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## Podcast Document

### Remaining Profitable in Today's Challenging Economic Climate Top 5 Areas Service Providers Need to Act on in Today's Economy

This podcast document is based on the podcast, "Top 5 Steps Carriers Need to Take to Remain Profitable in Tough Economic Times," presented by **Sanjay Mewada, NetCracker's VP of Strategy**.

The podcast was originally broadcast on May 6, 2009 and can be downloaded from: [NetCracker](#), [European communications](#), [VanillaPlus](#), and [iTunes](#).

NetCracker is the leading solution company enabling Service Providers to quickly deliver and manage convergent and content-rich offerings. NetCracker offers comprehensive OSS solutions through its software and implementation expertise. We are the world leader in transformation projects for Wireline, Mobile, Cable, and Converged Service Providers.

Service Providers use NetCracker's solutions to build an agile Service and Resource Layer that enables them to accelerate service creation and delivery, reduce operations costs, and build close customer relationships.

OSS has an important role to play as Service Providers face today's challenging economic climate. In fact, one could say that OSS is central to many of the initiatives that Service Providers need to undertake to remain profitable in today's environment. At NetCracker, we have identified the five most critical areas that Service Providers should focus on during these difficult economic times.

Lower spending by customers and a changing industry structure require a much more targeted effort at growing revenues, remaining profitable, and managing costs. In light of this, here are the top five issues that Service Providers need to act on.

#### 1. Revenue Assurance

Simply put, collect all the money you are owed. In many ways, revenue assurance is the lowest-hanging fruit. Implementing the right revenue assurance

solution can have an immediate impact on the top and bottom line. And that impact is not marginal. Often as much as 7% of a Service Provider's revenues are leaking due to fraud, incorrect billing, or lack of reconciliation — and therefore these revenues are never collected. OSS can play a central role in making revenue assurance programs successful, in making revenue assurance solutions relevant, and in enabling Fixed, Mobile, and Converged Service Providers to understand the cost of providing services.

*"As much as 7% of a Service Provider's revenues may be leaking."*

#### 2. Asset Maximization

The second area that Service Providers need to act on is asset maximization. In simple terms, asset

*"30% of a typical Service Provider's assets are stranded or underutilized."*

maximization is about getting more out of what you already have in your network and IT infrastructure. Thirty percent of a typical Service Provider's assets are stranded or underutilized. And this is so because Service Providers frequently lack correct information on the availability and utilization of network resources — be they line cards, ports, routers, switches, or CPE. In the case of IT assets, the problem is the lack of visibility on utilization and available capacity on servers, storage, and applications. Using the right OSS solution with Resource and Service Inventory and the right Discovery and Reconciliation capabilities, Service Providers can drive asset utilization much higher. And

this can result in significant CAPEX savings, pushing out the purchase of new network or IT equipment, and a higher rate of return on existing investments in infrastructure. Using the right asset maximization solution also enables better capacity planning, better delivery of services, and the optimal use of assets that have been deployed. It has a direct impact on CAPEX and a significant impact on OPEX.

### 3. Customer Retention

The third area that Service Providers should act on is customer retention. It's common knowledge that it costs 3 to 5 times as much to get a new customer as it does to keep an existing customer. So targeting the top three reasons why customers are churning and implementing a program (even a short-term program) that

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addresses why retention is not up to industry standards, can have a direct, positive impact on keeping existing customers and driving profitability and revenues.

### 4. Automation

The fourth critical area that Service Providers should act on is automation. Automation is often associated with reduction in head count. But that is not the outcome we are looking for. We are looking at automation that targets errors. Lack of automation equals errors. And errors cost money. Automation, on the other hand, drives efficiency, accuracy, and profitability.

Manual processes breed errors. Whether it is fat fingering, exception management, or re-works, every service order takes that much longer to provision manually. When automation is driven through the process, however, not only are errors reduced, but the number of hours spent fixing them is reduced as well. So the level of automation is directly proportional to the efficiency of the fulfillment and provisioning process, and that also directly impacts the cost of operations and provisioning a service — and therefore the top and the bottom line.

### 5. Anticipating and Planning For the Future

The fifth thing Service Providers need to do is look at the future so they can get ready for the coming economic upturn. Now is a good time to drive some of the change that is necessary in an organization and get ready for what will come around the corner in terms of new services, new partnerships, consolidation of the industry, new players entering, and older players getting bought out or collapsing. The entire industry structure is in flux, and it's an opportunity to align ambition with ability. By aligning the ambition of what needs to get done with Telecom Operations Management Systems, Service Providers will be ready when the broader economic outlook improves — ready for growth, ready to gain market share, and ready to deliver the next generation of services.

Over a hundred years ago, Charles Darwin stated that it's not the strongest or the most intelligent who survive but those who can adapt quickly to the changing environment.

The five critical focus areas presented here are about adapting to the existing environment and changing to exploit coming opportunities.

Hopefully this quick synopsis provided insights about where you can make a significant impact to reduce cost, build operational efficiency, and drive revenues.

If you need more information, or if you'd like to know more about NetCracker's capabilities in each of these five areas, please visit [www.NetCracker.com](http://www.NetCracker.com).

We look forward to hearing from you.