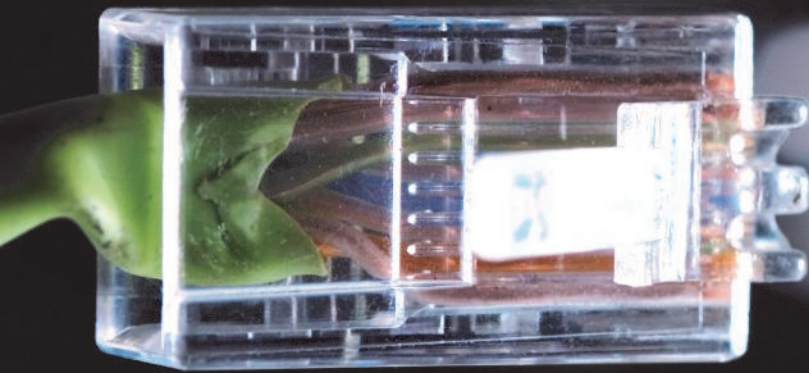


# Contract Compliance and Optimization Services



## Contract Compliance and Optimization Services

Maximizing the detection and recovery of incorrect billings, and identifying ways to optimize client use of their telecom services, is a core TC2 competency. To serve clients in these areas, we deploy best in class experts in telecom billing and services and a rigorous approach that leverages the “Big Four” international accounting firm experience of our practice leads.

New platforms and tools, increased granularity and detail, and the availability of electronic data for the vast majority of telecom services have not reduced billing errors. Indeed, back office and account team downsizing and the proliferation of new and complex products have driven an increase in billing errors and optimization ‘opportunities’. It is more critical than ever to conduct regular contract compliance and optimization reviews to ensure that telecom suppliers are billing at the rates you negotiated for services that you actually use, and that those services are deployed and utilized in the most efficient and cost-effective manner.

If your telecom billings and services have not recently been reviewed, or you recently implemented a new contract/service with new pricing, a billing and optimization review is highly recommended.

- **We deploy specialists with many years experience in the analysis of telecom bills and services.** Our experts know exactly what to look for — where billing errors commonly arise, and the most fertile sources of optimization opportunities. We understand the nuances of telecom bills that other auditors overlook — e.g. application of regulatory charges, technology-specific surcharges and miscellaneous telecom charges.
- **Our services encompass the full breadth of enterprise telecom.** Our expertise, capabilities and experience span every telecom and network service a company can purchase, from global MPLS networks, to local and long distance voice services, to US and global wireless services, to domestic and global conferencing and complex managed services.
- **We are affiliated with Levine, Blaszak, Block & Boothby, LLP (“LB3”).** LB3 is the premier telecommunications law firm dedicated to the representation of enterprise customers. When a contract requires interpretation, or we need support to negotiate the validity of billing recoveries, we can secure unique access to the industry’s leading legal experts.
- **Our Contract Compliance and Optimization services can be provided on a global basis.** TC2 has consultants throughout the world including Singapore, London, and every US time zone. We are familiar with the billing tools, practices and conventions of telecom suppliers throughout the world and provide a comprehensive, global service.

## How We Work on Contract Compliance and Optimization Projects

Our approach to Contract Compliance and Optimization includes (a) completing a detailed and comprehensive inspection of billing data to identify services being charged at prices above contracted rates; (b) seeking and presenting opportunities to optimize the client's use of telecommunication services; and (c) working with the client and its suppliers to recover overbillings and implement Optimization opportunities.

TC2 works with its client to collect supplier billing data and current supplier contracts for in-scope telecommunications services. We then review the supplier billing data to confirm that all of the billed unit charges match the appropriate contract or tariff documents ("Contract Compliance"). The Contract Compliance analysis also includes reviewing services against service orders and site/inventory/configuration information provided by the client to identify any discontinued services or service elements that are still being billed.

This review is typically based on the most recent available month of billing data. Billing errors are systematic – once an error enters the system it reoccurs every month – so billing errors can be identified from a single month of data. Once an error is identified the relevant bills for previous months are examined in order to determine how far back the error occurs and the recovery that should be sought from the relevant supplier. This approach is highly efficient and minimizes unnecessary duplication of effort on largely identical bills.

Errors or suspicious amounts identified by TC2 are reviewed with the client to ensure that there is no other relevant information that might affect the appropriateness of the billing.

Once TC2 and the client have determined the full list of issues to present to the supplier(s), TC2 develops the actual claim amounts including historical overcharges back to the point of origination of the error (or back as far as the

client's contract or the statute of limitations allows), including estimated taxes and regulatory fees. TC2 documents the refunds due from each supplier including account number, basis of the claim, contract or tariff reference, and estimated taxes and surcharges associated with overcharges. We provide a report to each supplier, respond to any supplier questions, and negotiate with the suppliers if necessary. If required, we also review future bills for credits and to ensure that issues are resolved going forward.

At the same time as it conducts the Contract Compliance analysis described above, TC2 also identifies opportunities to optimize the client's use of its telecommunications services ("Optimization"). Some Optimization opportunities are visible at the service element level; others require site level analysis. The Optimization opportunities we focus on include:

- Some that can be implemented via carrier ordering processes:
  - Services not ordered under contract or not ordered with an appropriate term (e.g. services ordered month-to-month).
  - Usage too low for the number of circuits.
  - Services that are inconsistent with the equipment at a site (e.g. Centrex at a PBX location).
  - Excess POTS lines at a site.
  - Services still being billed at sites that have closed.
  - Unnecessary feature charges.
  - One time and miscellaneous account level charges.
  - Access circuits with no connected services.
  - Ports with no PVC or class of service.
  - Contract pricing anomalies that can make higher speeds less expensive than lower speeds.

*(continued on overleaf)*

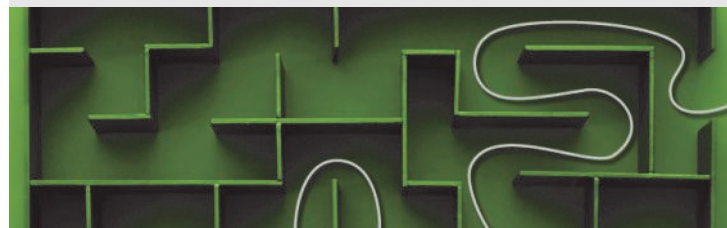


## Interested in What LB3 and TC2 have to Say?

**LB3 and TC2 assist enterprise customers with network service and IT procurements, benchmarking, compliance management, regulatory issues and disputes. Learn more about industry developments and the challenges facing enterprise users:**



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- Some may require new contracts or contract amendments:
  - Paying 'list' for services that are routinely discounted or for which charges are normally waived. We routinely identify significant spend of this kind, typically buried in the billing detail.
  - Contract prices that are much higher than market prices that the carrier routinely offers.

Optimization analysis also includes working with the client's U.S. wireless suppliers to identify wireless rate plan optimization opportunities. We request rate plan optimization reports from each of the client's U.S. wireless suppliers, and work with the suppliers to maximize the results from such analysis. We then combine the suppliers' rate plan optimization analysis with our own review and analysis of the detailed billing records from each supplier to confirm that all optimization opportunities are accurately addressed in the suppliers' analysis. The rate plan analysis will include:

- Pooling right-sizing.
- Migration from individual bucket plans to enterprise plans.
- Optimal use of unlimited usage plans for power users.
- Messaging add-ons and usage.
- Data card plans.
- Smartphone plans.
- International long distance and roaming usage.

For each Optimization opportunity, we specify what the client needs to do to achieve the savings. At the client's option, we can communicate with suppliers to implement client approved opportunities, e.g. providing suppliers with instructions of required rate plan changes and issuing service disconnects.

On an on-going basis during the project we provide reports detailing Contract Compliance and Optimization findings. Our reports begin with a general overview of the services we investigated, followed by detailed information about our specific findings. We provide our reports in management oriented summary documents, complemented by detailed spreadsheets with all supporting information.