

# Becoming a Digital Service Provider

Executive Summary

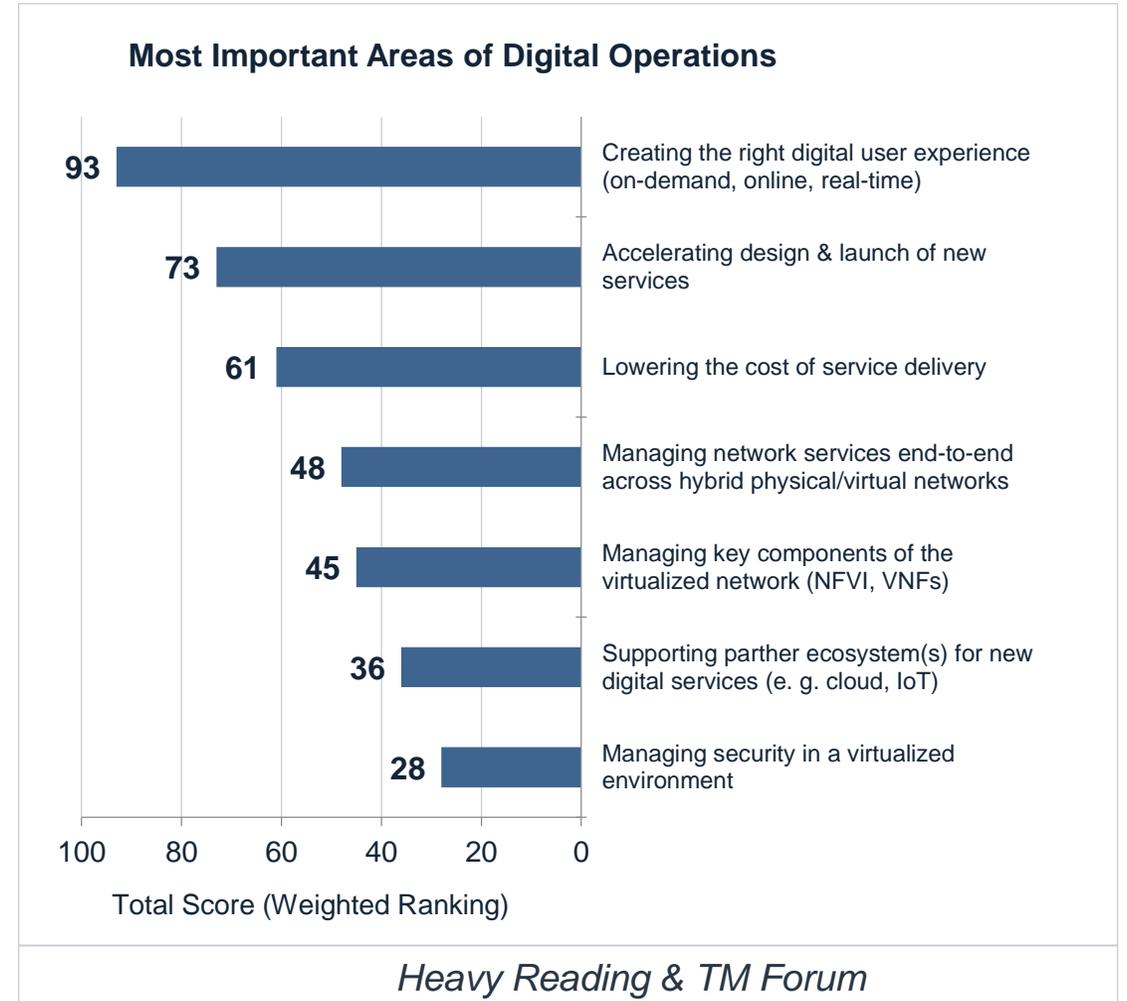


# Industry Trends – Digital, Virtualized, Customer-Centric

- Digital is dominating every sector of the economy
- Creating the right digital user experience (on-demand, online, real-time) is the major focus of CSPs and enterprises around the world
- Network virtualization (NFV, SDN), end-to-end network management and partner ecosystem are prerequisites for cost-efficient and accelerated launch of digital services

**“25% of the world’s economy will be digital by 2020”**

*Digital Economic Value Index, Accenture, January 2016*



# Key Trends in Continuously Digitalized Telecom Market

**To be successful, Telecom Operators must always see where market moves, be proactive, customer-centric, and capable to change fast**

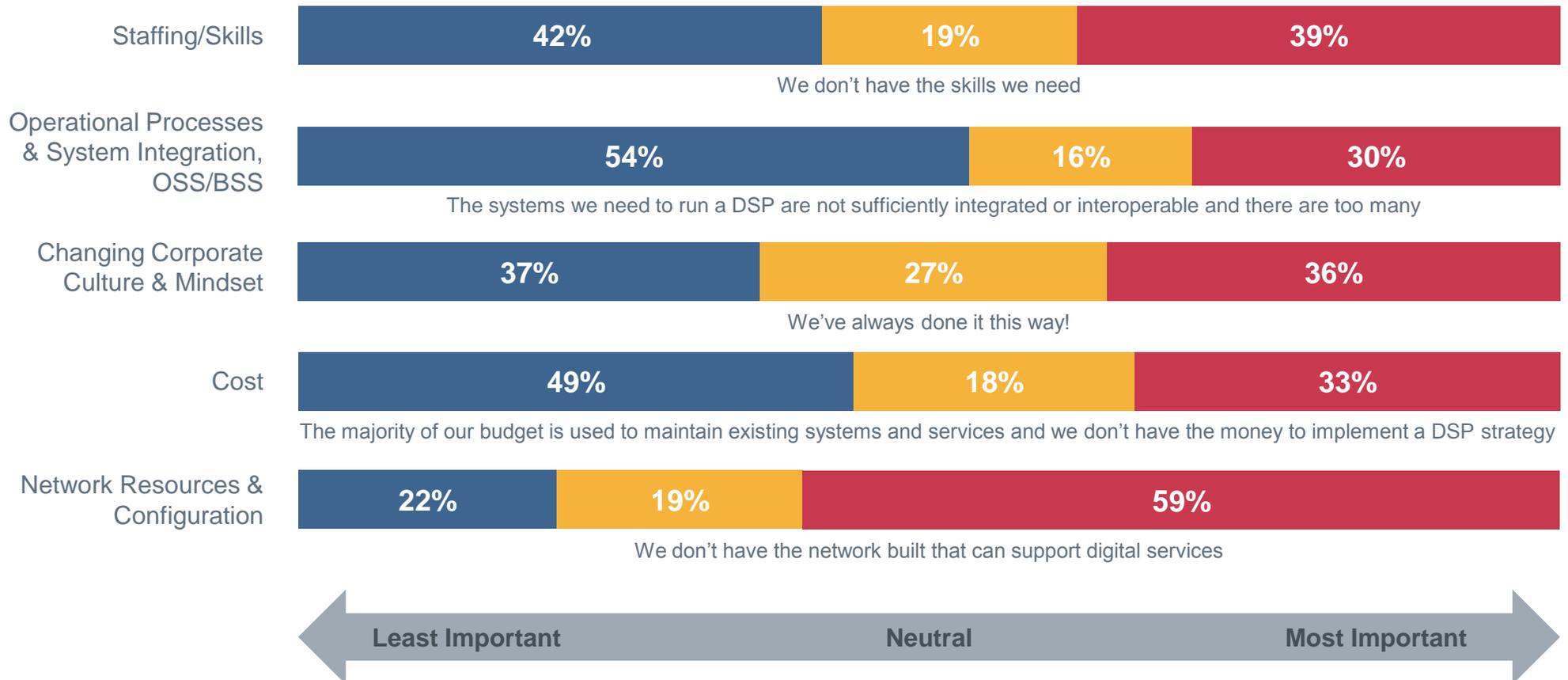
- Evolution of telecom technologies (LTE, All-IP, etc.)
- Network virtualization (SDN, NFV)
- Increasing development of IoT, M2M, Cloud, Mobile commerce, eCommerce, etc.
- Explosive growth of data volumes in both wireless and wireline segments
- Increasing range of multi-functional customer devices (smartphones, tablets, smart TV)
- Tons of mobile applications
- Constantly extending diversity of services
- Customer profile is changing with evolution in network technologies, new devices, and applications
- Everything becomes “Smart”



<b>\$1.2 Trillion</b> Global eCommerce Sales in 2013 <i>(eMarketer)</i>	
<b>€94 Billion</b> Global Cloud Services Market (2017) <i>(Global Industry Analysts)</i>	
<b>450%</b> Growth of broadband subscriptions since 2010 <i>(ITU)</i>	

# What Prevents Operators from Selling Digital Services?

**Question to Operators:** Rank the barriers/internal challenges to making progress executing a digital services strategy from least to most important.



We don't have the skills we need

The systems we need to run a DSP are not sufficiently integrated or interoperable and there are too many

We've always done it this way!

The majority of our budget is used to maintain existing systems and services and we don't have the money to implement a DSP strategy

We don't have the network built that can support digital services

# What Digital Business Requires

Digital Business Specifics			
Influence on All Core Processes	Large Scale	Range of Transaction Types	Span of Multiple Channels
<ul style="list-style-type: none"> <li>• Sales, Fulfillment &amp; Activation</li> <li>• Billing &amp; Payment</li> <li>• Care &amp; Support</li> <li>• Partners &amp; Wholesale</li> </ul>	<ul style="list-style-type: none"> <li>• Billions of transactions</li> <li>• New applications &amp; devices</li> <li>• Millions of subscribers</li> <li>• Acquisitions &amp; globalization</li> </ul>	<ul style="list-style-type: none"> <li>• Monetary transactions</li> <li>• Usage transactions</li> <li>• Functional transactions</li> <li>• Informational transactions</li> </ul>	<ul style="list-style-type: none"> <li>• CSP-owned &amp; Partner Stores</li> <li>• Contact Centers</li> <li>• Web and Mobile</li> <li>• Chats and social networks</li> </ul>

Objectives for Telecom Operators	
Use Digital Channels to Interact & Engage	Adopt Customer-centric Approach
Enable New Digital Business Models	Deliver Seamless Multi-channel Experience
Implement Digital Go-to-market Strategy	Enable High-value, On-demand Transactions
Fulfil Innovative Approaches in Legacy BSS	Support Different Partners on a Single Platform
Effectively Sell New Digital Services	Use Open Platforms and Open APIs

# Digital Business - Impact on BSS



## Internet of Things

- Manage complex value chain
- Massive number of diverse events/transactions
- Multi-level account hierarchies
- Sophisticated revenue sharing models

## Impact on BSS

- Simplifying partner onboarding and management
- Scalable to manage diverse, high volume transactions based on SLAs
- Ability to support complex, multi-level account hierarchies
- Manage complex account hierarchy and charge redirection



## Business Services

- Multi-partner complex value chain
- Multi-level account hierarchies
- Sophisticated revenue sharing models

## Impact on BSS

- Bill personalization, Ability to support complex, multi-level hierarchies
- Split billing between business and private persona
- Differentiations based on corporate and structure hierarchies
- Enforce service and business policies per person – access, apps, etc.



## Virtualization & Cloud

- Monetization of cloud-based and virtualized services
- Fast SDN and NFV offering configuration
- Different combinations of rating models

## Impact on BSS

- Ability to capture and bill for any event
- Chargeback ability
- Provide complex compensation management across providers and channels

# Digital Business - Impact on BSS



## Gamification & Loyalty

- Using game theory to increase engagement
- Aggressive loyalty programs to increase stickiness
- Trigger real-time actions based on the obtained knowledge

## Impact on BSS

- Being able to create complex scenarios based on different parameters
- Recognize and rewards high spenders, top influencers
- Create customized customer loyalty programs
- Enable cross sell and upsell



## Real-time bidding

- Ability to real-time bidding for consumer business
- Real-time ad-buying scenario
- Handle end to end bid- to- settlement scenario

## Impact on BSS

- Manage different parameters dynamically in a bidding scenario
- Real-time bid management and allocation
- Manage policies to set bidding scenarios - reserve price, catalog management etc.
- Ability to charge and bill dynamically



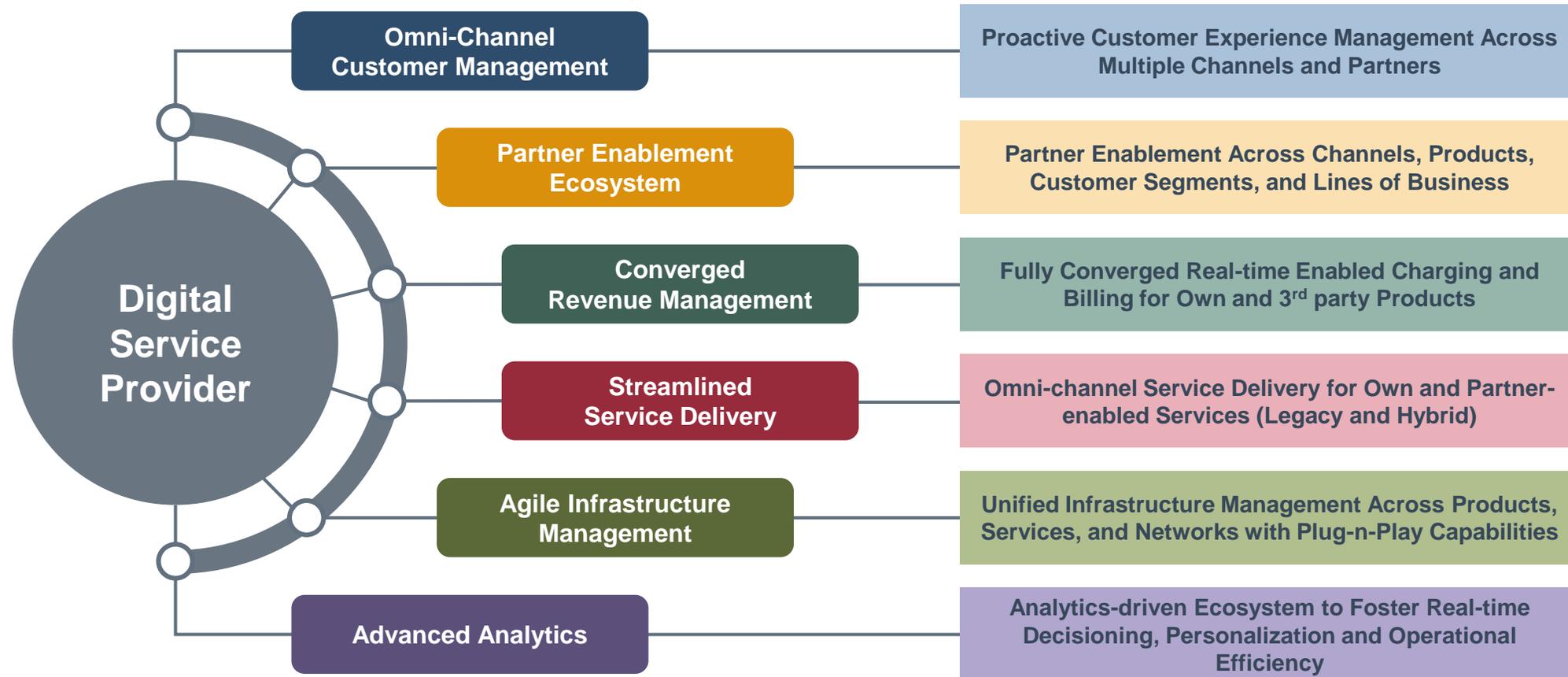
## Digital Gifting & Sharing

- Allows impulse gifting
- Real-time sharing of digital assets
- Support traditional and innovative payment mechanisms

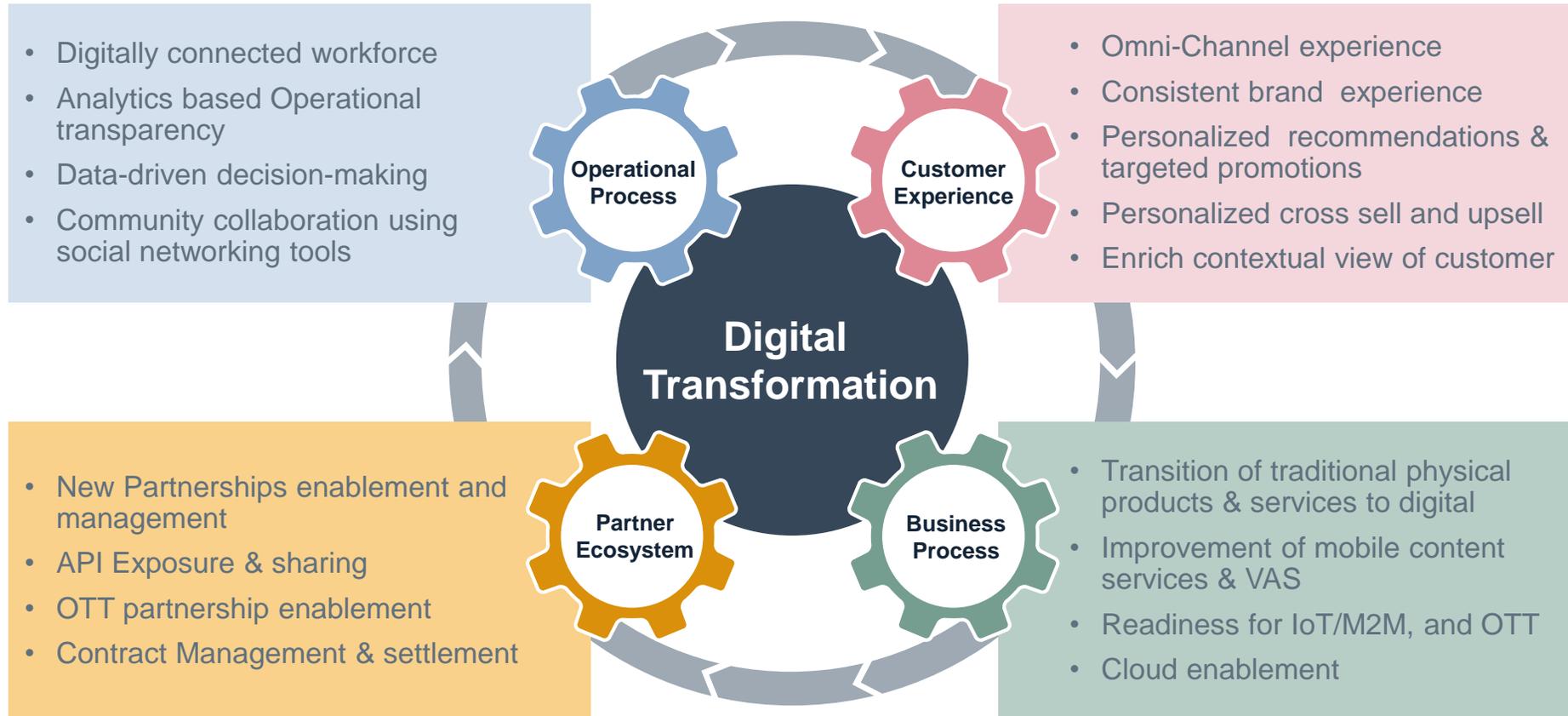
## Impact on BSS

- Real-time rating, charging and transaction management ability
- Allow subscribers to share and gift without constraints
- Ability to support bit coins, digital currency, mobile payments

# How Telecom Operators Can Evolve Into DSP



# Digital Transformation Peculiarities



# Becoming Digital: Next-Gen BSS Requirements

## Unified Product Catalog (Product Management)

- Single point for information about all offers, products, services and resources
- Support for both customers' and partners' products and offerings in one place
- Ability to support cross-industrial offerings including non-telco products



## Partnership Management

- Support for simplified and agile partner onboarding functionality
- Partners' ability to manage their offerings through marketplace catalog
- Support full-spectrum of new business and revenue sharing partnership models



## Advanced Analytics

- Ability to assess effectiveness of existing product offerings for their enhancement
- Generation of targeted promotion based on customer contextual information analysis
- Support for cross-service offerings definition using current customer insights



## Revenue Management

- Fully convergent rating & charging capabilities to support any service, any technology, etc.
- Excellent real-time capabilities in terms of performance, availability and scalability
- Dynamic policy-based discounts and analytic-driven offerings generation



## Cloud Platform Capabilities

- Carrier grade cloud platform supporting different models (private, public or hybrid)
- Strong security and flexible multi-tenancy capabilities
- Unified platform for centralized management of multiple partnership models



# Netcracker Innovations for Digital Service Providers

