



Clearwire Maximizes Revenue with the Flexibility, and Discovery-driven Audit Capabilities of the Lavastorm Analytics Engine

RESULTS:

Since engaging with Lavastorm and beginning to conduct discovery-driven audit analytics to optimize its revenue assurance processes, Clearwire has:

- Realized 13x ROI for its Retail business in the first six months
- Recovered up to 1 percent of its total revenue
- Streamlined and automated comparison of billing data to network performance data, allowing more granular reviews and identification of revenue gaps
- Achieved better cross-functional collaboration

“The findings from just the first 10 audits we created let us capture \$5 million annually. That is already a 13x return on our investment, and frankly my expectation is that we will capture close to another \$5 million.”

Angela Newell,
Controller and VP of Revenue Assurance,
Clearwire

CUSTOMER PROFILE

Clearwire’s 4G network represents one of the fastest expansions of a communications network in history. In 2011, Clearwire was already one of the fastest growing companies in the wireless industry, serving more than 10 million 4G customers in the United States. The company’s 4G mobile broadband network now covers more than 130 million people in the U.S., including 35 of the top 40 markets.

SITUATION

As a 4G mobile provider, Clearwire’s network is perfectly suited to handle the predicted annual doubling of global mobile data traffic through 2015.

But as Clearwire faced exponential subscriber and network usage growth in its wholesale channel, they realized they needed to better monitor that usage, both because the company’s wholesale revenue model was primarily usage-based, and because its wholesale customers required accurate reporting for use in billing their own end user subscribers.

Clearwire’s Controller and VP of Revenue Assurance, Angela Newell, knew this growth in usage would increase the risk of billing errors and require fundamental changes to how Clearwire manages its revenue stream: “The intent from the beginning was unlimited usage. Therefore, we hadn’t built in the ability to monitor usage by both volume and time across all our billing processes except for network management purposes, unlike most other carriers that started life with usage-based voice or 3G data services.”

Clearwire started comparing huge amounts of data from customer and network engineering databases to eliminate gaps between customer usage and actual revenues, but realized they needed more speed, accuracy, and flexibility to explore new data sources as their revenue stream evolved, and to review variances at a more granular level.

“Manually, it took so long,” said Newell. “We had a general sense of what we needed to look at, but we wanted to do it faster while remaining flexible in how we created the audits to optimize revenue processes as our business changed.”



SOLUTION

Clearwire engaged with Lavastorm and selected a Next Generation Revenue Assurance solution provided by the Lavastorm Analytics Platform, utilizing the Lavastorm Analytics Engine for its flexibility and root cause analysis, and its ability to create persistent, automated analytics.

The Lavastorm Analytics Engine's capabilities have helped Clearwire create custom analytic applications to optimize revenue assurance (RA) practices with the new usage-based pricing models in a number of different ways, and across multiple departments.

For Clearwire's Retail business, multiple persistent audits were created to automatically run at set intervals to monitor for billing errors across double- and triple-play service packages at a very granular level, such as subscribers who show usage but were not being charged, or were receiving triple-play discounts for only two services.

For Clearwire's Wholesale business, Lavastorm enabled discovery-based audit analytics to be conducted that ultimately identified the root cause of why usage in certain markets was being drastically underreported, resulting in inaccurate billing and revenue leakage. By understanding the root causes of this process error, Clearwire has created a persistent audit with built in thresholds that take in to account fixed costs like overhead, so that Clearwire now knows when closer examination is needed.

Newell adds that Clearwire's use of Lavastorm has been so successful they are expanding it beyond traditional RA practices: "What we use it for now is adjacent to RA. In particular, when new versions of our usage collections platform go live, Lavastorm helps us test whether it's working properly. We've also started doing some audits around sales commission fraud."

BENEFITS

More Than 13x ROI with Optimized Revenue Assurance Processes

Clearwire realized a 1300 percent return on its investment in the first six months.

"The 10 Retail audits we implemented have allowed us to capture around \$5 million in lost annual revenues, or about 1 percent of our annual total," said Newell. "We saw a 13x return on our investment immediately."

Clearwire's Wholesale business has also benefitted substantially: "As we collaboratively built audits with Lavastorm to compare billing and engineering data, we've been able to identify additional discrepancies in our usage-capture process, resulting in both incremental revenues and better reporting for internal and external customers."

Improved Collaboration

The power, flexibility, and ease of use the Lavastorm Analytics Engine have helped foster a more collaborative analytic process, and delivered positive impacts throughout the business.

"The whole company really benefits from the use of it," said Newell. "With other tools, you need the vendor to build the audits, or have IT build them for you. It helps to have a basic understanding of SQL, but I've had finance people who previously only knew Access use it easily."

"Lavastorm's advantage for us was its flexibility and the modular nature of the license. We knew we could get as much or as little as we needed based on data processing volumes or how many people were using it, rather than buying one module for retail, another for commission, and so on. We wanted the flexibility to create our own audits, and Lavastorm has always been excellent in helping us do this."

Angela Newell,
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