

# Evolution of Telecommunications



Written By  
Sean Fox

As we continue to see an increase in decentralized business operations, it is impossible to imagine a company without Internet, cellular and phone services.

In the current day and age, telecommunications are an essential part of any business. As we continue to see an increase in employers offering flexible working arrangements, business deals going overseas, and employees working in virtual teams, it is impossible to imagine a company without Internet, cellular and phone services.

As the need for the communication services increases so does the number of providers. Choosing a service becomes a complex decision for companies and controlling costs in this field is quite complicated. When procuring telecom services, most companies will engage a few suppliers to see what services and price points are being offered. Some will even issue a formal RFP. However, since the fear of business disruption is so rampant, most companies end up renegotiating with their existing supplier at a competitive price.

In most companies, IT departments perform telecom-related pricing negotiations. This can prove to be a challenge considering these individuals are often busy fighting fires and managing the technical infrastructure of the business. It is hard to expect IT professionals to know what the best-in-class price points are for the myriad of services a business relies on -- especially when there are so many suppliers who offer similar services. IT departments are finding it increasingly difficult to effectively negotiate great deals when they don't have the tools to do so and have so many other responsibilities on their plate.

The question, then, is how this tedious yet business-critical task be leveraged to the professionals whose area of expertise is telecommunications. Companies don't take a crack at preparing their own tax returns just because they have intimate knowledge of their balance sheet, so why should people who know telecom technologies make an attempt to negotiate pricing without some level of assistance? It makes perfect sense for organizations of any size to approach the experts in telecom auditing and cost optimization services, especially when there are several companies out there that actually specialize in delivering this service.

These companies will do the research to see which providers and services are appropriate for a client based on their business drivers. They will then negotiate best-in-class price points based on the client's spending level and other factors. The information is typically presented in the form of a detailed report. Once a client chooses what suppliers and services they want the consultant will assist with the implementation and may also act as their single point of contact for trouble shooting.

Very often these companies will not force a client to make an upfront investment by charging a fixed fee. They will just take a share of the savings based on what recommendations the client chooses. Companies like these contingency-based business models because they end up taking no risk -- the consulting firm will

either fund their own fees by finding savings or they will deliver a free validation that the organization is already optimized. This risk-free financial arrangement is one that few companies will turn down.

Ken Meyer, Controller of West Chester Holdings, engaged an independent consulting firm to perform a review of his company's telecom environment. "We found tremendous value in our experience with a telecom consultant. Aside from the financial gains, we saved a lot of time and energy by not committing our resources to areas where we lack expertise. In the end, we put no money at risk, injected a meaningful amount of money back into our bottom line and came away with a sense of security in knowing we were making the best decisions for the continued growth of our business," said Meyer.

One such business is in Cincinnati and is run by Sean Fox, who opened the Schooley Mitchell Telecom Consultants

franchise after 10 years of working in the telecom industry. He specializes in reducing telecom costs by negotiating contracts with existing and potential suppliers. Fox says that out of his firm's 125 local clients they have created an average savings of 26%. Fox works as an independent contractor, he has no ties with any suppliers and such independence and flexibility allows him to find the best deal that will satisfy a customer's needs.

This type of consulting is quite recent, but already shows a big potential. For those that are aware of these services, the benefits are obvious. Dr. Art Shriberg, long-time management consultant and Professor of Management at Xavier University says, "This is a great idea – a classic case of implementing win-win solutions." As corporations outsource their work to save money and focus on their primary duties, telecommunications consulting might just get them one step closer to increased profitability.

Sean Fox is a Strategic-Partner with Schooley Mitchell Telecom Consultants, North America's largest independent telecom consulting company.

[sean.fox@schooleymitchell.com](mailto:sean.fox@schooleymitchell.com)

513.683.8881

[www.schooleymitchell.com/sfox](http://www.schooleymitchell.com/sfox)

© Schooley Mitchell Telecom Consultants 2006