

## EXPERT OPINION:

# Unify to manage customers smartly

A converged business support systems (BSS) approach – unified billing, customer and order management – helps increase revenues while providing the same positive experience to all customers, as Gabriel Matsliach reports.



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In light of the current economic downturn, consumers are cutting back on luxuries. However, the mobile phone once considered a luxury, has increasingly become accepted as a necessity. While the economic situation is causing many to reduce mobile service consumption levels, others are cancelling their landlines altogether and using their mobile phone as the main communication device given the increased services and flexibility it offers.

In addition, with the increase in smart phones and the opportunities for advanced services, consumers certainly have ample opportunity to create personalised services they'll actually use. While this provides great revenue potential for telecom operators around the globe, in order to capture that potential, operators need to ensure that their customer management, order management and billing systems are all aligned to offer the same service to all customers.

**Diversifying and improving networks without losing out**  
Many service providers are investing in their networks to expand their offerings beyond their traditional business foundation and to diversify their portfolios with next generation services, to stimulate additional revenues and remain competitively relevant. However, to recoup these investments operators need to effectively introduce and monetise these services accurately. This requires what we will call 'smart billing': the ability to charge for innovative business models (such as hybrid accounts) the ability to employ value-based pricing models, and the ability to charge for and bundle content and applications.

Moving beyond flat-rate pricing models is crucial to revenue growth as it is the foundation to stimulate new service adoption. According to a global survey in January 2009 carried out by the **Yankee Group**, most service providers (71%) believe that offering subscribers a choice of pre-

paid and post-paid payment options will encourage adoption of next-generation services – such as gaming, video streaming and video voicemail.

In order to really optimise charging in next generation environments customer management needs to be unified with the billing and charging approach. For example, by having a comprehensive real-time view of each customer's services, and usage patterns, operators can effectively identify services for which that subscriber is willing to pay a premium and thus charge accordingly. Or consider the customer satisfaction gained by enabling balance sharing across members of the same account, or by enabling multiple identities (each with its own plan) on the same device. These types of customer-facing approaches require a unified BSS.

Unfortunately, most operators today do not have a BSS infrastructure in place that can provide this unified customer management nor the ability to support complex charging scenarios, making it difficult to capitalise on network investments.

## Emerging trends of BSS convergence

The adoption of converged billing is currently most prevalent in emerging markets given the significant growth opportunities that facilitate funding of advanced converged BSS capabilities. There has also been considerable activity in mature markets with carriers examining phased transitions toward BSS convergence.

According to a recent Yankee Group report\* 57% of operators said they feel that a converged approach to BSS is the way to go – it's just a matter of implementing the changes. In environments built up over years around legacy or customised solutions, migration to a converged BSS system is often best done in a phased approach. Of course, such a transformation must be tailored to each

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operator's specific business needs. There are some well-used migration approaches such as starting new customers on a new system while existing customers are migrated in groups over time, or moving customers one segment at a time – for example, enterprise first, then consumer.

Even more phasing flexibility is offered by a system that can start supporting one 'type' of customer (e.g. pre-paid), but can be evolved over time to offer full convergence. If that same system can easily provide real-time capabilities to post-paid customers, another route towards convergence is available.

#### Unify for active customer management

Operators know that their customers are their greatest asset, but are network investments enough to stimulate additional revenues from subscribers? BSS needs to be at the core of network advancement strategies from the onset. If operators can't effectively introduce, bundle, 'smartly' charge, or manage multiple services across their subscribers' accounts, revenue increases may not follow.

There are four main BSS requirements to support the progress made by next generation networks that make significant differences in the customer experience and can stimulate consistent revenue growth. These are an Active Customer Management™ approach, centralisation around a single data model and support for any service combination (multi-play) and, of course, support for any payment type needed, whether post-paid, pre-paid or hybrid (a combination of pre- and post-paid). Multi-service support is almost assumed, having been supported by some systems for over a decade. Many have spoken about payment convergence, usually meaning delivery through multiple systems. Single system convergence is a powerful new approach from which operators are beginning to benefit.

With a single data model for product and account information that leverages real-time functionality (authorisation, rating, charging, session control and balance management), operators can manage customers consistently in a real-time interactive manner across any touch point at all stages in the customer's lifecycle. Active Customer Management™ delivers satisfaction, and also greater customer control and opportunity for interaction.

#### Unify for accurate real-time monitoring


In the world of next generation networks, delivering increased data and content services with an increasing number of third-party content providers, financial exposure becomes a greater risk.

Any effective converged BSS system assumes support of online, offline and near real-time rating and charging of services. When real-time functionality is combined with the unified customer view discussed, operators can effectively monitor and control risk associated with third party settlements by monitoring balances or thresholds in real-time.

#### Advantages of single-system convergence

There is no question about it, business is more competitive today than ever. Combined with increased customer demand spurred by access to so many services and options, operators are challenged to stay competitive. In such an environment, a converged BSS infrastructure spanning the network to the customer to the bank, delivered as a single system is an essential – and efficient – strategic weapon. Such a system delivers a myriad of benefits:

- Accurate and flexible rules-based charging to fully monetise services across all payment types
- Bundling flexibility and faster time to market of new products and services via a single product catalog for all services and product families
- Targeted real-time promotions and marketing campaigns to promote the uptake of new services and stimulate loyalty
- Enhanced segmentation capabilities via balance management e.g. family plans that support balance sharing with advanced credit and spending limit controls
- Real-time financial management to reduce exposure both for the service provider and the subscriber

This key strategic enabler is only possible with an architecture built as a single code base around a single data model, and supported by a single product catalogue and open services-based framework. In short, ONE unified and complete solution helps operators remove complexity and increase agility, turning billing into a strategic asset. 

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– Yankee Group global survey, Jan 2009

*Banerjee, A. & Vorhaus, D. (January 2009). Yankee Group. Thinking Beyond Flat-Rate and Stovepiped Business Models*