

Bill Audit Case Study



A leading provider of financial software and Web-based services for consumers, small businesses, and accounting professionals.

"I always know that I can count on IPI to get things done, meeting their deliverables as promised. They have worked on many projects throughout the years, including a bill audit resulting in tremendous credits and savings, negotiating WAN contracts, and managing our billing. They continue to be a valuable resource."

Enterprise Network Manager

Background

- ◆ The Company has grown exponentially over the last few years as a result of increased sales of existing products, mergers, and acquisitions.
- ◆ While reviewing some of their bills on an on-going basis, accounts payable was processing most of the telecom services bills without an approval process or any rate verification. This made it difficult to forecast a telecom budget and left the company vulnerable to billing over-runs, paying more than contract rates, and paying for unnecessary services.
- ◆ The company lacked accurate information about inventory and the services being used in each of the company locations.
- ◆ The costs of network services were increasing exponentially.

The Challenge

- ◆ Telecom invoicing is difficult to analyze and understand.
- ◆ Vendors employ many different billing platforms and service offerings vary in capabilities, product bundling, and pricing.
- ◆ The order process is similarly complex.
- ◆ Accounts payable was in need of a payment control process.
- ◆ Allocations to end-user departments were inconsistent and inaccurate.
- ◆ The accrual process did not address services that were not invoiced.
- ◆ Managers needed useful information for budgeting.

The Solution

- ◆ An asset database was implemented to track each ordered line item.
- ◆ A scrub of all lines was performed, as well as dial tests and address verifications.
- ◆ Claims regarding invoicing errors were submitted to vendors and resolved by IPI.
- ◆ Weekly vendor meetings were established, with on-going consultations.
- ◆ An invoice management process was developed and implemented.

The Results



- ◆ Substantial reduction in on-going telecom costs, totaling **\$1.8M** during the first year.
- ◆ Substantial credits due back to the company, totaling **\$2.3M**.
- ◆ Complete audit of all services:
 - ◇ Data: ATM, Frame Relay, private line, etc.
 - ◇ Voice: wireless, calling cards, long distance, toll free, access circuits, etc.
- ◆ Contracts negotiated for wireless solutions and roll out.
- ◆ IPI was engaged for follow-on project: the development of an RFP for a comprehensive voice and data WAN reaching all sites. Work included a benchmarking study of recently fulfilled contracts and the subsequent negotiation of multiple contracts. As a direct result of the RFP and negotiations, company realized significant additional savings totaling more than **\$3.4M** in a single year.
- ◆ The total savings, refunds, and credits represented a 35% reduction in expenses.
- ◆ Company now has an accurate inventory of all telecom expenses and a process to accurately manage the billing.
- ◆ Since 1999, IPI has been actively managing the billing process.