

Pricing Appliance helps with Repricing & Modelling

About Telecom Service Provider

A leading telecom service provider runs a worldwide network, provides network services and solutions to more than 250 service provider customers, and processes over 100 million calls per day and 50 million Internet connections per month.

Business Challenges

In 2006, a leading telecom service provider took the strategic decision to overhaul its tariff plans and re-model them. Consequently, the business wanted to understand the impact a new set of tariff plans would have on their ongoing revenues and margins and understand who the “winners and losers” would be in their customer base.

Moreover, the business wanted to respond quickly to the actions of a competitor, who had introduced new telephony packages aimed at customers in a key sector of the telecom service provider’s market, by understanding how far they would need to go to match the competitor’s new pricing and the impacts that this would have on their revenue streams and margins.

To respond to these demands, the telecom service provider needed the ability to re-price all their call detail records (CDR) and data from other usage events (SMS, MMS etc.) quickly, as well as the ability to analyze any changes against historical data, which in some cases went back as far as 2002.

Business Benefits & ROI using Pricing Appliance

Key analysts at the telecom service provider determined through careful evaluation that conventional vendor packages did not address their requirements for repricing event data and modelling new tariff plans, where both current and historical data was in play. Instead, they chose to adopt Pricing Appliance. With a small amount of training for the business users and minimal impact on existing internal procedures, they were able to start using Pricing Appliance within just two months.

Further Information

Since its adoption, Pricing Appliance has handled over 10TB of data, equating to over £1.5 billion per annum of billing. The telecom service provider intends to use it across a number of other key areas of the business

The Challenge

Leading telecom service provider seeks to perform iterative “what if?” modelling and analysis of their tariff plans in order to determine their impact but does not have technology to do this

The Solution

Using Pricing Appliance, the telecom service provider has access to all of their business data and can re-price all CDRs and other data to see who the winners and losers would be, should they change their tariff plans

The ROI

Better tailored price tariffs have generated an additional £28 million in annual revenue

The telecom service provider quantified the business benefits after just one year in production with Pricing Appliance as follows

- Pricing is now completely managed from concept to implementation by business users and analysts enabling increased revenue visibility and revenue recognition
- Better tailored price tariffs have generated an additional £28 million annual revenue
- Telecom service provider can foresee any major revenue and margin losses. If a new price plan had been implemented, this would have translated into a monthly loss of £230,000 from one major account
- Margins can be calculated more accurately and have increased significantly
- Reduced the “time to market” for new pricing models from 4 weeks to just one week
- Allowed the business to counter-attack competitors’ moves in hours, not weeks
- Customer churn rates have reduced dramatically by 50%
- Eliminated virtually all manual processes around complex repricing and modelling
- Retired 12 legacy product-specific repricing systems
- Major benefits achieved by putting the business user in control of the business process, thereby reducing the continuous flow of the consumer market-driven project requests to the IT department

