

Real-time revenue management brings cost-efficiency and user satisfaction

Around the world, telecom operators are at various stages of evolution to all-IP networks, opening up new opportunities for multimedia services. A key challenge in this evolution is to create attractive service pricing for users with business models that are beneficial for operators, media and content partners. Pricing must be fair and clear, while revenue must be properly secured and distributed. The interaction between customer view, service offering and spending control is critical. Revenue management based on real-time solutions is the only secure way for operators to control credit and to enable users to manage their spending.

Revenue management must be able to handle retail issues such as giving users flexibility and control, as well as wholesale issues such as managing risk with service providers and getting paid by (and paying) partners. One key point is that the payment method (whether prepaid or postpaid) should not define the service offering – users should be able to pay for the services they choose in the way that suits them best. Most transactions should also be handled in real time to support user control and assure revenue for the operator and its partners.

When it comes to partnerships, revenue management must handle issues such as roaming, interconnect as well as new types of partnerships with e.g. media companies, internet players and advertisers. Revenue management needs to cover things like partnership agreements, the business model, revenue sharing and settlement.

For pricing, revenue management solutions need to help operators identify the most profitable and attractive pricing and packaging of services. Operators must be able to charge on the basis of content, location, subscription, volume airtime and quality, as well as support various offerings like flat fee pricing, package pricing, cross-service discounting, special promotions, and loyalty and bonus schemes.

Delivering such revenue management capabilities demands end-to-end integrated solutions that traverse traditional service and departmental boundaries. Another challenge for operators is to evolve from the multitude of service-specific billing and customer care systems and processes to a converged revenue management environment that can cope with rapidly evolving needs across all services and segments – faster, cheaper, better, and with less complexity.

Convergent charging and billing

Convergent handling of the end-to-end revenue management processes is vital to the success of future telecom operator business. Revenue management solutions must be able to handle convergent technologies including IP-based broadband services, a variety of business models and business partner relationships, as well as convergent pre- and post-paid consumer relations from an end-to-end perspective.

Creating a convergent revenue management environment that includes convergent charging and billing, while handling all users and services in a uniform way, will be an evolutionary process. Operator-specific requirements need to be taken into account and existing investments reused in the best way.

A convergent charging and billing solution must be able to handle functions such as complex rating, subscriber account balance, mediation and session supervision in real-time with maintained telecom grade performance. At the same time functions such as customer care, statements or invoices must be efficiently handled for all users and all services.

For users, convergent charging and billing provides full control over all communication costs: users have one contact point and a single invoice for all their fixed, mobile and broadband services. It also gives users access to the services they want independent of their subscription type, as well as the ability to pay however they want – whether through top-ups, an invoice or via the internet. Convergent charging and billing provides users with real-time information on their spending and credit level, so that they will never spend more than they intend to. Users can also be kept fully up-to-date on their bundled minutes, bonuses and rewards.

Ericsson in revenue management

Ericsson is a leading provider of Revenue Management solutions. We help our customers to capture and secure their money streams and leverage the business opportunities in the new communications world, by providing expertise and solutions to manage the revenues from traditional as well as multimedia services. Ericsson's Revenue Management offering include Retail Charging and Billing solutions for consumers and business users, Wholesale Charging and Billing solutions enabling new business models with partners e.g. internet players and media companies, Payments solutions to provide users new convenient and efficient ways to manage their money, and Revenue Assurance solutions to prevent revenue leakage. In addition, Ericsson provides end-to-end solution integration through business consulting, solution design, system integration and solution lifecycle management. Ericsson solutions and systems integration capabilities deliver competitive advantage operators by improving marketing capabilities, cost-efficiency and financial risk management. They also provide spending and credit control for all subscribers – whether consumer or corporate

The acquisition of LHS in 2007 further strengthened Ericsson position and put us in a unique position to offer a Convergent Charging and Billing solution that enables operators to handle all users and services in one and the same way independent on payment options or access technologies, e.g. prepaid or postpaid, fixed, mobile or multi-service networks.

Ericsson's real-time charging solutions are the most widely deployed in telecom networks worldwide – catering for more than 500 million subscribers at over 150 operators. With more than 300 multi-mediation customers and more than 80 online mediation contracts, Ericsson is also the leading supplier of convergent online, event and file mediation solutions. IPX payments are available to more than 1 billion mobile subscribers in 24 countries.

More than 30 operators also base their convergent real-time charging offerings on an Ericsson charging solution.

In the revenue management domain, Ericsson has integrated more than 900 real-time charging, prepaid, billing, mediation, activation and settlement solutions.

Ericsson is the world's leading provider of technology and services to telecom operators. The market leader in 2G and 3G mobile technologies, Ericsson supplies communications services and manages networks that serve more than 185 million subscribers. The company's portfolio comprises mobile and fixed network infrastructure, and broadband and multimedia solutions for operators, enterprises and developers. The Sony Ericsson joint venture provides consumers with feature-rich personal mobile devices.

Ericsson is advancing its vision of 'communication for all' through innovation, technology, and sustainable business solutions. Working in 175 countries, more than 70,000 employees generated revenue of USD 27.9 billion (SEK 189 billion) in 2007. Founded in 1876 and headquartered in Stockholm, Sweden, Ericsson is listed on the Stockholm, London and NASDAQ stock exchanges.

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