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best practices

Cost Cutters: Taming Your Business's Cellphone Bills

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By [Diana Ransom](#)

WANT TO SAVE MONEY on your wireless bill? Pick up the phone.

About 13.3 million wireless subscribers switched their phone number to another [wireless carrier](#) in 2007, up 30% over the year before, according to the Federal Communications Commission's most recent annual report on the state of the industry.

Of course, you don't need to switch carriers to lower your company's cellphone bill. The mere act of calling your provider and asking about a better deal can yield improved terms and price breaks — especially these days, says Paul J. Rauseo, the managing director of George S. May, a small-business management consulting firm in Chicago. "Thanks to the downturn, carriers are trying even harder to keep your business," he says. "They're offering shorter contracts, reduced rates. And free phones are pretty much up for grabs."

Not so long ago, those discounts and freebies were offered mainly to big businesses in exchange for signing lengthy contracts and purchasing hundreds — if not thousands — of handsets. Today, small companies can also lasso substantial discounts. Here are seven ways to curb your company's wireless bill:

Assess your company's usage

Gauge how many hours you and your employees talk on the phone, [send text messages](#) and surf the web, Rauseo says. This can be a complex process for businesses with multiple employees and multiple bills. Consider tapping wireless cost reduction firms that are paid based on how much they save you. Or, check out cellphone bill assessment [web sites](#) like [OnlineBillReview.com](#) and [Validas](#). For a fee of \$2.50 per line at Validas or 25% of your savings at OnlineBillReview.com, these sites will point out inconsistencies in your bills and may recommend less expensive plans.

Take away some phones

If you find wasteful spending — for instance, BlackBerry accounts for employees who don't necessarily need them — then start cutting, says Dave Pittman, a business advisory partner at PricewaterhouseCoopers in Chicago. "In the good times, we add things to our organizations that look a lot like luxuries when times are tough," he says. And companies that aren't struggling can benefit from trimming some fat from their plans, as well, he says. Pinpoint key employees who ought to have company phones. For everyone else, an office line will do, he says.

Limit some extras

You might also consider cutting back on your plan's capabilities, says Jay Milgrom, the chief executive and founder of OpDecision, a wireless expense management firm in Newtown, Pa. Is it necessary for your employees to access multimedia messages? Do some employees who barely use their phone have unlimited plans? Similarly, if you notice that some employees regularly get dinged with overage charges, block certain capabilities, he says.

...Or add them

If a particular function is necessary for work, offer the employees who need it unlimited plans to avoid added charges, Rauseo says. The last thing you should do is cut too much, he adds. "You don't want to stifle your employees' ability to do their job," Rauseo says. "In business — especially the sales force — you'll want to see them making calls and using their accounts."

Put a cap on costs

Patrolling your employees' phone bills is difficult, especially for businesses that don't have the resources to dedicate a staff member to the job. For these firms, put a price limit on individual plans, Rauseo says. If an employee's bill goes above, say, \$99 a month, make sure that bill gets flagged and audited by you or someone on your staff, he says.

Consider pay-as-you-go or prepaid plans

Bucket plans that offer a predetermined number of minutes for a flat fee are meant to simplify bills, but they do not always offer the best value for your company's needs. Prepaid [calling services](#) like TracFone, Boost Mobile and Virgin Mobile are gaining more ground with users, and pay-as-you-go plans from Verizon, AT&T and T-Mobile are plying business owners with less expensive options these days, Rauseo says. (Such services charge five cents to 25 cents a minute. The average per-minute charge for wireless subscribers was six cents in 2007, according to the FCC.)

Pool your minutes

For larger small companies, pooling your company's minutes can offer simplicity and savings, says Delly Tamer, the CEO of San Francisco-based cellphone plan assessment site LetsTalk.com. Having employees sign up under one carrier will give you greater negotiating power with that provider, the billing will be simpler and you might be able pool your minutes, he says. By pooling employees' minutes, those who spend less time on their phones subsidize the conversations of those who use them more frequently. "This way, you're not paying for every single employee to have 1,000 minutes — and you'll skip overage charges," Tamer says.

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