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Billing Systems Selection – Drafting the Right Player

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Looking for a new billing platform to better handle new products or provide more flexibility or reduce operating cost? Selecting a billing system reminds me of a coach going to the draft. Do I look to build on the team I have or do I go for the star player and work a team around them?

A billing system can be looked upon as being part of a team. The team in this case is the group of business functions that a service provider performs. The TeleManagement Forum (TMF) provides a useful definition of the team, which is embraced by much of the communications industry. The Billing Process Flow that overlays their functional model contains Invoicing and Collection, Rating and Discounting, plus elements of Network Data Management and Customer Interface Management. This is one of three primary process flows, the others being Service Delivery and Service Assurance. Billing relies heavily on the quality of the Service Delivery and Assurance processes to create and maintain reliable data that is the foundation of the billing records.

The problem with selecting a Commercial-Off-The-Shelf (COTS) billing system is finding an actual billing system i.e. one that falls into the definition of the billing process documented by the TMF. Most vendors opt to expand on the functionality of billing in an effort to attract customers, and perhaps to make comparisons challenging. “Customer Care” is the most common addition.

But what is customer care? There is no common definition or understanding of the term. Consequently you will discover billing systems that embrace such functions as order management, trouble management, customer contact management, customer relationship management, product catalogue management, provisioning, service activation and service quality management. Meanwhile, some of the core features that are required to conduct billing may be absent, such as network data collection, taxation, inter-carrier settlements, bill presentment and payment collections.

The chances of any two people having the same requirement when they utter those famous words “I need a billing system” is indeed very remote. Not only are their legacy environments and business plans likely to be different but we now see that their view of functional scope is open for interpretation.

And it is amazing how many providers are keen to repeat the sins of the past. The key selection criterion of the last two years has been the rationale that “this billing system works for company B, so it will also work for me”. The selection process often takes as long as a discussion at the sushi bar. And when it is discovered six months later that the hypothesis was false, a quick conversation with company C will yield a replacement.

This simplistic view of billing ignores the fact that the billing process is part of an overall solution. A billing system is only as good as the environment in which it exists. Functionality within is as important as integration to the surrounding systems. Overlapping functionality and data can cause as many problems as missing functionality and data.

The BSS/OSS environment must meet the requirements of the business. Businesses grow and change. Requirements change. Solutions must evolve to continue to support the business. Evolution requires an understanding of where you are today and where you are going tomorrow. This is not plug and play. And

it never will be plug and play as long as vendors seek differentiation with concepts like customer care as a means to gain market share.

So where do I start with billing systems selection? By asking the question “Where do I want to finish?”.

Before we start to analyze the features and functions of the billing solution it is imperative that there is an understanding of the business goals surrounding the billing function. Is billing a key differentiator for the business? What is our value statement for customer service? Do we categorize market segments in terms of operations and support? Will we apply the same business philosophy to new geographical markets? Do we have the internal resources and skills to maintain a new billing platform? Are we moving toward increasing complexity or simplicity with our payment options?

The answers to these questions and much more should be found in business plans and marketing plans. These answers will drive you to some key decisions around billing deployment, specifically the debates on buy or build, keep outsourced or migrate in-house, use an ASP or complete service bureau.

Of course business reasoning needs to be complemented by financial hypothesis. Can you validate that the preferred solution is cost effective? A cost of ownership model, covering all elements of billing operations from software licenses, hardware acquisition, service bureau fees, new resources, training, migration, yearly license upgrades and other aspects of implementation and ongoing administration, can be abstracted from the marketing plan. With the current emphasis on ‘pay as you grow’ license models it is important to predict costs across the timeframe when you expect your greatest market growth, which may be 3 to 5 years after implementation.

And if your business plan is to transfer billing management from service bureau to in-house, you need to factor in the costs of decommissioning a solution and migrating, as well as any exit penalties that may exist in your contract with the vendor.

All this analysis work before selecting a solution appears to be predicated by the fact that you know where your business is headed. In fact the exercise of identification will tell you two things; those elements of business formulation that have been decided and those that have been deferred or ignored. From this information, regardless of how firm it is, you wish to proceed to systems selection.

So how do I select a suitable solution when I don’t know what I need? Two options are available: select the solution that has all the functionality and flexibility and every bell and whistle known to exist, or select the solution that has the architecture that lets you extend the solution as you change and grow. The first option usually comes with a hefty price tag, the second option allows you to pay when you need to introduce a feature, although you usually end up paying the same in the long term. The second option might help cash flow but does nothing for end-user angst, since delivering new features when needed has historically seen delays of six months or more.

Can you select a solution with extensible architecture to cover the gaps in the business and marketing plans? Yes you can, if you understand where the tenets of architectural design, such as scalability, usability, portability, maintainability and accessibility, need to exhibit the necessary flexibility. And in the meantime other projects are moving forward to deliver CRM, service delivery, network management, financials and other solutions, each with their own architectural constraints, functional scope and integration requirements.

It’s understandable to want your billing solution up and running, but there seem to be so many moving parts and unknown factors.

And it is amazing how many solutions can fit the grand plan. With over 100 vendors specializing in Billing applications from data collection to EBPP, a plethora of ASPs with an assortment of outsourcing models and the invasion of non-traditional vendors from enterprise CRM and ERP attacking the service

provider market, the question of billing selection is more complicated than ever. And of course you can always build your own!

Every season managers and coaches go to the draft, selecting the seasoned player or the rookie, hoping that the combination of maturity and skill of the known resource will compliment the agility and adaptability of the new recruit. And every year the media dissects the choices of those that failed more often than those that succeeded.

Not unlike a post-project review.

Unfortunately the realization of whether you have made a good choice in a billing solution takes about as long as a football season. And the cost to rectify the mistake might be as high!

Unlike the football coach who can identify raw skill but must take the risk that it can be developed, the billing selection process can identify raw features and can then plan its development. Finding the best solution goes back to fundamentals – knowing your business plan, knowing your market, knowing your services catalogue and recognizing the gaps in your business strategy. Having unresolved issues in your plans does not mean you must stop everything until they are resolved; it means finding a solution that has the right level of flexibility to cater for several different answers when the time comes for resolution.

Planning, analysis, design and management have been the tools of software implementation since day one. The playing field has not become simpler, if anything the multitude of options have increased the complexity in solution selection. Put in the effort to understand your business and the chances of success are increased.

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