

**1: Billing errors provide revenues to telecom providers.**

"...Telecom providers' employ deceptive and manipulative tactics in their efforts to boost revenue streams...to drive profits at the expense of its customers."

—Aberdeen Group, 2004

"The Fortune 500 wastes \$4 billion each year from errors in telecom service expenses."

—Aberdeen Group, 2004

Conflict of interest? Telcom companies are now selling auditing of their own bills. "It's like the fox watching the hen house."

—Network World (Nov 29 2004) *Carriers Jump Into Auditing*

"...Studies have shown that nearly three-fourths of telecommunications invoices contain errors...given that bills can run to hundreds of pages, many managers throw up their hands and pay..."

—Industry Week Magazine (February 2002)

Large customers "often justify the creation of...special pricing and tariffs...[but] statistics show that due to the size and complexity of these accounts, they are more likely to have billing errors." Carriers may use up to 15 different billing systems.

—Houston Business Journal (July 30, 2004)

**2: Telecoms quash competitive benchmarking by complicating tariff terms, rate bases, and contract conditions, so that no two companies qualify for the same rates.**

Telecom carriers have filed so many different tariff combinations with the Federal Communications Commission that "...there are an estimated 20,000 tariffs on file."

—Network World (Dec 13, 1999)

**3: Telecom providers skirt proving ROI (unlike other IT services) by equating all telecom services with 'business continuity.'**

"Total telecom costs – including charges for phones, cellular services, pagers, toll-free numbers, fax lines and data communications – often rank among a company's top five expenses. Per-employee expenditures have doubled since 1996, now averaging \$3,000 to \$5,000 a year...at a time when rates for some telecom services...have actually dropped by 30% - 50%."

—Inc Magazine (May 2002)

"More than 50% of large enterprises are unaware of exactly how much they spend on telecom-related services across the company."

—Aberdeen Group, 2004

**4: Telecom providers expand services, applications and infrastructures without optimizing for customer cost vs. benefit; they design networks that lock customers into the account.**

Telecom is ... "the least understood and least managed of IT indirect costs."

—Gartner Group, 2005

"It is very difficult and painful to switch carriers. It happens, but usually only with accounts that experienced botched customer service. Competitive evaluation cycles can take a half year or longer at large accounts."

—John Casey, former telecom network engineer