

Value Opportunities

For

Telecom Service Providers

- ❑ Delivering Business Improvement ([Acuma and IVM](#))
- ❑ Fiscal Transparency ([Revenue Assurance and Margin Protection](#))
- ❑ Competitive Edge ([Pricing Analytics, Product and Tariff Management](#))
- ❑ One Vision ([Sales, Marketing and Customer Management](#))
- ❑ Protection ([Fraud Detection & Prevention](#))

Delivery Business Improvement

Acuma's Telecommunications Analytics 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 functions as business needs dictate.

Acuma is Europe's largest dedicated provider of Information Management* solutions & strategic consultancy. Headquartered in the UK, with offices in the USA, Germany, Singapore and India, Acuma draws on a 20 year track record and an integrated on-shore and off-shore consulting and solution implementation capability, certified to SEI-CMMI level 5.

Acuma Business Methodology: Acuma's business approach and key differentiator is based upon its own methodology – **IVM** – *The Information Value Model*. **IVM** can be described as the collected knowledge of several hundred person years of experience in Information Management solutions. It is a proven and repeatable consulting and implementation approach that draws together the strategy, technology and methods of information management into a single philosophy. IVM then drives Acuma's robust capability to deliver complex solutions efficiently and cost effectively.

Services: Acuma combines high-end Information Management solutions and strategic consultancy with global service delivery. Our service offerings can be summarised as:

- **Strategy:** The development and implementation of a pragmatic, value-driven strategic 'roadmap' for solution and service delivery.
- **Solutions:** The development and implementation of information management capability, testing, application development and resource augmentation.
- **Service:** To support the ongoing use and exploitation of the delivered solution, including training, skills transfer and managed services.

Industry experience includes: Financial Services – Banking & Insurance; Telecoms; Public Sector – Local and Central Government; Retail – FMCG/CPG; Life Sciences; Hospitality, Travel and Leisure; Utilities.

Customer Delivery Model: Maximising value for our customers through a fully integrated on-shore consulting capability with offshore SEI-CMMI level 5 project delivery.

Revenue: Group sales revenue is \$50 million.

Total number of employees: 465

Customers: Acuma have worked with over 1000 customers including many of the Forbes Global top 400 organisations such as: Vodafone, HBOS, Barclays, GlaxoSmithKline, Aviva (Norwich Union), Morgan Stanley, AstraZeneca, E.ON (Powergen), Coca-Cola, ABN Amro.

Business partners include; Xansa, Capita and Siemens.

Technology partners include; IBM, Microsoft, Oracle, Business Objects, Informatica, Microstrategy, Cognos, BEA, SAS, Mercury Interactive and many more.

****Information Management;** Information Management focuses on six core disciplines, combining both structured and unstructured information: Business Intelligence, Data Warehousing, Data Integration, Data Quality Improvement, Enterprise Content Management and Knowledge Management. By effectively combining both the human and technical aspects of these disciplines, IM delivers the right information, of the right quality, to the right people, in the right format, at the right time, and at the right cost.

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Revenue Assurance and Margin Protection



How much revenue leakage is acceptable?

Some sources estimate that globally, up to \$137 Billion is being lost by Telecoms Service Providers through poor processes and a lack of focussed investment ⁽¹⁾. Even conservative estimates put the losses at approximately 14% of gross revenues through unidentified or unresolved leakage across the service value chain ⁽²⁾, while in the more mature market within Western Europe, revenue leakage is still running at 7.6% ⁽³⁾. And with the rapid move in the market 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 ⁽⁴⁾.

- **£6.5M p/a improved Gross Margin** within the UK operations of a European Mobile & Fixed line Telco Service Provider £550M Turnover (through customer base reconciliations, interconnect /wholesale charge reductions, VAT clawbacks, tariff setup anomalies, CDR mediation resolutions, billing integrity, bundling errors)
- **£5.8M Gross Margin** p/a within the UK operations of a European Mobile & Fixed line Telco Service Provider, through 15% reduction in Bad Debt vs 7% debt rate on £550M turnover; (changed Credit Profiles, amendments to contract offers vs risk, improved barring management, targeted debt recovery paths)

Acuma's Revenue Assurance and Margin Protection

Acuma's solutions for Telco RA&MP deliver real value by targeting possible sources of revenue leakage and providing business management with the necessary insight to ensure that issues are identified, actioned and resolved. Acuma deliver an integrated approach to analysing, optimising and processing the tracking and recovery of all revenue and margin elements of the telecommunications value chain including:

- Order Handling, Connection and Provisioning Audit;
- Call Mediation Validation;
- Rating and Billing Accuracy Tracking;
- Wholesale Tariff and Interconnect costs reconciliations;
- VAT Charges reconciliation; Revenue and Margin Reporting.

Our RA&MP solutions can be further enhanced by integrating with Credit Control and Debtor management components covering: Customer Payments & Debt controls; Credit Check modelling; Barring Event analysis; Collections; Enhanced Customer Credit & refund controls.

Can you benefit?

Areas that can benefit from Acuma's solution are;

- Revenue Assurance
- Finance
- Compliance
- Billing Service
- Billing Assurance
- Corporate Risk Management
- Credit Control

Pricing Analytics, Product and Tariff Management



Can you manage your pricing strategy easily and quickly?

Understanding the factors affecting your product model and tariff pricing strategy are key to optimising the revenue and profitability opportunities for your telecoms business, particularly if the company is to be able to respond rapidly and confidently to new products, initiatives and marketing offerings from the competition.

Insight into the detailed breakdown of respective costs and revenues associated with each type of service element (especially calls & data) can dramatically improve your time to market with new products and ensure that they are priced to maximise available profits business. Acuma suggest an overall average yield of at least £3 Gross Margin per customer is typically achievable ⁽⁵⁾.

- £1.5M Gross Margin p/a within the Germany operations of a European Telco Service Provider; ~0.30 Euro p/m Gross Margin uplift per account, base of 500K customers with ~30Euro per month average revenue (£180M annual turnover); (Wholesale Vs Retail tariff modelling improvements)

Acuma's Pricing Analytics

Enhanced analytic and insight capability to enable rapid assessment of current market offerings and evaluate the impact of changes to pricing strategy, covering elements such as:

- Mapping and modelling of Product/Tariff pricing;
- Bundle analysis;
- Customer upgrade and tariff migration impacts;
- Cost/Margin analysis of calls, traffic & other network events.

Can you benefit?

Areas that can benefit from Acuma's solution are;

- Pricing
- Product Management
- Commercial Affairs

Customer One View

Integrated Customer Analytics



Do you have a clear view of who your customers really are?

Insight into the profile of your customer base and a detailed understanding of customer behaviours can drive new sales and retention strategies, minimise churn and maximise the opportunity to deliver revenue and profit. Additional benefit can be derived from optimising sales and marketing activities to deliver best value from your expenditure.

Specific examples:

- ■ ■ Attributed benefit of £4.5M p/a gross margin by 15% attributed reduction in overall customer Churn vs churn rate of 22%, £680M turnover, approx 20% G/M; (targeted proactive "saves" vs combined customer base, focussed special offers, inbound call marketing offers, UK and Germany operations)
- ■ ■ 20% improvement (re-allocated to other activities) of Direct Marketing spend by leading UK Mobile provider through customer profiling and active segmentation.

Acuma's Sales, Marketing and Customer Management

Delivering an integrated Single Customer View that provides the organisation with a 360° view of the customer base, enabling insight into core customer management processing including:

- ■ ■ Customer base profiling and dynamic segmentation;
- ■ ■ Churn Propensity Analysis and retention strategies;
- ■ ■ Product and Value Added Services Penetration;
- ■ ■ Identification of improved Cross-sell/Up-sell offers.

This solution can also be extended to enable analysis of Sales Channel performance and drive efficiency improvements in areas such as 3rd party commission's payments and commercial contract management.

Can you benefit?

Areas that can benefit from Acuma's solution are;

- ■ ■ Marketing
- ■ ■ Sales
- ■ ■ Customer Management

Fraud Detection & Prevention



Can you identify and manage fraudulent activities?

The open nature of communications infrastructure offers the would-be fraudster huge opportunities to exploit Telecommunications companies; worldwide annual costs of fraud to carrier companies could amount to anything between \$35-£40 Billion ⁽⁶⁾, with UK identity fraud alone costing the UK telecommunications sector £372M ⁽⁷⁾.

Acuma and IBM

In partnership with software solutions from IBM, Acuma offer specialist modelling and analysis enabling Telecoms businesses to proactively highlight indicative fraudulent activity and enable investigative and preventative action, in areas such as:

- Unusual usage patterns and high usage;
- account cloning;
- linked accounts and calling circles;
- service usage on barred handsets & accounts;
- multiple handset use;
- Relationships between employees and customers.

Can you benefit?

Areas that can benefit from Acuma's solution are;

- Finance
- Fraud
- Compliance
- Human Resources

References

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(<http://www.eeproductcenter.com/showPressRelease.jhtml?articleID=34397>)

(3) Lightreading.com, December 2003:

http://www.lightreading.com/document.asp?doc_id=45255&print=true

(4) Data Resources Inc, 2005:

(<http://www.dri.co.jp/auto/report/juniper/junrevas05.htm>)

(5) Acuma's own estimates, based on typical experiences within previous projects: calculation based on an average customer bill of £25 per month, with current Gross Margins of 20%.

(6) Lightreading.com, December 2003:

http://www.lightreading.com/document.asp?doc_id=45255&print=true

(7) Home Office Identity Fraud Steering Committee 2006

www.identity-theft.org.uk/ID%20fraud%20table.pdf

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