MODERN BILLING

Whitepaper

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MODERN BILLING – STRATEGIC & HOLISTIC APPROACH TO SERVICE PROVIDERS' GROWTH

Modern Billing offers an important shift from tactical operations limited by the functionality of systems based on modules and services to a holistic and strategic approach that supports growth of a service provider's business. Modern Billing sets a new standard for empowering service providers to achieve their business strategies and corporate visions.

What Is Modern Billing?

Modern Billing is MaxBill's innovative best practice approach for business process configuration that enables service providers to successfully pursue their corporate strategies and visions. It provides a new framework for service providers to create competitive advantages and become market leaders in age of commoditized services, intense competition, rapid product innovation, changes in business models and evolving customer expectations.

Modern Billing is a new way of defining and implementing strategic business processes throughout the business support systems, while consistently integrating the workflows across the entire service provider's departments and roles.

In many service provider industries, traditional approaches to billing have resulted in multiple systems supporting separate services with limited connection among the business processes, which is cumbersome to operate as significant manual intervention is required to complete routine processes and workflows. At the same time, multiple systems are expensive to reconfigure when there is any change to the way the service provider business operates. As a result, such billing operations are a burden rather than an asset and restrict service provider business growth.

Modern Billing turns service delivery, customer experience management and billing into competitive advantages and empowers a service provider grow its business and achieve its strategic objectives.

This whitepaper explores the concept of Modern Billing, showing why it is essential for service providers, how it fits into different types of service provider business scenarios and how it has been applied in practice to deliver tangible business benefits.

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MODERN BILLING PRINCIPLES

Modern Billing Is:

- **Strategic** – it allows service providers to deliver on strategic decisions taken at the executive and board level, such as to grow the customer base, improve profitability, streamline operations and expand services.

- **Holistic** – it allows service providers to define, configure and implement business processes that connect all departments and roles in an organization.

- **Empowering** – it positions service providers with the agility to make ongoing changes in response to market conditions, such as regulation and competition.

- **Direct** – it facilitates a rapid and straightforward implementation that can be installed independently by system integrators and directly maintained by service providers.

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MODERN BILLING IS STRATEGIC

Service providers need to be able to identify and implement creative and exciting new strategies that differentiate its offering from competitors. A service provider might need to focus its business on finding new customers or driving top line revenue. A service provider might also determine that it needs to adjust its strategy to reduce costs and increase profitability or it might develop a strategy to enter an entirely new service market.

Far too often, however, a service provider finds that its ability to implement new strategy plans are hampered or even prevented by the IT systems and tools it has in place. Billing is a classic example of this. Legacy billing systems have often been installed to support the billing of individual services, which makes the rolling out a new service line difficult. Either expensive customizations or inefficient workarounds are required or an additional billing system to meet the business needs of the new service must be acquired.

To make matters worse, these challenges are not limited to the introduction of new services. Inefficient workarounds and multiple systems make offering creative service packages and innovative tariffing difficult and often impossible. The result is that legacy billing systems often do not support the strategic aims of a service provider and create limitations on the business growth.

Modern Billing meets this challenge. Instead of delivering a set of functionality for a specific service, Modern Billing delivers a solution that serves as a platform that can help a service provider to meet its strategic objectives – whatever they might be. Modern Billing enables the service provider's board to take high level, executive decisions about how to grow the business, confident that the billing system can support its strategy and objectives.

Modern Billing supports creating a billing operation, including billing for all existing and new services, determined in the strategy of the board. The approach of Modern Billing is easily integrated and interacts seamlessly with other systems needed to supply the strategy

It also provides the senior management team with the data and insights required to manage ongoing service delivery and ensure the strategy plan is being delivered, whether the objectives are to grow its customer base, increase profitability, manage costs or any similar goals. The bottom line is that a Modern Billing solution enables the strategy of the board to be achieved.

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CASE STUDY: FIRST UTILITY (NOW SHELL ENERGY)

First Utility, now rebranded as Shell Energy, is the UK's largest independent energy supplier, serving over 800,000 residential customers. The company was founded to provide a competitively priced alternative to the Big 6 energy companies, along with superior customer service. As well as supplying gas and electricity, First Utility also offers residential broadband and telephony services and smart home technology. The energy retailer was acquired in 2018 by Shell.

MaxBIll allows us to turn our smart meter readings into competitive advantages and generate full value from our customers, while the possibilities for adding services supported by complex bundling scenarios are endless.

**Mark Daeche,
CEO and founder**

First Utility is a UK-based company offering an innovative blend of energy and telecoms services, including electricity, gas and telephony services to both business and residential customers. It was originally created because its founders felt that energy companies were failing UK customers with spiralling costs, confusing tariffs and poor services. The company's strategy is expressed in terms of providing its customers with a different and better offering.

First Utility made the strategic decision to enter the energy market and to compete and win market share by offering simplified service delivery and low costs supported by transparent pricing and billing.

First Utility guarantees lower prices than the large, incumbent energy providers in the UK and promises improved, more responsive customer service than its competitors.

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First Utility offers its customers through the use of technology more control over their own energy consumption and expenditure than its competitors have traditionally provided.

The company puts out the message that it is the only major energy firm in the UK that actually wants customers to reduce their energy consumption. It enables customers to compare tariffs and switch to new, less expensive plans using straightforward online tools.

In addition, the company's strategy involves investment in new technologies that enable First Utility to become a flexible, dynamic provider of many different types of services. For instance, it swiftly took the strategic decision to roll out smart meters, which give suppliers and customers much more granular information about energy usage and expenditure, to customers in the UK. This created the opportunity to develop new business models and create new types of services.

In this context, First Utility found that its existing legacy systems and technology approaches caused significant operational delays when it wanted to introduce new service packages – particularly when those new packages included multiple service types. First Utility knew that it could not meet its strategic vision without developing the appropriate business processes and investing in a platform that could automate the implementation of those processes.

First Utility decided to deploy best-of-breed tools and in the context of billing

and customer management searched for a solution that could meet its needs across any service sector. Company management rejected many alternative vendors because most of the proposed systems provided only single service support and could not cope with First Utility's multi-service model.

First Utility selected MaxBill because this solution had been designed from the ground up to manage multiple service environments regardless of the industry sector and was built with an open architecture making the automated integration easy.

The MaxBill solution has delivered First Utility with support for its entire multiple service portfolio. MaxBill's pre-integrated CRM, order management, meter and readings management, rating, product catalog and invoicing modules were all provided, replacing various separate legacy systems.

MaxBill's fully automated platform helps to remove the operational bottlenecks that First:Utility had been experiencing. MaxBill also makes it possible for First Utility to access and leverage the real-time usage data generated by the smart meters.

With the underpinning of a flexible billing and customer care operation enabled by MaxBill, First Utility can make dynamic pricing adjustments, create new promotional plans, loyalty schemes and engage in improved cross-product marketing that support its strategic goals.

MODERN BILLING IS HOLISTIC

Modern Billing allows service providers to define, configure and implement business processes that connect all departments in an organization. This represents a fundamental shift away from traditional practices that involve separate silos of expertise and departmental activity that has resulted in disjointed systems and work methods.

In order to effectively meet the strategic objectives of a service provider, Modern Billing enables streamlined, seamless interaction between all the different relevant teams and systems within the service provider business. Modern Billing is a holistic approach encompassing all the relevant business processes.

Consequently, a Modern Billing solution must take a very different approach to system deployment. Rather than responding to a functional requirements specification, the vendor must work to ensure that all the key processes are understood and aligned to the business strategy before deployment and configuration commences. Modern Billing delivery provides a holistic approach to project delivery.

By adopting this approach, Modern Billing avoids many problems that have burden many service providers in the past.

- Rather than being implemented as a separate process, Modern Billing systems are integrated with those workflows that are part of the order-to-cash chain, such as order taking, service provisioning, credit control and general ledger accounting as well as with processes such as marketing and new product development. When all relevant workflows are considered together, there is more scope to automate and improve processes and less risk of error at the interfaces between the workflows.

- By basing the billing system on company-wide business processes rather than building them around specific services or business models, a Modern Billing vendor helps the service provider avoid deploying systems that are tied into service-specific processes that prevent the business from being responsive.

- Defining and mapping the overall business processes and rules at the outset is a fundamental part of the Modern Billing approach. This approach is flexible and can accommodate industry-standard processes and allows a service provider to use best practices for defining and implementing efficient processes that are fully integrated across the entire service organization.

CASE STUDY: INFOPACT

Infopact is a fast growing communications service provider in the Netherlands. The company targets the enterprise market with bundled VoIP, Internet, mobile and VAS service packages.

Infopact had operated a variety of business support systems, which were not integrated and many of which were self-built. Over time, these systems became inefficient and could not support the new flexible business models that Infopact wanted to implement.

Infopact took the strategic decision to make holistic changes to its billing, service delivery, partnership management and customer care operation. The company defined the objective of measuring and streamlining workflow processes for its multiple service operation.

Infopact wanted a single, Modern Billing operation supporting a fluid process for multi-service provisioning, fulfilment, order management and revenue sharing. The company certainly did not want to create another layer of functionality and add to the complexity of its operation.

The approach offered by MaxBill involved analysing and refining all the relevant business processes being used within the business with the aim of optimizing workflows and ending manual input wherever possible and sensible. The standardized processes were then implemented in the MaxBill solution and were integrated with external mediation and provisioning gateways.

The outcome has been the development of a Modern Billing solution that enables Infopact to define, configure and implement business processes that connect all departments in an operation.

The MaxBill solution now enables Infopact to offer multiple services, including fixed, mobile and Internet, and attractive packages with zero-touch, automated service delivery, simplified customer support and transparent billing along with sophisticated revenue sharing schemes with reseller partners.

On a strategic level, MaxBill allows Infopact to manage best practices for defining and implementing modern BSS workflows and efficient operational processes that are fully integrated across its entire organization.

By allowing Infopact to directly monetize its innovative business models and offer creative service packages, MaxBill is empowering Infopact to grow its business with improved profitability and increased customer loyalty to its brand.

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MODERN BILLING IS EMPOWERING

Modern Billing gives service providers the flexibility to make ongoing changes in response to market conditions, such as regulation and competition. Service provider businesses of all kinds are subject to major trends that have an impact on how business is done. service provider businesses need to develop a strategy and a supporting business architecture that builds in the capability to respond to rapid change. Examples illustrate the point include:

- **Deregulation** of energy supply markets in many countries has led to new structures and new roles for organizations. In some countries the links between energy supply, distribution and retail have been completely broken, resulting in new roles for established businesses and opportunities for new players. As a result, companies have to build their processes and systems to suit their new role. At the same time, the rapid introduction of smart meters in utility markets is putting innovative tariffing and billing at the heart of service providers' ability to compete and creating opportunities for new service providers to enter the market.

- **Ubiquitous mobile connectivity** and more powerful handheld computing and communications devices have changed the ways many field-based service operations are carried out. New service companies with more efficient processes can significantly undercut companies that rely on outdated workflows. Changes have been made to established practices and systems have been built to support the new ways of working.

- **Global competition and economic pressures** have led to intense scrutiny of costs, in particular on operational expenditures. Responses have ranged from refocusing on a smaller, core set of business activities and selling off or outsourcing other activities, through to aggressive merger and acquisition to build economies of scale. All processes that support the businesses' activities must be lean and fit-for-purpose.

- **Increased availability of high speed broadband** has facilitated the creation of new service providers with new business models in a variety of service sectors. For instance, the ways that customers transact with transportation and financial services companies is very different now from how they were transacted in the past.

- In saturated markets, such as fixed and, increasingly, mobile communications, increased competition has resulted in

a scramble for innovation and differentiation, involving putting the customer at the center of how a service provider's business processes are built so that the company can deliver the highest possible level of customer service and the most compelling new, attractive services before the competition.

- Internet giants have pioneered **cloud-based, open, global service delivery systems** with a laser focus on lean operations and innovative commercial models. These methods of working are rapidly being adopted by traditional businesses forcing existing players to evolve in order to survive in these new market conditions.

Modern Billing puts the power over billing-related workflows, processes and information directly in the hands of the people that need it. With Modern Billing, interfaces to catalogs of product and service components are easy to use.

New offers can be designed for specific customer segments and rolled out without requiring time-consuming changes to the back-office systems carried out by technical specialists. Innovative and compelling services can be brought to market quickly. Customers can be served in the ways they expect to be served and billing and account details can be provided to the customer through a variety of channels, including from a contact center representative or an online portal or a smartphone self-care app. Embedded analytics tools help the marketing team to analyze product and offer profitability and to manage portfolios of products in a more intelligent way.

Modern Billing enables the launch of new products and services without the need to invest in extra billing systems. Without a Modern Billing approach, all of this is would be very complex, time-consuming and expensive.

Modern Billing is empowering because – through its flexibility - supports a service provider in meeting the ongoing challenges caused by changes to market conditions.

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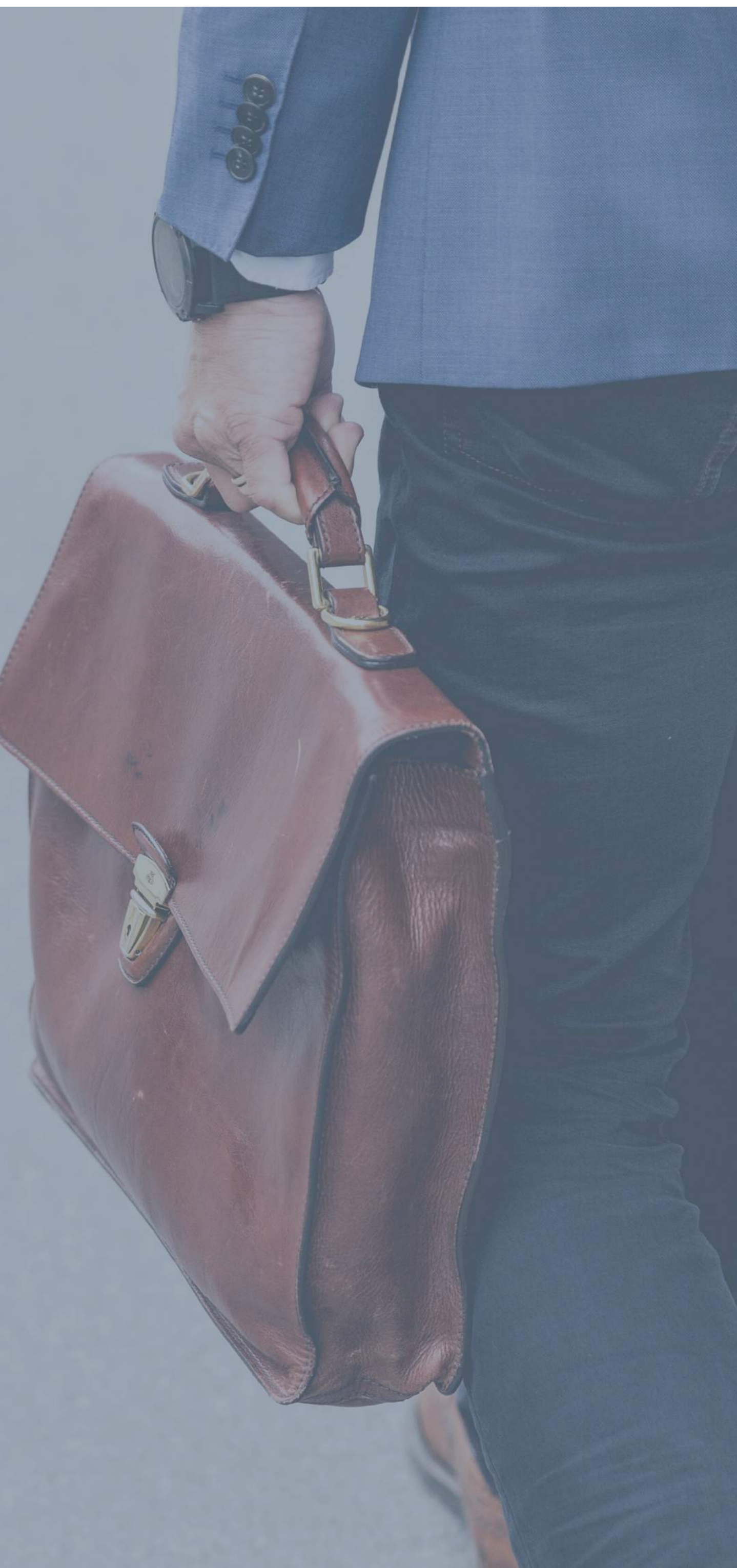
CASE STUDY: STIPTE

Stipte is a Netherlands-based provider of TV, mobile, broadband and telephony services. The company was previously known as Scarlet Telecom and is part of the Belgacom group.

The MaxBill solution is extensive and easy to implement. It has allowed us to automate all mission-critical business processes and we continue to be successful in improving customer experience.

**Matthijs Kamp,
Founder**

Stipte has now been using the MaxBill solution since 2000. During this period, Stipte has made several major acquisitions, has had to respond to a rapidly changing competitive environment and has launched a variety of new services. It has evolved from providing telephony to becoming a service provider delivering quad play service packages, including telephony, Internet, mobile and IPTV services. Stipte's use of the MaxBill solution is a clear example of how the Modern Billing approach can ensure a service provider's technical architecture can empower a service provider to respond to market change.

Back to 2000, Stipte had been growing by acquisitions. At the time, Stipte had recently bought One.tel and was operating with over a dozen legacy billing systems, none of which could meet its larger businesses requirements. By deploying a centralized catalog, integrated with the billing and customer care systems, and accessible from all parts of the business, Stipte was able to escape the requirement to maintain separate instances of product and service data in every department in which it was needed.

As result, Stipte consequently avoided issues of data duplication, inconsistency between departments, data ownership, legacy system incompatibility and data maintenance.

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The benefit of the centralized approach is that it empowered individual departments within Stipte to start using the data and defining their own products and services.

This included manipulation of product and service package definition, provisioning, pricing and discounting parameters. Without the organisational and capability silos that had previously hindered its progress, Stipte's creative teams were able to develop new service propositions much more quickly. In addition, customer service agents had better access to the correct product information and so were better equipped to assist customers.

At the same time, customer segmentation and branding tools provided by MaxBill enabled Stipte to continue to use the brands of the acquired companies and so to present a consistent image to customers. The company saw its revised billing and customer care, and centralized service catalog system as key advantage in a very competitive service market, enabling its teams to create cost competitive packages, while ensuring the management team could retain overall control of the company and its cost base.

By applying a Modern Billing approach, MaxBill has empowered Stipte to meet the many different challenges it has faced over the last decade.

> " *The MaxBill product suite has adopted all our changes in the last two decades from being a 100% carrier select company towards being the current all-in-one provider we currently are.*

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MODERN BILLING IS DIRECT

Modern Billing facilitates a rapid and straightforward implementation that can be installed quickly and independently by a system integrator and directly maintained by the service provider. This approach overcomes many of the problems caused by having an incumbent supplier that controls the billing implementation:

- By enabling services provider to directly maintain its billing solution, a Modern Billing approach enables a much faster implementation of new products, ideas and adjustments. The service provider does not have to wait for a third party to schedule the changes and it can focus as much or as little resource as its wants on the adjustments and prioritise them to meet its objectives. This also reinforces the ability of service providers to integrate the billing solution at a more strategic level.

- By offering implementation through third party systems integrators, a Modern Billing approach also helps a service provider to avoid vendor lock-in. The service provider can choose between alternative suppliers for its solution with the knowledge that all involved understand how the platform works and that they all can make adjustments where the changes needed are beyond the technical capabilities.

- Implementation through third party systems integrators and direct maintenance by the service provider can also take away concerns about high maintenance charges. Traditionally, many billing systems have been deployed by the billing system vendor itself. In addition to the charges for initial system deployment, vendors also charge fees for making adjustments or changes to the implementation, such as configuring a new service tariff. Billing systems that are closed, meaning that changes can only be made by the vendor, are expensive and time-consuming to operate. This directly contrasts with the objective of Modern Billing, which supports the strategic aims of the service provider and meets the requirement for organizational adaptability.

By providing a Modern Billing solution, all experienced in deploying that solution, and by installing a system that gives the service provider maximum control over business process and service configuration, service providers can avoid some of the worst aspects of vendor lock-in and really use the billing system as a tool to drive the business forward. Decisions can be based on the business requirements rather than externally imposed cost or operational constraints. Modern Billing gives control directly to the service provider.

CASE STUDY: ROUTIT

RoutIT is an independent provider of connectivity and cloud services in the Netherlands. The company has developed an innovative B2B2C business structure in which it provides Internet connectivity and VoIP-based telephony services to the SME market through a nationwide network of resellers.

MaxBill is committed to finding a solution to every challenge we face. Equally important, MaxBill is a reliable, pro-active and experienced partner who makes the extra mile to make us, and more importantly our customers, happy.

Ramon Plakke,
Product Manger VOIP

The market for communications service in the Netherlands is fiercely competitive with numerous alternatives available to business customers. In such a highly competitive environment combined with RoutIT's high volume and low margin business model, direct control over BSS processes and product management is essential for RoutIT to adjust to changing market conditions and generate revenue from new market opportunities.

MaxBill helps RoutIT succeed by enhancing its partner revenue sharing capabilities with its network of resellers. We allow for dynamically packaging and price service offerings tailored to individual reseller partners, including white labeled offerings. RoutIT can at any time make changes to any of the parameters of its services packages or revenue sharing agreements. MaxBill also centrally process the invoicing and collection activities for its reseller partners' end customers.

Previously, RoutIT was using an internally developed billing system that had reached the end of its lifecycle. Like many legacy systems, RoutIT's internally developed billing system had become difficult to maintain and was placing restrictions of RoutIT's ability to grow is business. Since working with LogNet and deploying its MaxBill solution, RoutIT has been able to regain control of its business.

The deployment of MaxBill for RoutIT was straightforward. It followed a logical, phased approached that lasted only a few months and required limited resources. Today, RoutIT directly maintains the MaxBill solution. RoutIT is in no capacity dependent on MaxBill or any other third party and is not burdened by expenses, time consuming change requests. With Modern Billing, RoutIT has direct control over business processes and service configurations and can independently make changes at any time.

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ABOUT MAXBILL & MODERN BILLING

LogNet Billing has defined the term Modern Billing to encapsulate a philosophy for service provider businesses in multiple sectors. Modern Billing involves a holistic, whole-business approach to defining the workflows and business processes required to address the big trends and changes affecting service industries. It enables innovative new revenue-generating services to be created more quickly and free from the constraints of legacy systems built to support specific services and outdated ways of working.

Modern Billing is more efficient, saving time that would otherwise be wasted. It enables service providers in any industry to adapt to rapidly changing and highly competitive markets and to deliver services based on traditional and highly innovative business models. It empowers service providers to innovate and to deliver on their strategic goals.

To find out more about Modern Billing can help your company grow, please visit:

maxbill.com

A provider and a solution that delivers a Modern Billing approach can deliver a return-on-investment in many ways:

- Faster time-to-market for new services = shorter time-to-revenues.
- Improved capability to create innovative services bundles = more chance of winning or retaining market share = more revenues.
- Improved customer experience in the purchasing and delivery of services = potential to reduce churn = more market share and revenue.
- Reduced workload associated with maintaining multiple separate billing systems for each service type = reduced cost.
- Reduced workload enabled by consolidation of systems and automation of critical tasks = reduced cost.
- Holistic approach and design based around processes reduces or eliminates the need for system redesign to cope with business evolution = capex reduction.
- Better links between service design and delivery and financial systems enables design and delivery of better, more profitable services = more customers, increased revenue and higher margins.

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