



Finding the hidden savings in telecom (Telecom Redesign)

Most companies receive several calls a month or even a week from phone companies and vendors looking to sell better rates or new technology. If your company is like most, you are already familiar with how to reduce your telecommunications "cost per minute" and circuit costs; which are the common telecom measures of expense. But, outside of these surface costs, there is a hidden area of savings that requires digging a little deeper to review your telecom design.

You don't need to be a network engineer to review your telecom design; you just need to have some basic information. The first thing to understand is most businesses have relatively similar telecom traffic compared to businesses of the same industry.

It is safe to assume the following:

- Low telecom usage - business with mostly laborers or warehouse workers
- Medium telecom usage - business with mostly office workers of various positions
- High telecom usage - business with customer service or sales call center

Obviously the size of the company, the number of locations, the amount of international business, etc all plays a part in the telecommunications usage. What you might overlook is that in a typical business office, there are peak times of calling. First thing in the morning, before and after lunch, and end of the day, are examples of typical peak calling times.

Let's consider a plain ordinary telephone line that can handle one call at a time, which is capable of a maximum of 9600 business minutes in a month (60 minutes x 8 hours x 20 business days). It is highly unlikely you will get this amount of minutes directed to a single line. So, let's say a fair assumption would be about 5000 minutes. Taking these factors into account, you might want to consider a T1.5 circuit with 24 channels, which is often configured more efficiently for utilization and could handle 150,000 minutes across the 23 or 24 channels.

Keep in mind, when looking at your telecommunications bills; you are most often looking at the summary of your outbound minutes and not the inbound minutes. So, if you have 30 lines and only about 5000 minutes, you can safely assume you have some savings potential there.

How to review: Write down the total number of employees for your location, the total number of phone lines used for VOICE services, and the total number of minutes on your local and long distance phone bill. If you have 10 employees and 30 phone lines - you found savings. On a small office of less than 10 people it is often necessary to have a 1 to 1 ratio of lines to employees but the math changes for larger offices.

# employees	# minutes	# lines	probable design
50	10,000	15	fine
50	200,000	24	under trunked
50	20,000	45	over trunked

How does this save you money?

If you have 15 phone lines that are unnecessary, per month you could be overspending anywhere from \$20 to \$50 a line. (\$3600 to \$9000 a year)

If you have 45 POTS (plain old telephone service) lines that you are paying \$30 per line or \$1350, you could save money by installing a T1.5 circuit with 24 channels for \$450 and reduce your POTS lines to 10 or \$300. (Savings of \$9000 a year)

Other areas for Re-design

- Outside of reviewing the minutes to lines ratio, there are many other reasons to review design:
- implementing new VOIP voice internet protocol
- reviewing utilization of bandwidth for your data network
- Uncovering the unnecessary features charged on your various lines
- Discovery of "dead" lines or circuits
- Moving employees or offices
- Rightsizing lines per location

"The phone company is never going to call and tell you that you have too many lines."

