



Deliver the experience with real-time charging and policy

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VanillaPlus: Since the theme of this year's Mobile World Congress is 'Leading the Transformation'. How should communication service providers view the challenges of transformation? Is this a life or death struggle – or are the threats to them sometimes overplayed?

Paresh Shah: Transformation is the only constant; it seems, in the ever-evolving telecommunications market. Standing still is simply not an option and hasn't been for a long time. The pace of change and the influx of technologies, services and applications has long caused sleepless nights for the telecom CxOs who are focused on delivering the experience *du jour* that fickle subscribers will continue to pay for.

Interestingly, a lot of time and discussion is spent on infrastructure and technology debates. But to truly embrace change, CSPs need to don their marketing hat and reconsider long-standing processes and culture. Those, more than technologies or applications, will be what truly trigger meaningful transformations in the industry.

If you think about this for a moment; throughout recorded history, it's clear that any significant change that threatens the status quo will be perceived as an existential threat by the establishment. When the first major wave of change hit the telecoms sector – the erosion of long-established monopoly models – it was only in hindsight that we saw the benefits in the wave of investment, innovation and creativity that brought lower prices and new and better services. The companies that have survived had to learn to adapt quickly to new conditions. Those that didn't went under, and the same holds true today.

VP: So, what's leading the transformation today?

PS: The first and most basic factor is the discontinuity brought by the wholesale adoption

of IP as a near-ubiquitous protocol, that's capable of carrying speech, data and video at ever higher levels of speed, quality and reliability – and at ever lower cost.

The second major issue is the erosion of traditional boundaries between different technologies and industry sectors. Driven in large part by the unique flexibility of IP, different players from different sectors are eagerly trying to muscle in to dominate the new shared terrain of our offices, factories, front rooms, pockets and purses. And with this change comes a naive expectation that all communications services should now be magically free.

Meanwhile, CSPs face financial uncertainty by having to offer highly competitive 'all you can eat' packages at uneconomical prices. Even mobile service providers that once prided themselves on having a personal and intimate relationship with their customers could find their strategic dominance eroded by free WiFi or 4G connectivity – especially in high-density urban areas where they typically get the most returns from their infrastructure investment.

When you look at the emerging BRIC nations (Brazil, Russia, India and China) and how they're responding to change; transformation takes on a new light. But the basic tenet for CSPs to deliver a communications experience that gives them a growing portion of the communications wallet remains the same. While growth in these sectors is still huge – India alone is adding around 18 million new mobile subscribers each month – many of the most successful CSPs in these regions have grasped the importance of marketing right from the word go and based

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their business plans on intelligent segmentation – understanding that ‘one size does not fit all’ is the key to stand out from the crowd in this highly competitive market.

VP: What steps should CSPs take now to prepare for their business transformations?

PS: As CSPs look to ramp mobile broadband and interactive services, CSPs need to move on from all-you-can-eat, unlimited plans which largely target the higher spend users, to tiered service plans that offer broader and potentially more profitable plans that can be targeted to market segments and devices. The next stage is to up-sell the customer with personalised offers that create additional potential for value-added services. This transformation depends on the introduction of real-time charging and policy systems with a real-time subscriber registry.

Adaptability will be key and that means fully understanding, and indeed anticipating, the changing environment that you’re going to be operating in. Communications services reach far more deeply into consumers’ lives than they ever did before when they were limited to basic speech, data or dial-up access, and real convergence happens inside the consumer’s head as they increasingly move between different screens, devices, content and applications.

In this context, understanding the social aspects and the experience are vital if the relationship between customer and CSP is to become truly ‘sticky’. In a world of apparently ever-shortening attention spans and where links with ‘friends’, sources of content or trendy applications change faster than fashions, keeping any kind of traditional brand loyalty to the underlying service enabler is going to be difficult.

However, with the right identity or subscriber management, charging, policy and personalised advertising systems and processes in place, the service provider has a potentially very powerful role to play ▶



as a two-sided service delivery enabler – between the customer searching for a good deal and the advertiser looking for eyeballs and pockets to target. With the right experience, a compelling proposition will spread rapidly through the social network and can fast become ‘viral’.

Some important caveats do, however, apply here where the issue of identity – with all its subtle facets – are involved. Real-time subscriber management will be key to realising this service delivery. Against this backdrop, respect for a customer’s privacy must be seen as an essential brand value by CSPs – and one that can differentiate them from the ‘fly-by-night’ insecurities of much of the web environment.

Ownership and control of the pipe and at least parts of the value chain also allows CSPs to begin to exploit some of the other information assets that they either hold already or can extract from the wider value chain. Presence and location – with appropriate privacy controls – are two prime building blocks for a range of enhanced services that could prove as attractive to customers as to advertisers.

VP: As services converge, how can CSPs ensure that their customers enjoy a truly interactive experience?

PS: Any strategy involves a greater exploitation of customer data. That is where the keys to the financial kingdom lie. One way around the flat-fee, all-you-can-eat model is to give customers options that enable them to decide what is valuable and, by association, what they are willing to pay for such as the ability to control their own services – offering bandwidth tiers that enable subscribers to turn bandwidth or qualities of service up and down as their requirements or budgets allow.

Perhaps for others it is personalised services with packaged bandwidth and usage controls, for an email service or access to social networking or media site. Real-time charging and policy management systems and processes are essential if appropriate levels of control are to be delivered to the customer in order to give them the communications experience that fits their preferences, lifestyle and budget.

Indeed, subscriber management, policy and charging are assets that CSPs can deploy to their very real advantage. Surveys often highlight that CSPs are trusted by their customers to act as safe intermediaries for international roaming, or for providing access to mobile money and remittance services.

That trust can also be reflected in service features that allow users to control access to content or services, and it gives CSPs the opportunity to monetise that access in partnership with third parties. Traditional, business models that only offer one form of payment for services, need more flexibility in this new Interactive World.

VP: It’s all very well knowing that your BSS, OSS or SDP needs to adapt to change – but how do you achieve this flexibility?

PS: If we’re to properly exploit all these assets and turn them into the building blocks of viable new business models then there are a number of hurdles that must be overcome – fortunately the technologies to resolve these are already here.

The first issue and one that’s been an implicit part of the ‘new’ revenue management environment for over a decade involves the need to move to a truly real-time basis and bridge the traditional gap between supposedly ‘real-time’ IT and the harsh and unforgiving ‘real’ real-time network environment.

If we’re talking about putting decision-making powers and real choices into consumers’ hands and devices then those transactions must be carried out in real time, they must scale and be highly available, even during maintenance windows and software upgrades. This is especially true in the pre-paid world, where offering all services including high added-value content and applications must be supported by real-time disciplines and real time data to avoid potential frauds. That said, the fast and reliable aggregation of distributed data assets – such as identity, policy, charging, location and presence, – require an equally real-time focus in the post-paid sector if mobile broadband and content services are to be successfully monetised.

Closely tied in with these issues of speed and responsiveness comes the need to find ways to deal with the huge volumes of data across multiple systems and networks that must be stored, managed, massaged and accessed to support these new advanced services. In a world of increasingly blurred boundaries, that data must also be protected (or anonymised where appropriate) as customers become more aware of their digital vulnerabilities and legal penalties begin to be reinforced.

Similarly, that openness also needs enablers and here we have both the enablers – Service Oriented Architectures (SOA) – and, increasingly, processes through which to apply these disciplines to resolve real world problems, such as the **TM Forum’s** Framework initiative. Realising next generation operations and service delivery is key to assuring services, managing capacity and monetising services on next generation networks.

Ultimately, the biggest challenge for CSPs in “Leading the Transformation” comes not from legacy infrastructure and systems, but legacy business models and processes. An industry built on inflexible pre-paid and post-paid system needs to open up with flexible service delivery, policy, charging and revenue management solutions that will enable the new business models required to compete in the race for mobile broadband and interactive services. 🍌

“Flexible service delivery, policy, charging and revenue management solutions will enable new business models to compete.”