

# Compliance Assurance for Telecommunications Positioning Paper

## Are you regulatory compliant? Would you pass a compliance audit? Are you maximising the value of your business?

The increasing levels of commitment required by the regulatory regimes within the telecommunications industry are driving the need for a fundamental change in approach for Telco businesses. Telcos are being required to adopt more complete and robust governance and control than ever before, and the ability to prove all aspects of business execution is becoming paramount. This particularly results from the impacts of Sarbanes-Oxley legislation taking effect, and also through other compliance influences such as Ofcom, BABT and the Companies Act – for example to gain BABT certification, Telcos must be able to withstand a hostile audit and prove that 80% of all call events are being rated and billed accurately. The impacts of non-compliance can be serious – including fines, withdrawal of operating licence and prison.

The need to track and audit all aspects of information processing at every stage within the business is the single most important aspect underpinning a compliant Telco business operation. However, telecommunications companies should not consider such compliance obligations to be a burden, only to be addressed to the minimum level necessary to keep the regulator at bay. A rigorous approach to compliance and information management can also bring huge benefits in terms of business efficiency - conservative estimates suggest Telcos typically lose approximately 14% of gross revenues through unidentified or unresolved leakage across the service value chain <sup>(1)</sup>, while in the more mature Western European market, revenue leakage is still running at 7.6% <sup>(2)</sup>. And with the rapid move towards ever more integrated voice, data and content propositions, together with the latest wave of consolidations and mergers, these problems are only going to intensify <sup>(3)</sup>.

**Acuma's solutions for Compliance Assurance** deliver real value by tracking the information flows throughout the Telco service chain and assuring that all elements are accurate and auditable at every stage. We target possible areas of non-compliant information processing and provide business management with the necessary insight to ensure that issues are identified, actioned and resolved, in areas including:

- Information Governance and Stewardship;
- Accuracy, integrity and control of all data processing operations and resultant financial impacts;
- Telco service delivery business controls: Order Handling, Connection and Provisioning; Call Mediation Validation;
- Rating and Billing Accuracy Tracking, including testing and validation through parallel rating.

### Typical Benefits Profiles <sup>(4)</sup>

- 6% improvement in Gross Margin through customer base reconciliations, interconnect/wholesale charge reductions, VAT claw-back, tariff setup anomalies, CDR mediation resolutions, billing integrity, bundling errors.
- 15% reduction in Bad Debt through changed Credit Profiles, amendments to contract offers vs risk, improved barring management, targeted debt recovery paths.

Acuma offer a range of business-focussed solutions to our telecommunications customers that can be delivered either as part of a strategic programme or as individual point solutions. Our breadth of skills in all areas of Enterprise Information Management and consulting expertise within the Telecommunications sector enables us to work with our customers to target and exploit benefit opportunities and add value in key areas of your Business Operations. Organisations implementing Acuma solutions across multiple business functions will benefit from:

- Auditable, in-depth visibility of actionable information throughout the business.
- Insight into complex cross-departmental relationships and business issues.
- Increased revenue, lower costs, and better business results.
- A sustainable capability built on best practice.

(1) Chorleywood Consulting and Deloitte & Touche, 2003; (2) Lightreading.com, December 2003; (3) Data Resources, 2005; (4) Acuma's own estimates based on typical experience on projects.

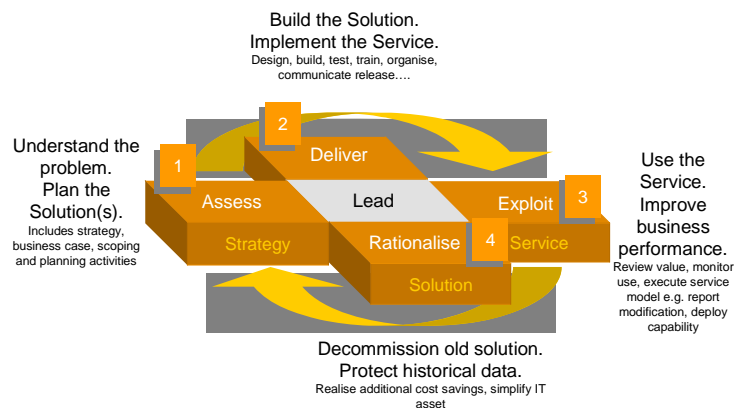
## Acuma IVM – A proven approach to delivering insight and action for a single function, multiple functions, or across the enterprise

While the strategic focus of Telecoms companies is traditionally focussed on managing the processes and infrastructure of the Operations Support Systems that enable core network provision and delivery of telecommunications services to the end customer, a significant difference to the overall top and bottom line performance of the company can be made by tracking and resolving issues within the various Business Support Systems layers (BSS). This area is often overlooked by Telecoms operators, Managed Service Providers and Virtual Network operators.

Acuma understand that addressing the service value chain is vital to driving business benefit, and our Telecommunications solutions provide a capability that can grow with your business. Our approach enables you to deliver initial value within a single business function, with further incremental iterations of delivery deploying to other key areas of business operations such as:

- Revenue Assurance & Margin Protection
- Customer One View
- Pricing Analytics & Product Management
- Fraud detection & prevention

All our solutions are underpinned by our proven Information Value Model (IVM) approach to ensure that not only is the technology and data architecture right for the business, but also that the analytics capability is integrated into the organisation and business processes. This ensures that the solution is sustainable, can be supported by IT and fully exploited by the business.



### How do I find out more?

Call Acuma on 0870 789 4321, or email [information@acuma.co.uk](mailto:information@acuma.co.uk)