

Verizon wants to manage your bills

Service management offering lets customers track telecom expenses.

By [Denise Pappalardo](#), Network World, 05/15/06

Verizon Business this week will launch a comprehensive telecom expense-management service, the first such offering from a major carrier.

[Verizon services tackle disaster recovery](#)

The Verizon Business Integrated Telecom Expense Management Service is a suite of managed services that let corporate and government customers monitor, analyze and track telecom service expenses for their wireline and wireless services. The TEM service lets users track circuits, [WAN](#) routers, [wireless](#) rate plans and handheld devices.

"Enterprise users are expected to spend \$550 million on telecom expense-management tools and services this year," says Eric Goodness, vice president of research for Gartner's managed and professional network-services organization.

That's \$105 million more than was spent in 2005, so customers are willing to spend to save. But will they be willing to buy such tools from one of the carriers behind those cumbersome and often incorrect bills?

Some users seem skeptical, but Verizon Business is giving it a try.

Verizon is using different platforms to track wireline and wireless services.

"No other carrier has made a formal announcement about a discrete, focused market offer for multicarrier TEM services," Goodness says. "It's a very powerful offer."

Verizon has teamed with Symphony Services, which has developed an analytical software platform to track wireline services from a number of service providers. The tool keeps track of lines, circuits, customer premise equipment and WAN gear. The platform lets Verizon provide inventory asset tracking, contract administration and bill auditing.

That means that Verizon Business, on behalf of its customers, will review all telecom invoices and note any errors. When asked what happens when errors are discovered on Verizon bills, the carrier says they will be dealt with the same way as if they were found on any other carrier's bill.

"We're trying to take a nonpartisan view and treating Verizon Business no differently than any other vendor so we don't get into a 'fox watching the henhouse' scenario," says Cliff Cibelli, group manager of managed network services.

And like many telecom bill auditing firms, Verizon Business will provide dispute resolution and remediation, the latter as an add-on service for customers.

Verizon Business customer Euler Hermes, the global credit insurer, says it is not interested in TEM services from any carrier.

"We want to be in control," says Dave Kozlowski, vice president of technical services for Euler Hermes' North American arm in Owing Mills, Md. "We don't want to have to rely on a vendor."

Euler Hermes is not the only customer that would question handing over its TEM to one of the largest telecom services providers in the United States. So why would an enterprise customer select Verizon's service over any of the other 90 or so TEM vendor offerings? Verizon's Cibelli says it's because the carrier has been doing bill auditing and TEM services on a case-by-case basis for its largest outsourcing customers for years. This work stems from the legacy MCI side of the house.

Gartner's Goodness points to two other reasons why customers may select a carrier's offering over an independent TEM vendor. "A lot of very large enterprises are afraid of putting their \$300 million telecom spend in the hands of a company that only generates \$5 to \$6 million a year," he says. Verizon should be well-versed

Cibelli says Verizon has gone through the work of integrating multiple platforms that address all of a customer's wireline and wireless telecom costs.

The carrier is working with a TEM software company that specializes in monitoring wireless services and devices, but did not disclose the name of that vendor. The wireless platform can be used to procure new wireless services and devices based on any number of wireless service contracts a customer may have.

The software tool also will let customers compare their wireless contracts against a database of 35,000 national plans.

Verizon has integrated these two platforms so customers can use a single portal to view information from both systems. The integration lets the two platforms share information so customers can calculate total telecom cost and total departmental charge-backs.

Verizon's Cibelli says the cost of its Integrated Telecom Expense Management Service depends on the number of elements that are managed, and the prices are different for wireline and wireless elements. In general, that would amount to between .75% and 1.5% of a customer's annual telecom spend, he says.

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