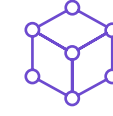


Whitepaper



Maximizing revenue for **tower companies** with modern BSS solutions



Executive summary

Tower companies are booming. Due to their sole focus on tower infrastructure, they can operate more efficiently and profitably than as part of a traditional telco. The typical location managed by a tower company is around 40% more efficient than one managed by an MNO¹. However, those gains are put at risk if inefficiency creeps in when engaging with customers and partners. Towercos' dedicated BSS solutions – or lack thereof – can prove to be a sticking point.

Towercos are being held back by BSS systems that are not designed to suit their business models. Using workarounds and patches to traditional MNO BSS solutions stifles tower companies' ability to pursue the full range of possible business models and limits their ability to capitalize on new opportunities. There is a need for dedicated, purpose-built towerco BSS solutions that enable efficiency – a major strength of tower companies – to run through every aspect of their business.

This whitepaper will explore the challenges of implementing BSS systems for towerco models and how companies can overcome them **with a reliable, agile, modular BSS approach.**

¹ https://www.ey.com/en_gl/strategy/how-the-tower-sector-is-contributing-to-the-european-economy





Tower companies' new era of growth

The value of a delayed approach in telecoms has gained traction in recent years. Splintering off elements of traditional telco businesses into new standalone companies gives MNOs greater maneuverability while freeing up substantial capital for investment. This makes it easier for MNOs to make headway on CAPEX-intensive 5G rollouts without needing to worry about upfront investment in passive infrastructure.

The resulting towercos hold significantly more value as stand-alone entities, with Deloitte estimating that their 'sum of the parts' market capitalization can increase by **up to 40%** when compared with the original integrated company². With a full focus on infrastructure, towercos are running leaner, more efficient, and profitable operations and thriving.

Towercos' building and leasing engagement models align with MNOs increased focus on OPEX-based models. Plus, as MNOs move away from owned infrastructure to rely more heavily on dedicated network infrastructure operators, towercos will continue to see their revenues grow in tandem with the ever-increasing demand for mobile and broadband, resulting in a very positive outlook.

² <https://www2.deloitte.com/content/dam/Deloitte/pt/Documents/technology-media-telecommunications/TEE/The-Rise-of-Netcos.pdf>





The unique Towerco challenges

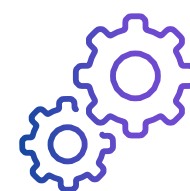
The elements of the towerco business model that unlock greater efficiency when compared to their traditional MNO counterparts are also the areas that can be challenging to manage, particularly from a process perspective.

Driving increased revenues relies on the ability to support a range of different business models, maximizing usage of each tower, and managing various levels of complexity without causing disruption or friction to customers. But what do the multiple engagement models look like, and what unique issues do they present?

1—Multiple model support

To cater to every MNO, towercos broadly offer three levels of services depending on how much of the infrastructure the customer wishes to manage.

	Model			
	Traditional	Pureplay	Value-added service	Managed service
Site Owner	MNO	Towerco	Towerco	MNO
Lease Space	MNO	Towerco	Towerco	Towerco
Equipment	MNO	MNO	Towerco	Towerco
Maintenance	MNO	MNO	Towerco	Towerco



Towercos could be running one or all of these models simultaneously within their business.

► Pureplay model

This is the traditional and basic model for towercos. Wireless Network Operators lease only the space, with power concerns, active equipment maintenance, and passive equipment maintenance falling to MNOs. The drawback is that there is often duplication of equipment by operators sharing a site, reducing efficiency.

► Value-added service model

Towercos lease passive equipment to MNOs and take care of maintenance in addition to space leasing. This allows the towerco to maximize revenues by allowing equipment sharing between MNOs.

► Managed service model

This model allows towers owned by MNOs to be operated by towerco who take responsibility for managing the passive infrastructure.



2—Supporting towercos’ build and lease processes

So far, we have looked at the different models for the day to day running of tower sites. In addition, towercos have different offerings for tower-building with each posing its own set of challenges:

	Build	Lease
<p>Use case</p>	<p>New towers are commissioned by MNOs to be built in areas where they wish to expand. Investment comes from MNOs using towercos as a contractor and can be sold to the MNO or managed by the towerco.</p>	<p>Towers, which can be owned by either towercos or MNOs, are leased to telcos under a contractual agreement, generating recurring revenue.</p>
<p>Challenge</p>	<ul style="list-style-type: none"> — Creating and managing complex quotations with a detailed breakdown of costs and complex eligibility surveys 	<ul style="list-style-type: none"> — Different treatment between investing MNOs and additional tenants — Updating agreements and billing as increased tower tenancy impacts shared costs
<p>BSS need</p>	<ul style="list-style-type: none"> — Complex quote configuration for future towers — Bulk ordering to better manage volume — Capability for individual items to be contested within a project 	<ul style="list-style-type: none"> — Support for complex invoicing processes — Combining one-time and recurring costs within the same invoice

3—The need to maximize tower tenancy

With the models in place, towercos must focus on driving the efficiency that makes their proposition such an attractive one. A key aspect of towercos’ efficiency lies in their ability to support multiple tenancies at each site. Towercos have a strong track record in this area. For independent tower companies, the average number of wireless network operators per site is 2.4, compared to 1.3 for their MNO counterparts³.

Working with multiple customers, they can decrease their operational costs and drive additional revenue. However, in order to maximize the number of tenancies that can be managed across a single site, towers need the ability to handle complex agreements that change as site occupancy fluctuates.

The complexity that we see across the landscape needs to be managed. However, towercos face a number of challenges when finding the right tools and processes needed to support their range of unique business models.

By looking at the above offering and engagement models, we can see not only that there is significant complexity that towercos need to manage, but that the different ownership structures mean this complexity differs hugely from that of traditional telcos.

³ https://www.ey.com/en_gl/strategy/how-the-tower-sector-is-contributing-to-the-european-economy



The missing BSS piece

Despite a business model that is set for success in the current telecoms landscape, a big factor holding back towercos is a lack of dedicated BSS systems. BSS systems support end to end management of customer relationships from agreements through to billing and would further streamline how towercos operate.

The challenge they face is that existing traditional BSS systems don't translate well to a towerco setting. They are not designed to cater to the unique towerco landscape. Although frustrating, it is completely logical as they have been specifically developed to support the business models of MNOs.

The software disconnect: Traditional BSS is not fit for purpose

Along with systems not designed for their business models, tower companies also must contend with outdated systems. They need to develop infrastructure fit for ultra-fast, ultra-modern 5G networks, but that process is often being managed on a "1G" BSS system.

The drawbacks of current systems

► Not purpose-built

Developed with the traditional centralized, monolithic telco in mind, BSS systems can manage complexity - but not the specific type of complexity faced by tower companies.

► Unprotected

Some towercos have not adopted BSS systems as they do not align with their business models. Using simple spreadsheets and databases may work to an extent, but this method is not scalable and poses an increased risk without data security.

► Disparate

When systems are adopted piecemeal to cover different areas rather than a single end-to-end integrated solution, silos become apparent, and friction occurs, negatively impacting customer interactions.

One way to overcome these challenges is to patch the issues with time-consuming workarounds and manual processes. However, this leaves room for error, increases expenses, and limits maneuverability.

With agility and a lean model being two of their biggest strengths, taking this approach is too big a sacrifice to make for tower companies. Instead, they need an alternative that understands the nuances and specifics of their business models and can propose solutions to them.





Shifting models must be followed by a shift in BSS

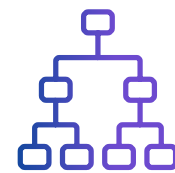
Clearly, there need to be dedicated BSS solutions that understand the specific requirements of tower companies and address them completely. This means working with a BSS provider that understands the landscape and the models that are employed. One that builds specific solutions, rather than using workarounds for existing MNO BSS solutions.

The starting point for a dedicated BSS solution for towercos must understand how they differ from MNOs on:



Agreements

Towercos need to manage dynamic agreements that change depending on the number of tenancies on a site, who the site owner is and what engagement model is used for each customer.



CPQ

When constructing sites as a contractor, towercos need the ability to manage complicated quotes at scale. They need to provide detailed line items, custom discounts, and account for unexpected build challenges.



Billing

Billing needs to be flexible and dynamic, allowing towercos to raise recurring and one-time bills without error. The complexity of billing also means strong dispute resolution capabilities are needed to ensure customer satisfaction in the event of any billing confusion.

This can be achieved by working with a BSS provider that takes an integrated approach.





Integrated BSS technology is the answer

It's time for tower companies to ditch the "workaround" mentality and update their systems to grasp new opportunities. An integrated BSS infrastructure that spans the whole organization gives the visibility needed to manage the challenges towercos face when engaging and servicing customers.

► Selecting the right BSS partner

The strengths of an integrated approach are evident, but not all BSS providers are created equal. Choosing the right partner is important: this way, you don't get just a vendor but an experienced partner who can help your growth over the long term.

For greenfield towercos, a reliable partner brings industry experience. It is key that they can support a wide range of business scenarios and provide ongoing guidance and counsel on modernizing and digitally transforming the business.

► What to look out for

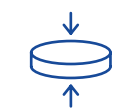
- Your BSS provider must be able to support the full range of services and models for business and customer engagement you need to offer.
- Agility is essential, so a partner that can deliver quickly with the ability to scale is essential.

- Towercos are part of the future telecoms landscape, so adaptability to future market needs is an important question to ask.
- Towercos are global businesses, so being able to operate worldwide prevents any potential problems when expanding geographies.
- Towercos thrive on running an efficient and lean operation; the upfront and ongoing costs of BSS systems must align with this.

8 reasons to switch to integrated BSS:



— An integrated approach accommodates **new business models (B2B2X)**, giving towercos even greater revenue opportunities.



— It supports a flexible, open architecture that can **integrate with existing systems**.



— It is able to **manage complex customer and partner relationships** across a variety of business models.



— Towercos gain increased transparency for **better compliance** in an evolving regulatory landscape.



— It can **manage** different types of **customers with particular requirements**, e.g. enterprise, telco, or government.



— It offers simple integration with existing systems for **fast time to market and quick deployment**.



— Automation and complex functionalities are supported to allow **better operational efficiency and higher profitability**.



— It **supports cost optimization**, including the ability to pass through charges.



Whitepaper

About ZIRA



ZIRA®

Get in touch

At ZIRA, we have experience rolling out BSS solutions to support towercos operating multiple models across multiple markets. We bring decades of experience managing the complexity of CSP business models and have developed our towerco solution to address the specific challenges they face now and will encounter as the towerco market continues to grow.

If you would like to hear more about how ZIRA is helping towercos put the BSS systems in place to accelerate growth, get in touch.



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