

ASCOM: Bringing Carriers Up to Speed in Today's Fast-Changing Interconnect Environment

Letting Go of Out-Dated Processes is Easy with Ascom's Global Reach & Innovative New Services

InterComms talks to Hendrik Röllinger, Head of Wholesale, Ascom

Q: What are the main problems that occur because of the different age and complexity of deals or contracts that CSPs have in supplying capacity and transit?

A: Prior to starting development on several new service offerings, we conducted an extensive review of carrier agreements and the various issues and problems that prevented optimal business performance. While the types of issues vary from carrier to carrier, we were able to classify the main issues into four principal categories:

- Outdated Contracts (*unmodified for long periods of time*)
- Updated Contracts (*but contain outdated billing and pricing models*)
- Older Contracts (*updated but using unclear language*)
- Unclear Contracts (*language so ambiguous Billing is unable to match to paperwork*)

Outdated Contracts: In with the New, Out with the Old

The first category contains contracts that have not been modified or updated in years due to geo-political events, such as wars or embargoes. Since the amount of traffic over those contracts is slow -- but containing pricing higher than today's marketplace -- it can be easy to overlook the problem. However, the products described in these types of contracts are generally so old they no longer exist. As a result, the network is underutilized and financially underperforming. The challenge is to understand which of the products in today's telco environment can be applied to

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reflect the old product offering and which product pieces may need to be blocked or replaced.

Updated Contracts: Comparing Apples to Apples

Our second contract classification include contracts that carriers are updating on a regular basis, but contain billing conditions and old-fashioned pricing models that bring little, if any, positive financial effects and huge problems on the billing side. In one case, for example, we found that the Account Manager was conducting the financial analysis in an old Excel template, but that the back office hadn't built the contract with modern pricing models. It's important to note that once this contract was migrated into Ascom's CAMtool, it took only a few clicks to compare the existing conditions with other conditions. It enabled the Account Manager the chance to change conditions and optimize results for the company with ease. As an

- ▶ automated solution, the pricing update was accomplished without having to allocate additional man hours to make the comparisons manually, a process that is laborious and time consuming.

Older Contracts: Over and Over and Over Again

The third contract classification is very deceptive and very costly to carriers. These are bilateral contracts that carriers have had with their trading partners for a long time. They are updated on a regular basis and appear, at least at first, to be key assets. But it's everything but – and a killer to the bottom line. Our research showed that when billing and financial managers dug into contract descriptions and groupings of minimum usage and traffic commitments over network lines, the language was ambiguous and interpreted differently. The contract could be read in many ways (by parties on both sides), which greatly affected the financial outcome of the deal.

These types of contracts invariably force the billing departments of the two carriers to have a “second negotiation” and an agreement on how to apply the conditions. Unfortunately, in this scenario the account managers are left out of the process and the circle continues. This mixture of external and internal miscommunication and ambiguity is costly and written off by carriers as a ‘cost of business’ when it’s completely unnecessary.

Unclear Contracts: Where Did the Revenue Go?

Initially, the number of interconnect agreements found to contain paperwork that couldn’t be matched to billing (or even what service or product was offered) seemed to be small. In the worse cases, we could only point out the issues and advise the carriers the necessity of cleaning up these deals. The financial impact of miss-billing or not even billing for services provided is significant. In addition, we found that many of the very same issues apply to even the largest carriers and that, in fact, few carriers have this area fully under control.

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Q: How is Ascom helping to simplify this area and what are you doing to bring more transparency to the data that is logged and collected to allow greater and simpler analysis?

A: One thing that is helping to get carriers to focus on this whole area and to re-think about their products and interconnect processes is the publicity we received when

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Ascom earned *Best Service Innovation* at the 2014 Global Carrier Awards. Carriers took notice of the providers that transitioned from using outdated manual processes to automated ones to vastly improve efficiency and profitability.

In the area of financial analysis, most carriers use tools that don’t reflect the realities inherent in any given contract and any analysis is far off the mark due to a dependence on Excel. While Excel is flexible enough, it has two issues:

- 1) Entering contract details requires extensive manual inputting, which is prone to errors and other anomalies and;
- 2) Managing and ensuring what was agreed to is met is difficult and cumbersome, at best, due to the complexity of bilateral agreements.

With as many as a hundred or more agreements to manage, manually attempting to calculate the effects of changes to various commercial models is not possible or cost efficient.

Our automated solution changes the paradigm completely. Our tools ensure that contract analysis matches the same model used for the billing. As a result, there are no gaps or gray areas. In addition, the results of an analysis are brought into standard format to make it much easier to directly compare different contracts. This has two very positive effects: First, it enables commercial department personnel to make sure that the minutes or data-packets, are used in the best way for the company. And, secondly, any contracts that aren’t producing or meeting expectation are visible in real time so that they can be quickly amended or cancelled.

Moreover, the solution provides a transparent and defined way of capturing and presenting the content of a contract so that account managers have a visual dashboard view of how they are performing. With the ability to see complex contract status in real time, along with the capability to consider and employ alternative scenarios in just two or three mouse clicks, account managers are provided the tools they can use to improve contract profitability on their own – *and reduce their workload at the same time.*

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- ▶ Not only do these tools provide transparency and overviews on monitoring running deals, it brings visibility and measurement criteria to determine how hard or easy it is to fulfill the conditions of a contract. So, from a time where carriers just battled to fulfill it, account managers can now tackle the question of whether to extend, amend or drop a contract on the spot, instead of waiting weeks to receive final numbers from the billing department. Contracts that were fulfilled quickly and indicate further growth can be quickly extended in the next period.

Q: Ascom has been deploying both B2BSimpleX and CAMTool for operators globally. Can you discuss deployments and the ease of transition and end results?

A: Global deployment always has its challenges. One of the reasons why we are so successful is that we have facilities throughout the world, which enables us to respond quickly. Many factors are involved, including static conditions, such as connectivity and connection speed to the servers. There are also different computer set-ups and local security restrictions issues on the technical side that need to be addressed. On the process side, working with several legal entities and governmental laws is also an area we have become quite experienced with. Of course, the working set-up needs to be considered: office locations, mobility, security levels, etc.

On the technical side, our experience and expertise serves clients well. Generally, we deploy one or multiple central servers, depending on the size of the installation. We try to keep the numbers as low as possible to save cost and keep things easy. For many clients, we use modern web technologies which make local installations unnecessary. Those clients that use the web and up to date technologies are able to run on any operation system, including mobile devices. With 25 years of system integration experience, we're able to make most implantations and integrations fast and painless. We have a strong support team known worldwide for quickly addressing and solving the most sophisticated challenges.

We also invest a lot in training and education for our project managers and certify them for those challenging projects. As a global company, our team understands how different groups work from country to country. We pride ourselves on the personal attention we provide, as well as a wide array of 'train the trainer' programs, webinars that we make available.

Q: Looking forward, what are the key developments and trends you see?

A: Carriers develop and offer the most modern communications technologies in the world. They operate on a fast track and continually need to deploy faster mobile networks, increase capacity and provide enhanced products, such as HD Voice, to keep current and grow margins. Our mission is to help them reach these goals.

However, carriers don't often work with the same break-neck speed and innovation when it comes to the carrier to carrier business. To fill this void, we rolled out the B2BSimpleX platform, which automates the entire carrier to carrier business. It completely eliminates any need to use antiquated and costly manual practices. The platform includes intuitive user modules and workflows that can be used to modify contracts, inform partners about price and destination changes, verify dial code lists and volumes, and exchange side letters.

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Advanced tools include the ability to model business cases, conduct 'what if' scenarios, analyze contract performance and measure profitability in real time. Additional features include the ability to prepare financial statements (negotiate to bill), import and verify scanned invoice items, CDR reconciliation and automatic flagging and classification of discrepancies and recommended disputes.

The other large area we see is data products. We are working to help our customers increase profitability with their data products and exchange of data traffic like IP and data roaming. We are convinced that there is a lot of unused potential in terms of pricing, billing and implementation. By developing more automated processes in this area, we believe we will play a pivotal role in helping carriers achieve business success far into the future.

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