Comarch identifies operator opportunities in convergent B2B, bundling and network sharing

Piotr Piatosa: We are responding to the clients' need to be 'green'

PIOTR PIATOSA
Piotr Piatosa graduated with a Master's degree in engineering physics from the AGH University of Science and Technology in Krakow, Poland. He holds an MBA from the Oxford Brookes University - Polish Open University joint programme. He also studied physics at the Johannes Gutenberg University in Mainz, Germany. Piotr Piatosa has been with the Group for eight years and has served as Director of Consulting in the Finance and Banking Business Unit and as Director of the Telecommunications Sector. He was promoted to Vice President in June, 2006.

Tymoteusz Wrona: Wholesale world is now more complex than ever

TYMOTEUSZ WRONA
Currently Tymoteusz is Vice President of BSS Solution Management, overseeing an international consulting team. His responsibility involves providing BSS solutions for Telecoms worldwide that respond in particular to the overall solution pricing and architectural customer requirements (hardware configuration, third-party systems, Comarch products). His specialisation is in the area of interconnect and partner billing. Prior to solution management Tymoteusz was responsible for the development and product management of Interconnect Billing System, Least Cost Routing, Service Provider Billing and Revenue Sharing.

VanillaPlus: In such a challenging market, are you able to help your clients identify new revenue streams, for example in business-to-business (B2B), or new non-voice services? What else can they do to attain new revenues?

Piotr Piatosa: We are experts in solution delivery for telcos, and telcos are experts in their own business. Our strategy is, primarily, to co-operate with our clients to develop efficient tools for supporting business strategies and securing new revenue streams.

To help CSPs with shortening the time for transforming the operator idea into a reality we started with establishing a position within our company called a Global Solution Architect. Such a person acts as client support for identification and understanding of business needs, translating them into requirements and defining what can be done in each challenging area and how.

I can see big potential in convergent B2B, bundling, network sharing, and non-voice services. We are helping our clients to identify new revenue streams thanks to solutions which are convergent at all levels – network (any service type and any network type), service level (multiple services on a single system, invoice or prepaid account) and customer experience level (single account/bill or using a prepaid account).

Tymoteusz Wrona: Convergent B2B gateways enable the reselling of one's own services via new sales channels, or using a sophisticated method such as a two-sided business model. We deliver tools that enable you to sell services beyond pure telecoms, such as media, CPE, premium services, TV and any mix of these.

Integrated OSS and BSS solutions gain revenues

from quality and assurance as you can differentiate the offer according to SLA levels, and also simplify the business processes of fulfillment and trouble ticketing.

Voice is king. Still. But more and more potential revenue can be found in data transfer and in what is generally called 'non-voice services'. Research by Informa Telecoms & Media indicates that the revenues from mobile data services in the European mobile market will increase and reach 32% of the total revenues of mobile services in 2012. In this context the machine-to-machine (M2M) market shows potential for growth.

Of equal importance to new revenues is cost control. What are the benefits to your customers from the real-time responses you have developed in charging and pricing, invoicing, roaming, call control and business intelligence?

Wrona: Cost control supported by reconciliation and cost modelling functions, as well as real-time processing, secures customers' profit and delivers data for online RoI forecasting and business intelligence.

The role of real-time responses increases at every stage of the billing processes. It commences at service quality monitoring, where real-time reactions must be made to avoid possible penalties for SLA breaches. In charging and pricing, scheme changes appear more frequently (for example, new tariff plans, individual pricings). At the invoicing level you need the ▶

invoice-on-demand feature and real-time credit control. The same functionality is also important for roaming services where features of NRTRDE (near-real time roaming data exchange) are defined.

You also need it during call control and re-routing for real-time reactions when business rules are changed (for example, price change between peak and off-peak, or when a link is down and calls must be re-routed) as well as on the level of end customers who demand online self-reporting and automatic notifications as opposed to static reports.

What we can also see is the increasing role of real-time reactions within the wholesale business – traditionally being served by 'post processing' solutions.

How has Comarch's role developed in improving its clients' business performance – for example, in monitoring the network and quality of service (QoS)?

Piatosa: We deliver not only out-of-the-box software but also complex solutions, consulting services, managed services and data centre services. Comarch's role in improving its clients' business performance has evolved – not only do we provide appropriate solutions but also the clients' needs influence our products.

We have been offering an approach where business processes are driven by KPIs for many years. Recently we introduced the customer satisfaction factor that enables the optimisation of clients' processes. Going into more detail, our OSS solution started with self optimising features, which automatically tune their own parameters to optimise business processes. We have improved the architecture of our solutions by decreasing the number of different elements and reducing integration points, unnecessary process tasks and increasing automation.

As we offer a broad portfolio of integrated systems, Comarch supports many aspects of the client's business – delivery, billing, performance, real-time charging and enabling openness for new opportunities. Our next generation OSS (NGOSS) portfolio integrates service management, resource inventory, and ITIL processes which manage the delivery of the highest quality of service to end customers.

Aren't network operators' 'green' initiatives only successful where they first demonstrate the saving in dollars and euros? What successful initiatives have Comarch observed or been involved in?

Piatosa: 'Being green' is a style of innovative company where new initiatives are introduced like virtualisation, migration of paper-based to electronic-based processes, or new ideas like utilisation of the Stirling engine for energy recover from heat generated by other machines. We observe that 'green' initiative, on the one hand is a cost cutting approach (reducing OpEx) but on the other is an initiator for replacement of existing systems, solutions or hardware that will consume less power and less resources.

We have been directly involved in 'green' initiatives. Despite the fact that we are predominantly a software vendor, we also have two fully fledged Data Centres for the customers' use. Through offering billing in the SaaS model, co-location and hosting services we are responding to the clients' need to be 'green'. In addition, we support e-billing solutions that issue electronic invoices. Some operators have gone further and have started to charge extra for paper bills.

Furthermore, we offer ECOD (Comarch's Electronic Center of Documents platform) solutions to provide a global network of electronic data exchange for ▶

the biggest retail stores. With this solution tons of papers and energy that is normally necessary to produce printed bills is saved.

What trends in retail will have the biggest positive impact on the communications industry in the next two years and why; will it be cloud computing, white labelling, customer self-service, or something else?

Wrona: A trend that has had a big impact on the communications world is definitely social networking. First of all, it changes the way of thinking about communications and builds the awareness of social 'networkers', regarding their role in the network and business. They become active creators and publishers of content and also expect to play that role in the field of services. That's why some providers offer services under a white label where people or companies with ideas can become real communication providers without any hardware or IT infrastructure, but with their own brand – cloud computing or self-service for communication service providers are only the natural consequences of such requirements.

The positive impact of the mixture of these trends is that users become more active. The negative is that it is still difficult to monetise this activity.

It's just as important for carriers to enhance the profitability and scope of their wholesale operations. Which activities are in most need of change?

Wrona: Most in need of change are automation in settlement management, controlling and real-time charging and introducing prepaid mechanisms that have already been proven in the retail world. In inter-partner agreements providers started with the entry of data warehouse-like definitions where prediction of service usage determined the price.

For wholesale business, automation of list price handling has also become crucial, both from the revenue and the cost side. The revenue side is strictly dependent on internal costs and external price lists of partners. The right tool is needed to deliver an overview if there is still a margin which, connected with reconciliation modules, can show the price list view but also finally agreed services usage.

The wholesale world has now become more complex than ever – there are more partners to deal with, more complex scenarios and a greater variety of services offered by partners. This leads to the need to introduce real-time prepaid billing for wholesale.

Let's consider a sample scenario: an operator starts enabling operations acting as a hub/enabler for other service providers. Acting as 'enabler', the provider opens its network to partners (such as VoIP providers) who in turn, due to low credibility, must pay up-front. During normal operations services are charged in real-time mode. After a partner's account is empty, the service is cut off but, of course, the partner is notified beforehand that his account is nearly empty.

Looking at the telecoms market as a whole, how much potential do you see for communication service providers squeezing more revenue out of their business, and in what particular areas?

Piatosa: Squeezing more out of the business can be viewed from the revenue or cost perspective. In specific areas like network opening you can both create new revenue by attracting new partners to use the potential of your network, and reduce costs by shifting work and responsibility to the third party service provider.

New, alternative revenues can be generated through opening traditionally encapsulated solutions (service fulfilment, billing, or customer management owned and operated solely by the internal staff of a communications service provider). The B2B (business-to-business) gateway perceived until now as a nice buzzword, has become an actual business opportunity. Some operators such as **British Telecom** and **Vodafone** are developing and offering specific APIs to their platforms for developers.

Another area where CSPs are trying to gain more is the simplifying of business models in combination with reducing operating costs (fewer services) and sharing customer account management with the end customer. In this field it's hard to overestimate the role of corporate support systems. Corporate customers require tools that help them to optimise their costs, such as access to management reports, and for procurement – orders and requests for change.

From the service aspect, stronger differentiation between offers appears where premium customers require bundled services and retail demands those with no-frills with the possibility to pick-up additional services when needed. This also leads to app stores where applications are available for purchase that have been built based on a framework delivered by providers.

Wrona: The CSP also benefits from fibre-to-the-home/office/premises (FTTx) technology, whereby capacity and transfer rates satisfy the most demanding applications, but primarily grant full interactivity. Such a two-way information channel opens up a world of fully personalised content and advertisements.

CSPs are also trying to squeeze more revenue out of their business by introducing Communications-as-a-Service (CaaS) – a two-sided business model, where the end customer plays multi-faceted roles (buyer, vendor, partner, reseller, developer, etc). Then, such a business model assumes that technology will not be an obstacle or constitute a charging factor. Due to the multiple roles of the end customers and partners, revenue sharing and the commissioning approach needs to be introduced into the value chain.

Based on this, retail resellers start reselling communication as a service, treating it as a commodity, bundling mobile data access with selling notebooks and phones. Next to arrive will be DSL access, IPTV and video-on-demand.

VanillaPlus Jargon Buster

B2B: Business-to-Business

CPE: Customer Premise Equipment

ITIL: Information Technology Infrastructure Library

OpEx: Operational Expenditure

RoI: Return on Investment

SaaS: Software as a Service