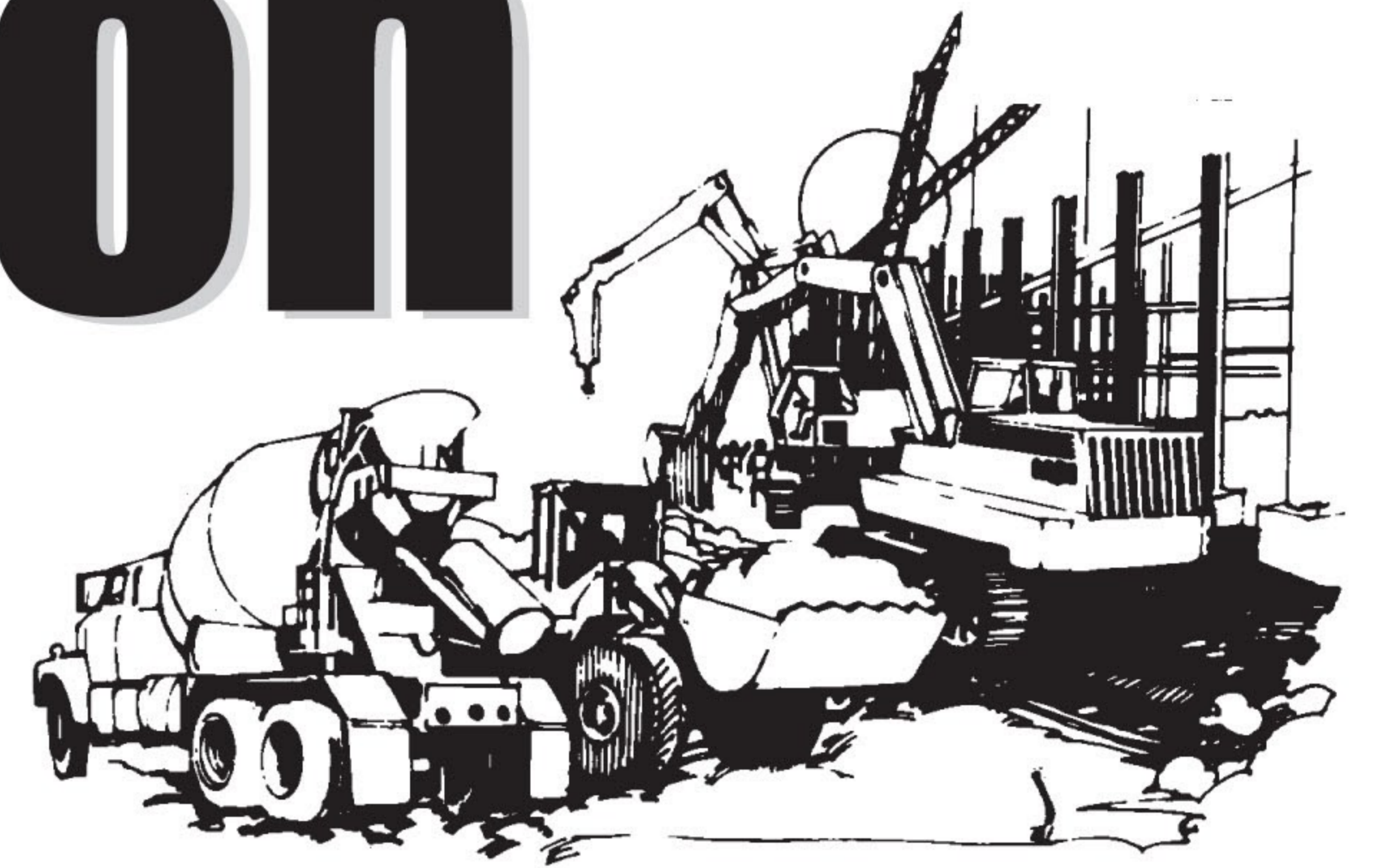




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Communication Technology

Careful Planning Reduces Cell-Phone Costs

By JOE ALLEN

Cell phones have become almost as common as hard hats and orange vests at construction sites.

Cellular phones are indispensable tools that let construction workers keep in touch with the main office, make just-in-time material orders or coordinate deliveries.

But cell phones also are a frequently overlooked cause of

unnecessary expenditures that cost many small and mid-sized construction companies hundreds or even thousands of dollars a year. Many companies have difficulty understanding their bills and finding the best plans available for them. Compounding the problem, customer service agents and sales representatives often are not analytical enough to evaluate customers' needs or fail to disclose unadvertised plans and specials.

Buying plans that are bigger (or smaller) than needed, inefficient allocation of minutes and subscribing to marketing pro-

grams like free incoming minutes can quickly add up if a company has dozens of cell phones in use.

My company, JAS Performance, based in New City, N.Y., has studied cell phone records for many companies – including many contractors and construction companies – and we've found that most companies can cut their cellular phone bills by 25

percent to 33 percent, and sometimes as high as 40 percent to 50 percent, by adjusting their billing plans and eliminating unnecessary features. Among the most common mistakes we've found that companies make are:

Buying too large or too small a monthly plan—determining how large a monthly plan to buy is difficult for many businesses. A large plan with too many minutes is obviously a waste of money. But, buying too small a monthly plan can be even more costly if a company incurs overtime minutes. Most cellular companies charge

about 40 cents per minute for overtime minutes, which means it only takes 200 minutes to incur \$80 in overtime costs. A careful review of a company's calling patterns can determine the ideal plan for a company to buy.

Inefficient allocation of minutes—cellular companies usually let customers bundle multiple cellular-phone numbers into one payment contract, letting 10 phones share a pool of 5,000 minutes, for instance. But this is not always the least expensive way to go because it varies from company to company.

Using "free incoming call" plans—some cellular service providers offer programs that do not charge for incoming calls, but my company has found the majority of cell phone calls are outbound, reducing the benefit of free incoming calls. This means companies should carefully consider the terms of the overall plan and not be distracted by free incoming calls. Depending on your calling habits and the plan's details, programs with free incoming calls might not cost any less than other packages.

Using "unlimited minutes" plans—some companies select cellular plans with unlimited min-

utes, believing they are predictable and the best value. These plans can be good for the heaviest users, but for the vast majority of employees a plan with a set number of minutes is a better value.

Paying for unnecessary features—today's cell phones come with a wide range of features such as text messaging, direct-connect, picture taking, e-mail and Internet access and construction companies usually do not need these services. A related mistake some companies make is paying for unlimited text-messaging service. Light users of text messaging are usually best off with pay-as-you-go plans, although some heavy users save money with unlimited messaging plans.

Buying insurance plans—many cell phone customers purchase insurance against loss and damage that costs about \$5 a month. At first glance this might sound like a good deal, but if you consider that you're paying \$60 a year to insure something that might cost between \$50 to \$200 to replace, you might pause to ponder the expenditure. The insurance policies also have a deductible or other fees if a customer needs to have a phone replaced or repaired, making the insurance an even less

attractive deal. There may be unusual exceptions, but insurance generally is not a good value.

Failing to monitor bills for changes and errors—unscrupulous employees at cellular companies sometimes will add features or change billing plans without the customer's permission, a practice called "slamming" that lets the employees boost their commissions. Slamming is rare but does happen, which means companies need to monitor their bills to make sure unwanted extras aren't added. Cell-phone users also need to be alert for billing errors and providers' failure to cancel charges or services as requested.

As cell phones have become a vital tool in business, monitoring the expenses associated with them has become very important. Companies can save thousands of dollars with proper understanding and analysis.

About the author: Mr. Allen is the president of JAS Performance, a Rockland County-based enterprise that specializes in saving companies money on their cell phone bills. He can be reached at (845) 708-0333 or jallen@jasperformance.com.

