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DRIVING PROFITS FOR EMEA'S COMMUNICATION SERVICE PROVIDERS

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CSPs must move from simply addressing known revenue risks to attacking the unknowns of their operations

Alon Aginsky is CEO and president of cVidya Networks, the provider of revenue intelligence solutions for telecom, media and entertainment service providers that he established 10 years ago. Prior to cVidya, Aginsky served as vice president of business development and business alliances at C. Mer Industries, where he was responsible for new ventures in telecoms customer care, billing, and network management solutions. Aginsky holds a BA in Business Administration from New York Technology University and also helps young startups grow and prosper. Here he shares his view of the new revenue intelligence challenges with VanillaPlus.

VanillaPlus: Alon, cVidya has now been in the industry for 10 years, with over 150 global clients, including 20 of the largest operators in the world. How did you get here?

Alon Aginsky: When I founded cVidya in 2001, I knew that we were entering into an industry that would keep growing and where customers' needs would keep evolving. Back then we saw businesses were trying to manage their value chains efficiently but were lacking the expertise to address these needs. Businesses were in need of products, solutions and consultants that could provide much needed support and whose benefit would far offset their cost.

I've always had an entrepreneurial streak and I knew that communication service providers (CSPs), with their incredibly advanced and

diverse revenue channels, needed the ability to control these channels and prevent leakage. I wanted to create a business that would provide a win-win offering. My vision was to establish cVidya as a company that would enable businesses to achieve a high ROI from our solutions; that we would actually save the customer money through engaging us and that they would be capable to optimise and generate new profitable streams once revenues are assured. However first we needed to educate the market that such solutions were possible to implement and actually work.

VP: As operators offer more and more complex services and the value chain becomes more distributed, how has the revenue assurance challenge intensified? What specific challenges are CSPs looking to overcome right now? ►



“Revenue assurance and fraud used to be mostly reactive, focusing on the ‘known knowns’. While this approach proved itself as very effective resulting in significant financial recompense, its effect on preventing leakages was limited.”

AA: Each operator tries to keep winning new business and retaining existing customers by offering advanced services or enhancements to existing ones. Each time this occurs, the value chain becomes more distributed and complex, and so the need for revenue intelligence solutions grows. Some of the major issues and challenges we’re addressing for operators today relate to business intelligence with regards to pricing analytics. Whether it’s for a customer threatening to leave unless they are offered a better package or service, or a large corporation looking to source new services, CSPs need to be able to ascertain instantly what price or services they need to offer in order to retain the profitable customers or win a lucrative contract. Pricing analytics across the board is a key issue for CSPs as they look for new sources of revenues that are not coming from new subscribers or service launches, but from innovative bundles and packages to attract existing and new users. The solutions that enable the operators to identify the impact on pricing and provide recommendations for tailored pricing per subscriber are key differentiators.

Another challenge that CSPs face is internal fraud, which is fraud that occurs from within their own organisations. We did a poll last year and 85% of CSPs felt that internal fraud was a ‘growing concern’. Internal fraud can range from an employee fixing bills for their friends or family to large scale financial fraud. CSPs were not always in a position to catch these fraudsters and would rely on word of mouth or other tactics. Our solutions come with dashboards designed specifically for identifying these issues.

VP: Where do you feel the Revenue Intelligence domain is heading over the next few years?

AA: In the past revenue assurance (RA) and fraud used to be mostly reactive, focusing on the ‘known knowns’. While this approach proved itself as very effective resulting in significant financial recompense, its effect on preventing leakages was limited. In practice, the percentage of the recovery of detected leakage is far from being 100%, mainly due to commercial considerations that limited the amount of back billing. Hence the industry needed to become more proactive, and prevent the leakages. This is exactly the benefit of adopting and adapting well-established risk management methodologies into the RA and fraud world. We managed to set standards in the industry through our CTO’s leadership of the RISK concept in the TM Forum, incorporating Risk Management methodologies into its Revenue Intelligence solutions. Our solutions enable C Level management to deploy a top-down view of their business and proven revenue protection methods enabling them to benefit from clear strategic planning and ongoing processes to achieve the set targets.

Currently, we see operators utilising consulting services when initially deploying the RA and

fraud solutions, mainly using one-off consulting services, but the requirement for the market is for ongoing consulting capabilities to support the proactive approach. cVidya is the first in the industry to embed risk management methodology into its solutions. We will be revolutionising the industry by enabling operators to easily identify targeted risks and know exactly what threats will arise. We will also be enabling the RA, fraud and pricing specialists to benefit from an easy adoption of this methodology in their day-to-day operations through wizards and built in support within the products.

Another trend we will see increasing is fraud conducted through social media channels. Fraud is one of the major concerns of CSPs and fraudsters themselves will always try and be one step ahead of a company. The dramatic growth of social networks around the internet world has brought us to the understanding that the information and data accumulated within these networks can be highly beneficial to fraud investigation processes. With virtually everything going on in or around the internet, fraudsters and their peers also act within, and manipulate for their criminal intent, the surrounding social networks. Embedding social networks, like Facebook, as an integrated tool and source of information to the fraud management system is something that helps fraud investigators in their search for relevant and useful information to uncover new fraud scenarios and trends.

VP: In terms of new business and delivery models – cloud computing seems to be top of mind, what is your perspective on how cloud computing will change our industry?

AA: Yes, cloud computing is definitely one of the exciting technology and business model shifts in recent years. For the communications industry it has two main implications. The first implication is that service providers are themselves becoming cloud service providers. This allows them to move up the value chain to offer IT services – in order to reduce churn, increase ARPU and ultimately avoid becoming dumb pipes. Service providers who will thrive in this new era are those who will offer hundreds and even thousands of ever changing applications delivered with innovative pricing models and over a complex value chain. This is challenging from a number of aspects and monetisation in particular – namely billing for these services and preventing fraud and other revenue leakages. To address these issues, cVidya launched IRIS for Cloud Services earlier this year – a solution addressed at tackling the specific challenges that service providers offering cloud services face when they want to assure their cloud services margins. The second implication is that service providers are also becoming consumers of cloud services. We see more and more BSS/OSS applications starting to move to the cloud, and while cloud computing is still in its early adoption phase, its benefits – including fast time



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to market and low affordable monthly pricing – are just too compelling to ignore. This is why last year we launched cVidyaCloud, our umbrella of on demand revenue intelligence applications, for service providers of all sizes. It is available over the web on a monthly subscription fee without the need to install hardware or software.

VP: How does cVidya work with its customers to deploy solutions that generate rapid ROI and have an impact on their profits?

AA: cVidya provides a complete solution from the operator's perspective. We provide our IRIS offering together with consulting services which enables us to define the priorities with the operators and guarantee ROI for the different product deployments. The fact that we provide consulting together with supportive products and tools allows us to adjust the products to the needs of the operators more effectively in order to prevent leakage and identify revenue losses. We also ensure that our products are synced with each other. We enable complete knowledge sharing between the IRIS portfolio applications be they fraud, dealer management, margin analysis or revenue assurance. Customers are sometimes tempted to take cheap or low-cost solutions but then they often find themselves stuck with poor performance products, lacking the flexibility to address new challenges, and without the innovative features that they need or expect. We make sure that our products address all those needs whilst taking into account the ROI

that the client expects. Lastly, we ensure that the client knows that we're here to stay. Although a project might come to an end, the relationship doesn't. We enter into a long-term partnership so that the customer will know that we will be there to help their business grow and provide consultation and advice at each new stage along the way. We work closely and continuously with the customer to brainstorm and provide our expertise from other customers to all deployments.

VP: What do you think makes a player stand out in the Revenue Intelligence domain?

AA: One key ingredient, and something that cVidya is known for, is innovation. We were first in the market with revenue assurance and fraud solutions for 3G, data and IP services, rating and billing verification. We are currently developing and deploying, in partnership with our customers, a solution for the mobile money space that enables operators to tailor their revenue assurance solutions to fit the new value chain of mobile money. We are also penetrating other vertical markets such as utilities, M2M and tele-voting in which knowledge we have gained from the telecom, entertainment and media areas will be used to tailor solutions to these markets.

In addition, a player stands out when they have a reputation for delivery excellence and a commitment to the successful ending of every project they engage in. 🌱