

**With the credit crunch high on everybody's agenda, revenue leakage is even more unacceptable than ever before. George Malim finds that the topic has reached the boardrooms of tier one operators and is now a strategic imperative**

# Stop the leaks, increase the profit flow



**Alon Aginsky: Tier one carriers can recover high sums from revenue assurance from the first year of operation**

Only five years ago, revenue assurance was viewed as a non-core part of the operator business that could be addressed with a patchwork of disjointed point solutions. Systems that gathered data from the CDRs of individual business lines did little to staunch the flow of revenue leakage and, although they recovered millions of dollars for operators, they left many millions more undiscovered and unrecovered.

In the intervening period, operator attitudes to revenue assurance have changed radically. The subject is now a boardroom issue and operators are seeking to deploy revenue assurance systems strategically across their entire business.

The benefits are obvious since the sheer volume of lost profit that strategically deployed revenue assurance systems can recover at large, tier one carriers has a clear bottom line impact and can increase EBITDA of carriers.

"Today, in the current economic climate, where ARPU is unlikely to increase, operators have very little option if they want to increase their bottom line profit by \$70 million, for example," says Alon Aginsky, chief executive of revenue assurance specialist, cVidya. "The killer application that can deliver that level of additional profit simply doesn't exist right now, but large, tier one carriers can recover these sorts of figures from strategic revenue assurance in the first year of operation alone."

BT group, one of largest operators in the world, was quick to see the potential of strategic revenue assurance and started to re-assess its revenue assurance in 2003. In that year, it started to automate solutions with in-house tools, with some success, and by 2005 had started to centralise its revenue assurance operations with a UK centre of excellence.

The concept was to institute one function across the BT group and bring people into the centralised operation. By early 2006, BT realised a different approach was required because current systems were insufficiently strategic.

The operator wanted to reduce the manual work requirement of the revenue assurance process and move revenue assurance up the value chain. This challenge was compounded by the need to conform with UK regulator Ofcom's requirements that BT split its retail and wholesale businesses.

For Aginsky, BT's challenges are similar to those facing the rest of the operator sector. "Operators face the technical challenge of having fragmented systems in place and have many different revenue assurance tools across their businesses," he says.

"In addition, the services they provide are much more complex and revenues can't be assured by monitoring switched CDRs. Networks today act

more like the internet bubble than in the traditional services environment, as a consequence, operators need instantaneous flexibility."

After a thorough selection process that lasted nine months, involved six other competitors, included an RFP process and two proof-of-concept exercises, cVidya was selected to be the vendor and implement one of the largest revenue assurance projects ever deployed.

Geoff Hammond, head of revenue assurance at BT, explains the rationale behind its commercial-off-the-shelf decision: "We previously managed our own revenue assurance needs through internal developments and legacy applications. However the significant pace of change and product development, combined with the growing operational role within our team meant the only way forward was an 'off-the-shelf' solution," he says.

"Through our stringent selection process it became apparent that the cVidya MoneyMap solution offered the functional capabilities to streamline our revenue assurance processes, and enabled our team to react quickly to new requirements."

With all technology deployments, proof of concept is one thing, but reality in deployment can be something entirely different. In this case, the headline figures of return on investment in eight months and the recovery of tens of millions of dollars of lost profit go a long way in explaining the success of the project.

However, it is in the detail that its true scale and scope can be uncovered. The project monitors more than 45 systems including billing, CRM, order management, network management, radius servers, content management, rating, usage, inventory management, asset management, data warehouse systems and various ERP systems.

Further, the system interfaces with nearly 200 different data sources and is used by 100 revenue assurance experts from four different business units of BT, which comprise users from 16 different departments.

Such strategic projects must be approached in a totally different way to a standard software sale. Tier one carriers are looking for long-term relationships that enable them to meet their current targets but that will also have the flexibility to innovate to meet their future needs.

Hammond feels cVidya will do just that for BT. "The experience and approach of the cVidya team complimented my team resulting in a partnership which would make major contributions to BT's goals in the short and long term," he says — and cVidya won the prize in the World Billing Awards 2008 for the best revenue assurance and management project for its deployment at BT. ■