

NetCracker Telecom Cost Management

Telecom Cost Management Challenges

To keep operations efficient and customer offerings competitive, Communication Service Providers (CSPs) must have an accurate, detailed picture of both the revenue they receive and the expenses they incur.

But today's CSPs run on top of an increasingly complex and intelligent network infrastructure that spans both their own networks (on-net) as well as capacity leased from other CSPs (off-net). For some carriers, most notably mobile carriers, the money spent on leased networks comprises a significant part of their overall network maintenance budget. They need to make sure they are being charged correctly for the capacity they use and are not being charged for capacity they consider disconnected.

The complexity of modern services also makes it difficult to manage the whole cycle of service fulfillment and delivery. It is harder for CSPs to understand how much they are spending to deliver, manage, and support an actual customer service, while also knowing how efficiently their capital expenditures in network and IT infrastructure are being used.

Overcoming these challenges requires that information from multiple sources within the service provider environment—including order management/CRM, billing, provisioning, inventory, and financial systems—be assembled and analyzed and that the results be presented in an easily comprehended fashion.

NetCracker Telecom Cost Management

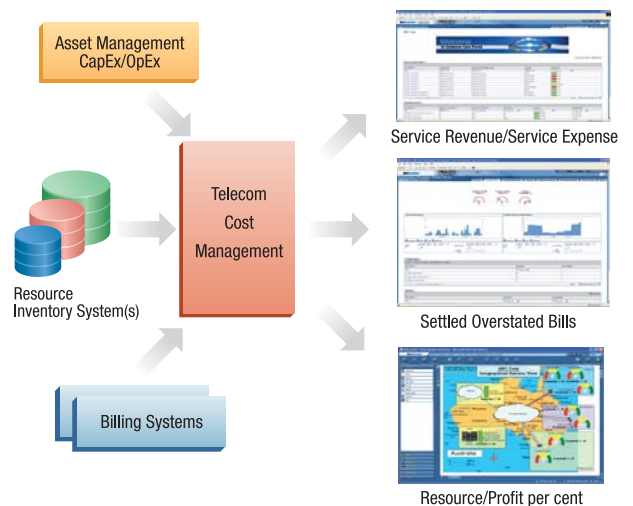
NetCracker's Telecom Cost Management module can optimize service delivery costs and facilitate cost recovery for on-net and off-net assets.

Because it is integrated with the Resource Inventory and Service Inventory modules, the Telecom Cost Management module has details on stored information regarding services delivered as well as the network and IT infrastructure used to deliver them.

Telecom Cost Management augments that information with usage data from other systems such as billing, financial, ordering, and provisioning so it can perform much deeper and more accurate analyses than typical data warehouse or reporting solutions.

To support effective revenue assurance, Telecom Cost Management focuses on:

- Detailed calculations of service delivery, support, and maintenance costs, including the relative costs of different elements involved



- Reconciliation of expected and actual off-net network costs, the handling of disputes, and data on off-net usage trends
- Flexible finance accounting based on splitting the organization into cost centers incurring corresponding costs, which can then be detailed with the enclosed cost centers representing divisions and subsidiaries.

NetCracker Telecom Cost Management Components

To control service delivery costs and facilitate cost recovery for on-net and off-net assets, Telecom Cost Management contains the following core components:

Invoice Data Management

The Invoice Data Management component stores all invoice-related information including invoice ID, service-related details, expected and actual invoice amount, payment details, and other data. It ensures that all of this information is readily available for the Invoice Reconciliation Engine.

Invoice Reconciliation Engine

The Invoice Reconciliation Engine provides two vital functions. First, it reconciles estimated and actual invoice charges for leased infrastructure, relying on a set of predefined configurable rules that compare data and identify discrepancies between estimated charges and the actual invoice amount.

Second, the Invoice Reconciliation Engine aggregates and allocates invoices within a CSP organization. Telecom Cost Management uses a “cost center” concept, which provides flexible schemes for allocating incurred charges. The NetCracker “cost center” concept allows a CSP to create any kind of cost-incurring divisions and define rules for managing relationships between them.

Dispute Management

The Dispute Management component enables end-to-end tracking of invoice-related disputes, providing control of documentation and information messaging to facilitate timely and mutually accepted dispute settlements.

Charge-Back

The Charge-Back component ensures the complete settlement of charge-related disputes and enables reimbursement of overstated amounts.

Service Cost Management

The Service Cost Management component identifies how much each service costs in terms of the actual costs of the infrastructure it spans (capital expenditure) and the operational costs to maintain this information (from support and maintenance contracts for equipment to average expenses for NOC and field personnel). It aggregates this information based on organizational, technological, or geographical criteria and presents the results in absolute (monetary) or relative (percentage) form to revenue assurance specialists, ensuring that decision makers have complete and accurate data.

Infrastructure Cost Management

The functionality of the Infrastructure Cost Management component is similar to that of the Service Cost Management component. It allows a CSP to apportion the share contributed by a particular resource (multiplexer, switch, transport facility) to the overall profit generated by services over this resource. It also enables decisions to be made regarding the cost efficiency of leveraging specific resources for particular services.

NetCracker Telecom Cost Management corresponds primarily to eTOM Level 1 Billing processes in the Supplier/Partner Relationship Management domain.

Benefits of NetCracker Telecom Cost Management

- Reduces costs by identifying invoicing errors for off-net infrastructure
- Improves process efficiency by analyzing operational data and optimizing the fulfillment and assurance processes
- Keeps operations lean and improves a CSP's bottom line by automating cost management and audit processes