

# ENTERPRISE CALL ACCOUNTING SAVES MONEY

## ERRORS IN CARRIER BILLING AND DEAD TRUNKS COULD COST YOU THOUSANDS



by Dan Phillips

### FROM THE AUTHOR

In the last issue of *Hospitality Upgrade*, I wrote an article summarizing some of the latest features, benefits, bells and whistles of leading call accounting vendors (see page 32, spring 2003). One of the strategies discussed was the concept of centralizing the call accounting platform, or using one server, one database to handle the entire hotel enterprise for one company. Since the completion of that article, I have had the opportunity to work with the data provided from this type of scenario.

My research included an enterprise of about 100 hotels in North America, mostly in the United States. The portfolio included everything from boutique hotels to limited service to five-star locations. The hotels contained multiple PMSs and five different types of PBXs. This group of hotels is under contract with one long distance carrier, but various local exchange companies and numerous competitive local exchange companies. Some hotels had only typical central office (copper wires) PBX trunks while others had a mixture of central office (CO) trunks, T-1s and ISDN PRI pipes.

The data provided has turned out to be enormously beneficial and for a number cruncher like me it has been extremely interesting. Once acted on, the findings and the impact within this data will have a tremendous effect on the profitability of this portfolio of hotels. For the purposes of this article, I will limit these findings to three major categories, all with heavy ROI implications.

**Y**ou may find it hard to believe, but sometimes phone companies make mistakes when they bill your hotel. Long ago a guy named Harry Newton said, "80 percent of all phone bills contain errors and 80 percent of those errors are in favor of the phone company." Over the years I have found this statement to be far too generous, favoring the phone companies.

The monthly long distance phone bill for a portfolio of 100 hotels is quite large. Finding mistakes and being able to document your findings to dispute the charges can reap a fair amount of cash.

For starters the long distance records should be reconciled to the call detail being billed to the hotel. This process helps uncover quite a few things. Previously this task had to be done manually, which is very arduous, but now can be completed using the call accounting system.

In my example the long distance carriers had contracted a per minute rate that went to the third decimal place but rounded all billing up to the second decimal place. The result — every call was round up by about half a cent (\$.005). This alone resulted in a correction of approximately \$750 per month. Over a long-term contract this adds up quickly.

It was also found in my example portfolio that hotels that should have been billed for dedicated access were being billed for switched access. In interstate traffic alone this accounts for about \$.02 per minute. This finding saved about 10 hotels approximately \$200 per month.

### Dead Trunks in Your Closet

A fairly common problem that hotels have had over the years is not knowing when any particular phone line has a problem. For example, the local phone company may have one or more lines go dead. This would result in the corresponding trunk ports on the cards not being able to carry traffic. Sometimes the hotel may get symptoms, such as complaints from people trying to call the hotel and the calls ring on and on with no one answering. Another symptom might be getting dead air infrequently when trying to place an out-bound call. However, many PBXs have programming in them that would make these symptoms not even appear. The actual port on the card in the PBX can also go bad and create the same symptoms.

By looking at the call detail across a portfolio of hotels on a trunk port by trunk port basis, one can begin to determine which hotels suffer from either a dead trunk or a dead trunk port. If the problem turns out to be a dead trunk, then the local phone company providing that facility needs to be called to repair it and refunds for the monthly charge on that facility need to be provided. If the problem turns out to be a dead trunk port, the hotel's PBX maintenance provider should be called for repair.

The call detail report provided by an enterprise-wide application should be reviewed monthly to investigate the possibility of dead trunks or ports. In reviewing one month's data for this portfolio of hotels, 26 of these hotels had indications of potential problems. The average cost of a PBX trunk could be about \$35 per month. This problem could easily run at a cost of \$1,000 per month for this portfolio in paying for dead facilities.

### MONTHLY ROI CHECKLIST

- 1** | **Errors in cost per minute** – double check your long distance carriers' charges
- 2** | **PBX routing issues** – issues such as routing your local calls over long distance lines can increase your telecom spending
- 3** | **Dead trunks or ports** – regularly check for maintenance problems
- 4** | **Trunk utilization** – study your traffic and usage rates

**TELECOM**

A PBX uses a variety of facilities from both the local phone company and other phone companies. These facilities can be either regular telephone lines or more sophisticated, like a T-1 (24 talk paths) or an ISDN PRI (23 talk paths). The PBX itself will have circuit cards in it to connect to these facilities. For regular PBX trunks, these circuit cards are traditionally configured with 8 or 16 ports on them, meaning that

one card can accommodate 8 or 16 telephone lines. The T-1 or PRI typically comes into one PBX card that handles all of the talk paths.



## Provide the Service Your Guests Expect

It's hard enough to get guests to use the guestroom phone so quality of service (QOS) and the cost of QOS should be two of the most important factors to consider when designing a phone system in a hotel. In this application, the number of trunks (or talk-paths) compared to the number of guestrooms in the hotel is the QOS issue in discussion. If a hotel were to have 100 rooms and 10 trunks, the ratio would be 1-to-10 (one trunk to 10 rooms). In this case, only 10 people in the hotel could be on a phone call (voice or dial up) with an outside party at any given time. If this were a limited-service hotel with an ADR of \$50 and where a PBX trunk costs \$60 per month, this level of QOS might be understandable. However, for a high-class boutique hotel with an ADR of \$175 this trunk to room ratio would not be acceptable by the guests.

Examining QOS across an entire enterprise is not done very often, if at all. By having access to call detail by trunk port per hotel, it is now possible to identify this QOS at every hotel and compare them to others within the portfolio. This enables a manager to make more effective decisions.

In reviewing my example portfolio, it was found that the trunk-to-room ratio ranged from 1-to-1.5 to 1-to-16.5. This is a huge variance. This data begs for investigation and should yield some serious discussion on standards for QOS across a hotel chain.

A major component of this ensuing discussion will be the usage and amount of traffic each of these trunks are carrying. The data provided by the call accounting system includes types of traffic being carried and the traffic busy percentages by trunk or trunk group. Combine this information with the cost of the facilities provided, this hotel company should be able to establish the guidelines for acceptable QOS for their hotels.

A good call accounting system is a valuable tool in managing telecom costs. A good call accounting system that can provide enterprise-wide data is an invaluable tool. The financial ROI for this application is literally just a couple of months. The guest service impact by utilizing an enterprise-wide system can be almost instantaneous.

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