



## ROC® Cost Management

### Protect & Enhance Margins with Effective Cost Management

- Reduce network costs – Leased circuit costs & Access costs
- Effectively deliver next generation services by assuring the cost & revenue associated with it
- Complement revenue assurance with cost reduction
- Improve internal & external audit compliance
- Recover excess pay outs



## The Challenge

The path to sustainable profitability can be long and complex. In today's environment, challenges in growing margins are even more daunting because of an ever-increasing array of new services and new partners that Communication Service Provider (CSP) must manage to be competitive.

While innovative service offerings and market growth strategies can help you to grow the top line, truly sustainable profits depend also on tight monitoring and control over costs. In fact, the inability to accurately assess and track the cost of delivering a given service type can wipe out profit margins and scuttle progress toward your business goals. These costs can include interconnect costs associated with off-net service segments, as well as the fees owed to suppliers of other resources that support a service offering.

Content cost Management has become one of the most important aspects of a communication service provider's revenue maximization processes. The opportunities presented through new revenue streams and the pressure to launch content quickly into the market due to competition, overshadow the necessity to have a system that accurately and effectively verifies content revenues and agreements. This directly affects the margins realized from these revenue streams, increasing the losses due to ineffective verification and management of content revenues.

Now, with ROC Cost Management, you have greater control over the complete profit equation. As the market leader in Revenue Management solutions, Subex is leveraging its unique expertise in operational assurance best practices to offer you a ground-breaking approach to monitoring and managing the costs of services.

The billing relationships with your suppliers, enterprise customers and other partners are significantly more complex compared to the relationships with individual

retail customers. These partners billing relationships are often challenging as they involve high volumes, diverse payment methods and in many cases different billing formats. Owing to perfect competition in the marketplace, it is critical for you to achieve high accuracy in these high monetary value settlements with variety of partners.

Telecommunication networks today are not only complex but also spans both across your own networks (on-net), as well as the one leased from other service providers (off-net). In the case of certain service providers such as Wireless, MVNOs etc., the money spent on leased networks is generally a significant part of the overall network maintenance budget, thus, you must make sure that you are being appropriately charged for the utilized capacity and are not charged for capacity you are not using.

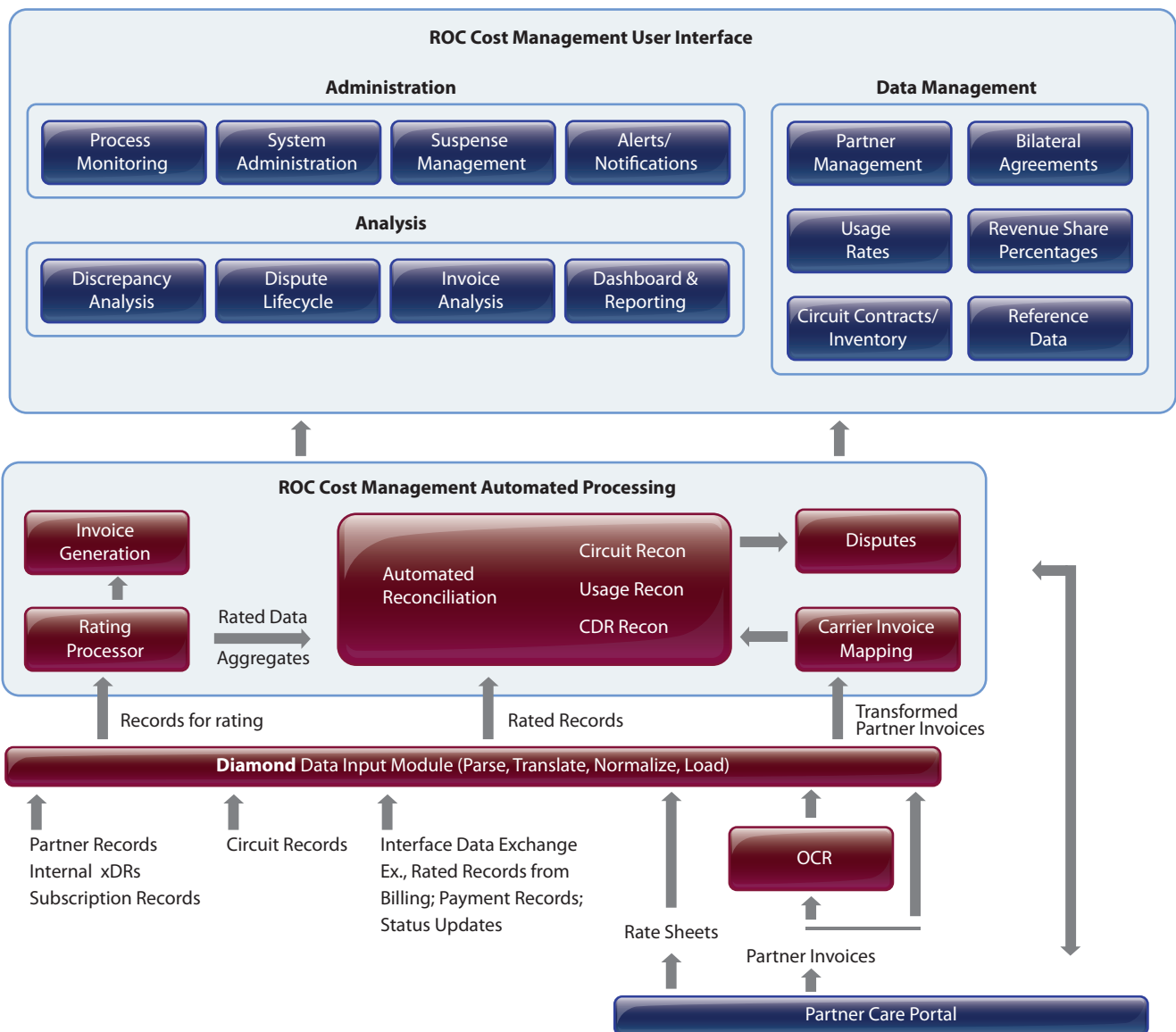
The intricacies of next generation type of services also make it arduous to manage the product life cycle from customer acquisition to service billing. It is difficult to ascertain the actual cost associated with delivery, management and support of a service. It is also difficult to understand how productively your capital expenditures in network or IT infrastructure are being used and how efficiently the service delivery costs are managed.

Today, it is absolutely essential for you to address the above mentioned cost management challenges in order to achieve operational dexterity. Hence, you must collect, collate and correlate information from varied sources within the network - including Order Management, CRM, Billing, Provisioning, Inventory and Financial systems — and then analyze the output in your business context. Finally it is also necessary that the findings and results of cost analysis are presented to the stakeholders in a timely and comprehensible manner. ROC Cost Management is geared to address the above challenges by identifying the service delivery costs, assisting in the cost recovery process thereby protecting & enhancing margins.



## ROC Cost Management Architecture

Subex's ROC Cost Management collects, collates and correlates the information from Switch, Inventory, Billing, Partner Invoices, and Financial systems to provide deeper insights about the cost aspects in an easier to understand format through Dashboards & Reports.



## Solution Architecture

## **a** Circuit Assurance

The Circuit Assurance component focuses on your enterprise business. The circuits leased by you are reconciled with the usage xDRs to determine the invoice level charges with circuit invoice data. The circuit inventory records are used for comparison against the Monthly Recurring Charge (MRC) for these circuits. Using this component, you can improve the enterprise revenues & profits through identification of unused circuits, stranded circuits, and differential traffic trends.

## **b** Content Cost Assurance

The content cost assurance component is geared to handle the various challenges prevalent in the content settlement business area. This component effectively manages the ever increasing number of third party content providers, loading and reconciling partner invoice data, thereby assuring maximum revenue and profits from different content revenue streams. Complex content agreements are easily handled, thus allowing the operator to verify and reconcile content events.

## **d** Access Assurance

The Access Assurance component focuses on the supplier side of business. This component helps in validating the invoices you receive from network access providers. The Cost Management Solution takes mediated CDR data from network and associates it to the appropriate access provider and determines on a periodic basis the appropriate amount that you should be invoiced from each of the access providers.

## **f** Interconnect and Revenue Assurance Interfaces

ROC cost management can interface with information rich systems like interconnect billing and revenue assurance, thereby providing the operator with end to end cost and margin assurance. Summarized data and invoice information can be taken from interconnect/interparty systems that are then used to reconcile partner invoices loaded into ROC. Data from revenue assurance systems can be used to bridge the revenue to cost gaps that exist in the content streams. Customer revenues measured in revenue assurance systems can be mapped against costs recorded from partner invoices in ROC thereby achieving end to end margin analysis.

## **c** Dispute Management

The Dispute Management component focuses on your dispute lifecycle management with your suppliers, enterprise customers, and other partners. The disputes are mainly related to invoices you receive or send to other partners but need close monitoring for resolution. Dispute management component will help you identify discrepancies and address automatic dispute initiation. Once the dispute is initiated the component can be used to manage the dispute through its lifecycle.

## **e** Payments Assurance & Accruals

The Payments Assurance component focuses on the payments management side of business. These payments can be either incoming payments from other enterprises (but not retail customers) or payments that you make to other parties. The component helps you to identify late payments, manage charge-backs and accruals.

## **g** Carrier to Carrier Compensation Assurance

Carrier to Carrier Compensation Assurance component focuses on inter-Carrier settlement portions of your business. This component not only handles transit traffic assurance but also helps you perform Invoice assurance after considering volume commitments. The invoices provided by the operators leased by you are reconciled for usage by comparing the rated CDR data with invoice data. Using this component, you can ensure that the revenues & profits are tracked well, are timely and justified.



## Why ROC Cost Management?

### Optimize Leased Circuit Costs

Discover circuit usage patterns and reconcile circuit records data with invoices. Identify unused circuits, traffic trends and stranded circuits

### Assure Access Costs

Associate usage with provider & validate invoices against usage and settle with providers

### Automation of Invoice Verification Process

Convert paper invoices into digital formats and reconcile the invoice with actual usage data

ROC Cost Management concentrates on both infrastructure costs & usage related third party costs to ensure that the rates and volumes represented in the vendor invoices are accurate. Additionally, the solution relies on operational assurance process and latest software technologies to load and reconcile the "Cost" related data from variety of sources such as CDRs, Inventory, Invoices, and Payments etc. on periodic basis. This methodology helps you discover potential issues such as unused circuits, stranded assets etc. and enhances your operational dexterity.

### Cost Management Solution in a box

Off-the-shelf ROC Cost Management comprises of following modules:

- Data Adapters
- Reconciliation Engines
- Dashboards & Reports
- Workflow
- Case Management
- Forms-processing software (Optical Character Recognition – OCR technology)

### Reduce Interconnection Costs

Discover transit traffic costs and reconcile with invoices received from other CSPs. Enables faster Carrier to Carrier settlement

### Save Excess Pay-outs

Recover overcharged amount from suppliers after comparing expected by actual invoice amount

### Quick Dispute Resolution

Initiate or get notified automatically on initiation of disputes with end to end tracking of payment related disputes. Ensures mutually acceptable dispute resolution process

### Engagement Model

ROC Cost Management is offered as a Service Bureau model.

The Service Bureau acts as a dedicated service unit for you, providing complete system management, all reference data input tasks and all error investigations and corrections. A highly-qualified Subex team handles system upgrades and reconfigurations as and when required without you having to invest in hardware, software and specialist manpower. This reduces your capex requirement and delivers the most up to date and best in class solution & services.

Subex Limited is a leading global provider of Business Support Systems (BSS) that empowers communications service providers (CSPs) to achieve competitive advantage through Business Optimization - thereby enabling them to improve their operational efficiency to deliver enhanced service experiences to subscribers.

The company pioneered the concept of a Revenue Operations Center (ROC®) – a centralized approach that sustains profitable growth and financial health through coordinated operational control. Subex's product portfolio powers the ROC and its best-in-class solutions such as revenue assurance, fraud management, credit risk management, cost management, route optimization, data integrity management and interconnect / inter-party settlement.

Subex also offers a scalable Managed Services program and has been the market leader in Business optimization for four consecutive years according to Analysys Mason (2007, 2008, 2009 & 2010). Business optimisation includes fraud, revenue assurance, analytics, cost management and credit risk management. Subex has been awarded the Global Telecoms Business Innovation Award 2011 along with Swisscom for the industry's first successful Risk Reward Sharing model for Fraud Management.

Subex's customers include 16 of top 20 wireless operators worldwide\* and 26 of the world's 50 biggest# telecommunications service providers. The company has more than 300 installations across 70 countries.

\*RCR Wireless list, 2010

#Forbes' Global 2000 list, 2010



[www.subex.com](http://www.subex.com)

#### Subex Limited

Adarsh Tech Park,  
Devarabisanahalli,  
Outer Ring Road,  
Bangalore - 560037  
India

Phone: +91 80 6659 8700  
Fax: +91 80 6696 3333

#### Subex Inc.

12101 Airport Way,  
Suite 300 Broomfield,  
Colorado 80021  
USA

Phone: +1 303 301 6200  
Fax: +1 303 301 6201

#### Subex (UK) Limited

3rd Floor, Finsbury Tower,  
103-105 Bunhill Row,  
London, EC1Y 8LZ  
UK

Phone: +44 20 7826 5420  
Fax: +44 20 7826 5437

#### Subex (Asia Pacific) Pte. Limited

175A, Bencoolen Street,  
#08-03 Burlington Square,  
Singapore 189650

Phone: +65 6338 1218  
Fax: +65 6338 1216