

EXCLUSIVE: cVidya CEO tells of 'biggest RM deal since Subex bought Syndesis'

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Alon Aginsky - President, CEO and Co-Founder of cVidya

"We're now the largest vendor in telecoms revenue management, by revenues and customers." That's the bold claim by Alon Aginsky, President, CEO and Co-Founder of cVidya Networks, speaking to VanillaPlus this week, barely 3 months after the acquisition of ECTel for US\$21 million in cash.

The fact that he's talking to VanillaPlus at all may come as a surprise when you consider that it was an Exclusive news story on VanillaPlus.com in October that broke news of the planned sale of ECTel to cVidya. Aginsky says that ECTel's publicly-quoted shares were trading at "around 50 cents," while the deal was still under wraps. When the news reached the market, shares in ECTel leaped to \$1.26, and the loss-making revenue management vendor's market capitalisation jumped from \$7 million to "around \$20 million".

It was evidently a testing time for Aginsky and his senior colleagues, but they were never going to value their offer on market cap alone. By January 13 Aginsky was able to confirm the deal and cVidya's team of 150 staff grew to 300, with the loss of 20 posts through "cutting overlap in administration".

"We're a privately-owned company (Aginsky is the largest shareholder) with annual revenues in the area of \$50 million, 132 operator customers and 300 staff across 18 global offices," he told VanillaPlus.

ECTel was providing Integrated Revenue Management. cVidya was focused on Telecom Revenue Assurance and Dealer Management, so the synergies were obvious. "cVidya had 80% growth per annum in recent years. But to grow in future we needed scale. ECTel being another Israeli company with offices just 20 minutes from ours, it made sense. But," he adds ruefully, "it's not easy buying a public company."

"So, do you have different conversations with customers now?" we wondered.

"In the fourth quarter of 2009, when word of the deal got out," says Aginsky, "new orders were higher than ever before. We've now changed some of the old management and are more 'start-up' in style. We're finishing the first quarter today and it's been a good quarter. We're now working with AT&T, Telefonica Group on revenue assurance and fraud, Telecom Italia, China Mobile, Rostelecom, Kyivstar and others."

"Nobody else has 300 people just in the Revenue Intelligence space," Aginsky insists, in a pointed reference to India-based Subex, whose varied interests extend into interconnect billing and managed services. Subex's view on that remains to be seen.

Aginsky adds, "We've re-branded from just revenue assurance to revenue intelligence. Operators are trying to protect themselves against intrusions, and had a lack of information in the past. Revenue intelligence brings the ability to be the largest (provider of) telecom financial analytics. We have customers, money and technology, and 40 of our staff used to be fraud or revenue managers within telcos, so we have unique intellectual property."

And what of the future?

Aginsky just says, "I talk with telecom customer CEOs and CFOs and there is a growing need not just to manage revenues but to manage margins, especially in mature markets."