then you are not out anything but your monthly spend with that provider and possibly some telephone sets that you can sell on Ebay or Craig's List.

In short, take the time now to assess what your monthly expenditures include. Do not take for granted that you do not have waste. The way you did business even 3-5 years ago is probably very different today.