

Why BSS Transformation is Vital for Operators' Success in the Digital Economy

ZIRA drives STC WBU BSS Transformation



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INTRODUCTION

Telecoms operators have been trying for several years now to transform their businesses from being providers of connectivity to being enablers of a range of higher value services that have the potential to make their businesses sustainable as users consume more and more bandwidth. Operators of all types face multiple challenges to their traditional business models and change is no longer an option, it's a necessity.

Growth, in many markets, now only is possible through winning customers from competitors because market saturation has been achieved. On top of this, in some countries the cost of providing a bit of data now outstrips the revenue that can be generated from doing so. At best, connectivity is commoditising rapidly and, at worst, connectivity is already a loss-leading service.



A US\$2 TRILLION QUESTION

For example, **Juniper Research** has calculated that the consumer migration from operator voice and text services to over-the-top (OTT) messaging services and social media cost network operators nearly **US\$104 billion** in 2017. That equates to **12% of their service revenues**. From this type of statistic, it's clear to see how revenues from traditional services are eroding and how the trend will continue.

The other negative aspect facing operators is the rising cost of providing network infrastructure to support increased, yet unmonetised, traffic demand. **World Economic Forum/Accenture** analysis based on data from **S&P Capital IQ** estimates that **the value of network investments needed to keep pace with demand over the next decade is US\$2trillion**. That US\$2trillion needs to be found in a market that has limited or no growth from new customer additions, in which core, traditional services are commoditised or being replaced by unmonetised services from rivals, and in which there is intense competition for every new revenue opportunity.

Nevertheless, the game is far from over for operators. Telecoms is still a giant, cash generating industry and there is enormous upside just around the corner if operators can

transform digitally and cement their position at the centre of the digital value chain. Operators have substantial advantages here because they own the critical infrastructure that enables the digital economy. In addition to this, they are trusted by their customers to bill accurately and provide assured services. The positive upside is borne out by the **World Economic Forum (WEF)** reporting that the digitalisation of telecoms could unlock US\$2 trillion of value for the industry and wider society over the next decade.

As the digital value chain matures, an enabler that can roll-out and support new services at mass scale, while apportioning revenue accurately and fairly among all the organisations involved in what potentially could be a complex, multi-layered digital service or portfolio of services, will be of significant value. From on-demand media services to the Internet of Things (IoT), capabilities are needed to set up, manage, report on and charge for new offerings. Operators can be the provider of these capabilities across the wider digital ecosystem and generate profitable revenues by doing so. The estimated US\$2trillion of additional network infrastructure could be offset by the US\$2trillion the WEF projects and beyond that profit share in new services could transform operators' balance sheets.

THE NEED FOR NEW SYSTEMS AND PROCESSES

New systems and processes are required to enable this transformation because this marketplace is very different to the traditional telecoms business of selling metered minutes or a bundle of data access as part of a transaction involving just two parties – the operator and the customer. The new arena involves much more complex relationships with content owners, application providers, different groups of customers and providers of additional equipment, such as IoT devices, or services, such as enhanced security. All of these need to be monetised and the providers remunerated fairly.

However, the complexity doesn't stop there. Companies will go to market with unified propositions and provide a service composed of attributes from the different participants. Each of these will be compensated via revenue share from the service. It's therefore vital that this share is calculated – and settled – accurately. Operators

can be the honest brokers of this type of business. Although much more complex than traditional carrier roaming agreements or proving a service level agreement (SLA) has been achieved for a premium enterprise service, operators uniquely have the experience of enabling and assuring multi-party business models.

This will be even more necessary as the flow of money within the digital ecosystem changes. The traditional approach of selling services to a consumer or enterprise will alter. Often the cost of service elements, such as connectivity or cloud compute capacity, will be paid for via sponsorship or advertising models. Operators will need to account to these advertisers, detailing what services have been delivered and to whom and collect payment accordingly. The billing systems of previous generations have not been designed for this type of business model and will not be fit for purpose.



AN OPERATOR EXAMPLE

Saudi Telecom Company (STC) provides telecoms services in the Middle East and North Africa (MENA) and is the national operator in the Kingdom of Saudi Arabia (KSA). It has investments in Gulf Cooperation Council (GCC) countries, Asia and Africa; with presence in Bahrain, Kuwait, Malaysia, Turkey and South Africa. The operator has 155,000km of cable, including submarine links, which directly connect it with many carriers from across the world. Internationally, STC participates in more than 600 roaming agreements.

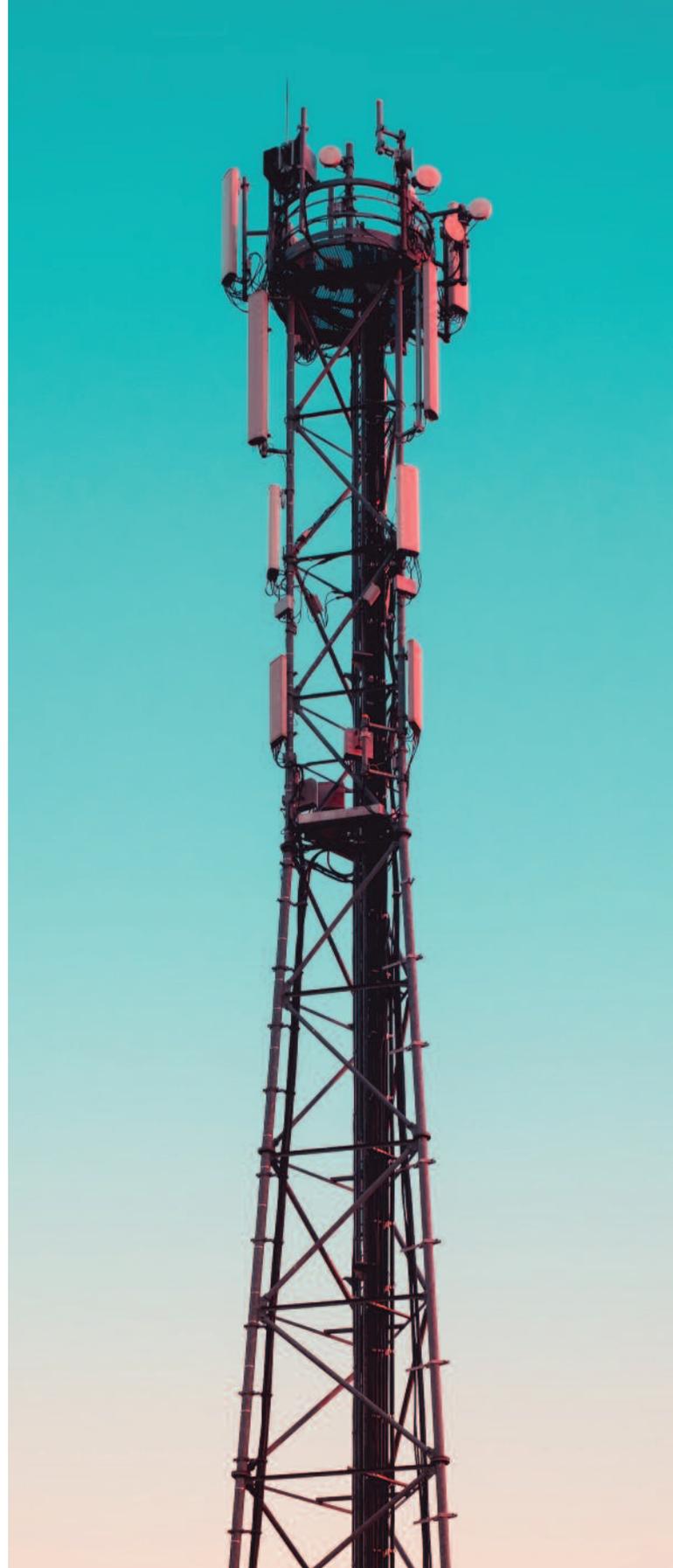
Its geographical position enables STC to act as the main MENA telecoms wholesale hub between the US and Europe and the Asia-Pacific (APAC) region. In addition, STC Wholesale also enables national interconnect including 4G services and infrastructure for local network operators and mobile virtual network operators (MVNOs).

Driven by digital transformation imperatives, STC was looking for an all-in-one system to support partner-specific configure-price-quote processes, enable introduction of B2B2X capabilities supported by revenue sharing and automation of the monetisation process.

STC's legacy order management process relied on substantial manual work for quotation, order orchestration and fulfilment and the operator did not have the capability to audit this process. In addition, its agreement management system could not support B2B2X business models and the relationship between revenue and expense that is needed to understand the return on investment (ROI). With its legacy Siebel system, STC was not able to link the expense order with the revenue one. Therefore, it was unable to retrospectively determine the expense order details and the resale price.

From a sales perspective, the sales and marketing teams did not have end-to-end visibility across the lead-to-opportunity-to-quote-to-order process, which impacted the ability of these teams to work successfully with partners. Often, these teams were working with partial information and were not aware of a customer's financial data, including open invoices, what was paid and what was in dispute.

Finally, because there was no clear master data management, every system including billing,



CRM and inventory was working with its own product configuration. This and the fact that the legacy system required a lot of customisation meant the operator suffered with having long time-to-market, delaying the rollout of new products by weeks.



ORDER-TO-CASH TRANSFORMED

STC was well aware of the challenges and, in the background, had initiated a **Business Support System Transformation (BSST)** programme across all business units. As part of the programme, STC had already successfully transformed its billing and settlement processes with ZIRA's Wholesale Business Revenue Management (WBRM) system and the operator wanted to achieve the same success with its wholesale customer relationship management (CRM) with a specific focus on configure price quote (CPQ), tailored order management and product catalogue. A key goal for STC was to support the expansion of the type and number of partners it worked with, to **support B2B2X business models** and to build new revenue streams by diversifying its product portfolios.

It completed an extensive vendor selection process of all the leading, global vendors for its transformation of CRM and order management systems. The selection process was led by STC's Enterprise Architecture, IT and Wholesale teams, who narrowed down the shortlist to three: Ericsson's ConceptWave solution, Oracle's upgraded Siebel system and ZIRA's wholesale CRM. After a detailed workshop **ZIRA was unanimously awarded the project.**

ZIRA replaced Oracle's Siebel Wholesale CRM.

As part of this project, ZIRA implemented ZIRA B2B CRM, ZIRA Unified Order Management and ZIRA Product Catalogue at STC. The end-to-end project, from contract signature to go-live, was implemented in five months.

As ZIRA Wholesale Business Revenue Management (WBRM) Billing & Settlement was already deployed within the STC environment, the new solution benefited from ZIRA's pre-integrated product suite, providing end-to-end visibility of their customers' billing and financial data.

Part of the implementation involved the migration of the existing data. This required substantial data cleansing to be performed following the defining of and gaining approval of the correct cleansing rules and corrective actions with relevant stakeholders within a very tight implementation timeline. As there was no clear master data management (every system including billing, CRM and inventory was working with its own version of product configuration) defining the master data management was also included in the project. **A workgroup was formed with relevant stakeholders from Enterprise Architecture, Business and IT** to revamp and redefine product configuration in accordance with latest TM Forum standards, such as eTOM and SID.

THE RESULTS

Replacing the legacy Oracle Siebel system entirely with ZIRA solutions has given STC an end-to-end B2B CRM, order and partner management, product catalogue and revenue management system. By integrating ZIRA Customer Partner Manager, ZIRA Unified Order Management and ZIRA Product Catalogue with the already deployed ZIRA WBRM Billing & Settlement, STC Sales and Marketing teams now have a consolidated view of financial and billing data. This provides full coverage of the order to cash management process. **The 360-degree view of financial data also provides accurate and consistent data to support STC's business decisions.** By deploying the transformation one-year before the targeted date, STC's wholesale business unit sales, marketing and operations teams were able to exceed their targets.

From the business perspective, STC gained these results: a dramatic reduction in time to market, a reduction in manual work from process automation, a 360-degree view of wholesale business operations and partners, cross department collaboration, improved wholesale business unit portfolio by enabling bundling and value-added service (VAS) offerings, enabling new business models by delivering a multiparty (B2B2X) perspective, improved data quality and data consistency, ability to define and monitor key performance indicators (KPIs), SLAs, alarms for effective business management, audit capabilities and flexibility for enabling new revenue streams.





MICROSERVICES AND DEVOPS

From an IT perspective, STC gained the ability to respond to business needs faster. It now has a highly configurable solution, a scalable, open standard platform with alignment to global standards and recommendations, and a future-proofed simplified architecture.

The entire solution suite relies on a microservices and **DevOps approach**, ensuring continued development (CD), continued integration (CI) and continued operation (CO). Through this methodology, STC is able to perform **one click deployment** and upgrades, with zero downtime and no impact on business.

WHY STC CHOSE ZIRA

ZIRA was selected because of its ability to implement a unique BSS platform oriented to **B2B2X complexity and specifics**, which covers entire partner management processes including monetisation to enable new revenue streams.

ZIRA's expertise in BSS transformation played a crucial role when comparing ZIRA's solution to generic and B2C CRM and order management systems proposed by competitors.

One of the key advantages ZIRA brought to STC was their ability to **align with the operator's strategy and to respond to new requirements in a very short period** – typically two to four weeks – through agile methodologies. Thanks to this microservices and DevOps approach **STC has gained simplicity** in its legacy environment **and system scalability** without any business impact.

Finally, by delivering a successful implementation of all-in-one BSS suite, **ZIRA demonstrated** itself as a trustworthy partner of STC with a **strong focus on innovation, agility and flexibility**, and an ability to deliver a solution that fully meet STC's specific requirements within the timeline and budget.

CONCLUSION

Although operators of all types face significant and complex challenges in their digital transformation, it is increasingly recognised that, in order to first survive and then thrive, investments must be made into business support systems that **enable new business models**. The days of driving operator business success by cutting costs and limiting investment are coming to an end. Of course, operators want to run as leanly as possible, minimising spending along the way but to succeed in the digital economy, it is not possible to save your way to greatness.

The vast opportunities the digital economy offers to operators necessitates investment in new systems and processes to support all the organisations in the **digital value chain**. It's exciting to see the large-scale investments starting to be put into technologies such as 5G mobile, artificial intelligence, augmented reality, rich media content and the Internet of Things but, for all these to be managed effectively, with revenue shared fairly among those involved, the business support systems must reflect the new nature of the operator business. The question should not be whether an operator can afford to upgrade its BSS for this new environment but whether they can afford not to.

To learn more about how ZIRA can help you transform your BSS to fully support the digitally transformed telecoms industry, visit **www.zira.com**



ABOUT ZIRA

ZIRA has been innovating BSS solutions for over 22 years to 50+ telecommunications operators across 22 countries. The teams at ZIRA work closely with customers to implement fully-integrated and modular solutions that support legacy investments for customer, revenue and risk management across all business domains – wireline, wireless and IP – for end-to-end order to cash management. ZIRA is committed to helping customers prepare for the future with agility, improved insight and in reducing complexities in business operations. Customer trust, commitment to exceptionally short delivery time and an innovative approach are what ZIRA is well known for and is confirmed by their long-term relationships and their customer's business excellence.

Find out more www.zira.com.ba

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