



Operators that have been sitting on top of tons of customer intelligence are finally being presented with an opportunity to utilise this intelligence to make business decisions as and when needed to boost revenues

Operators must use revenue management to exploit their assets properly



Tony Jackson: Revenue management is about flexibility to meet customers' desires

Revenue management processes and people are coming under increasing pressure from a variety of directions. Each new offering, relationship, device or technology adds yet another variable that must be managed and protected, while their interaction drives an almost exponential increase in complexity – and vulnerability. If service providers are to properly exploit their intrinsic assets and build a long-term future for themselves, these issues must be properly addressed, writes Alun Lewis.

For Adrian Harris, senior consultant at **Neural Technologies**, the current combined environment of both legacy and new systems can present serious headaches. “On one hand,” he says, “if you’re dealing with legacy systems and data there may be serious problems with the quality of that data and the different formats that it may be held in. On the

other, with a greenfield development, you may have full documentation and clean data – but there might also be a lack of experience and understanding of what’s important and relevant when it comes to monitoring and eliminating risk. This is where there’s a need for higher skill set and better pattern recognition tools to spot anomalies that might

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Mark Nicholson: Operators can rely on intelligent systems

not be recognised by the more standard, audit-oriented approaches of the past. Are the systems configured correctly, have they been maintained properly – and are the right people in the right jobs?”

While the journey towards increased complexity began a while ago – most especially with the need to support real-time charging to fully enable prepaid offerings – those demands have continued to grow as Pat McCarthy, vice president of marketing at Telcordia, observes: “Charging itself has now exploded and has to deal with things like promotions, bonuses, multiple data streams being delivered at different levels of speed and quality, multiple accounts being involved in just one transaction in multilateral ways, balance transfers and loans and third party transactions – as well as mobile payments – all in real time.”




Patrick McCarthy: Online charging system is the heart of revenue management

He continues, “Change is however also affecting other parts of revenue management. For a start, policy management now has to be integrated with it as well. CRM, customer self-care and point of sale systems also need to be instantaneously accessible and offer appropriate levels of visibility to the different parties. This includes giving customers the ability to change account details to modify sessions already in progress to upgrade, for example, to higher quality/bandwidth video. To sum up, the modern online charging system has become the heart of the new revenue management – surrounded by all the other real-time components like policy servers, financial services gateways, customer and partner self-care and so on.”

But where’s the customer going to be left in all this? The term bill shock has already entered the headlines around the world and the increasingly byzantine nature of tariff structures leaves even telecom natives confused. Mark Nicholson, chief technology officer at **Subex** believes that, “Traditional billing still has a place and changing everything to real-time or online charging is not necessarily what the customer wants.

Customers still like to get a bill and review and pay the total charge – even if they had checked on variable charges incurred during the billing period. In addition, they typically expect volume or group discounts based on the total usage over the billing period. Similarly, the revenue share/settlement to the content providers will continue to be a billing arrangement. Revenue management is about flexibility to meet the customer’s desires,” he concludes.

When it comes to finding suitable architectures to support the emerging demands of tomorrow, SOA holds out many benefits in the view of Rick Centeno, head of charging, billing and care at **Nokia Siemens Networks**: “Any optimal solution has to deliver charging and billing functionalities in a SOA-compliant manner, offering easy integration points with a modular architecture that separates telco specific tasks and generic enterprise process – such as invoicing – into layers that are easily connected and independently configured, making daily operational management efficient and easier to adapt. It’s imperative that any converged billing solution should be built around a single, highly configurable rating engine while pre-heated templates should be able to cover most of the common marketing offers.”

Coming from yet another angle, it’s also clear that an integrated approach to revenue management can also improve the focus on understanding the subscriber better as Tony Jackson, director at **Convergys** explains, “Advances in revenue management mean that operators can now rely on intelligent systems that ensure that compatible software billing systems are in place to meet the specific demands of each subscriber. Revenue management systems make it possible for operators to track and validate all subscriber accounts. As a result, operators who have been sitting on top of tons of customer intelligence are finally being presented with an opportunity to utilise this intelligence to make business decisions as and when needed to boost revenues.” 

The author, Alun Lewis, is a freelance telecoms writer and consultant.