

BILLS AREN'T JUST FOR BILLING ANY MORE

By Gary Tufel

Increasingly, telecommunications service providers are changing perspectives toward customer billing. Often the only interaction providers have with customers, the bill is an effective communication channel that can improve customer service and retention, build loyalty, provide cost and labor savings and even generate revenue.

How is billing adapting to new technologies, convergence and user behaviors? What do the latest software upgrades look like? Will they fit the future needs, or will they require custom development?

Providers are offering solutions that not only streamline the billing and collections process, but also allow for many other functions, not the least of which is customized marketing and upselling. New and existing services can be illustrated and marketed on a bill, no matter how they are delivered to customers.

For rural telecom companies, the challenge is even greater. According to Leland Smithson, president of Quintrex Data Systems, to grow, these companies must provide video, wireless and other advanced technology services. To compete with larger providers, they have to provide these services to their customers as bundled packages with discounts, making the offerings "stickier." They must also offer services to their customers that are similar to those offered in urban areas, he says.

One element of that is convergent billing, and Quintrex offers

it. Its quad play convergent billing (covering wireless, voice, video and Internet) can also be modified to bill for additional services. In fact, Smithson says, more than 100 different modules feed into the billing system, including an integrated suite of marketing modules.

"The modular capability enables you to plug in more modules as you grow, including video, DSL, Internet service, pay-per-view and wireless. The system also has an auditing capability, which means it can compare what's on a customer's bill with what's on the switch and vice versa. This can be done automatically every evening after hours," he says.

Smithson explained that integrated marketing as part of billing is not only an element whose time has come—it's also the future. "Integrated marketing is probably an area that many of the rural companies didn't have in their systems in the past but now, it's do or die. Without it, the competition will be all over you," he says. Target marketing, campaign marketing, suggestive marketing, trouble report marketing and other elements are all necessities of an

integrated marketing solution. "You can't just offer and bill for phone service anymore," says Smithson.

Target marketing allows a customer service representative (CSR) to search more than 30 unique parameters to analyze customers instantaneously, he says. "When a CSR interacts with a customer, he or she needs to have all necessary information in front of them. It's a great upselling opportunity. If a CSR has six customer contacts per hour, that translates to over 11,000 contacts per year. So it's critical for rural carriers with smaller budgets to take advantage of every customer contact," Smithson says.

Data mining is the key to providing this information to CSRs, he adds. The question now is how CSRs can take advantage of this opportunity in the brief time each customer contact allows them. CSRs should be provided with dual monitors for easier access to the information they need to thank and provide solutions to customers. One monitor can conveniently display general account information while the other provides information on CPNI, open



This sample invoice is provided by Martin Group. Martin Group's exceptional custom programming ability allows communications providers to customize the look and feel of their statements. Effective invoices increase communications effectiveness and enhance company image.

troubles, alerts and suggestions on how to thank and upsell, he says, giving CSRs the information they need immediately.

"With our system's target marketing, a filtering process analyzes each customer account and automatically displays results for a quick review. This gives CSRs an instantaneous opportunity to thank the customer, tell them about new products and upsell them," Smithson says. "It is important that they understand that upselling is not hard selling; it's more about initiating conversation to find solutions to problems customers may be facing."

For example, if a residential customer purchased high-speed Internet in the last 90 days, the system could prompt the CSR to thank the customer and ask if they were satisfied with their new service. Additionally, if a residential customer already has voice, long distance and DSL, but not in a bundle, the system can prompt the CSR to offer a discounted bundle, saving that customer money.

Marketing campaigns are so important, Smithson notes, that everyone in the company should be involved. The success of the campaign should also be easily trackable. He says the Quintrex system instantly updates the results when each service order is entered. This makes it easy to gauge success: overall success, individual success by CSR sales and easily created reports in these areas can be used at management and board meetings.

Whether a customer is viewing a paper copy of a bill they received in the mail or browsing a bill online, it's a bill that has been analyzed by the target marketing filters and customized for that particular customer, Smithson says. For bills sent in the mail, filters determine which statement backers, inserts or messages to include. If an EBPP (electronic bill presentation and payment) bill is being viewed on the Web, it's also personalized for customers who look at and pay their bills online.

Search parameters can also be applied to business customers and

CSRs recommend new products to them as well.

Quad play convergent billing offers even more opportunities, says Smithson, because it bundles telecom services into one bill while still allowing customers to apply payments to individual services. In addition, customers are beginning to demand the ability to add or change features to their services online without calling the provider. Another available service allows customers who have been disconnected for nonpayment to be automatically and instantaneously reconnected as soon as they pay their bills and fees. Conversely, nonpayment of bills can bring automatic and immediate disconnection, he says. This results in tremendous cost savings.

"In the past, rural phone companies thought convergent bills would be too big. Instead, companies have found that customers who view bills online, pay by credit card and make their payments recurring have embraced the convenience available to them." Smithson says.

Pitney Bowes Software offers software solutions that can be integrated with communications companies' billing processes, enabling providers to differentiate themselves from competitors, streamline business processes and save and generate revenue, all by changing their approach to billing.

Bills can be made roomier to accommodate embedded ads or messages for additional revenue opportunities, while staying within postage targets. Location intelligence solutions and demographic data can help companies gain insight on customers for targeted marketing through consumer segmentation, census-based demographic data, business demographic data, etc. These solutions and others can reduce printing and mailing costs by minimizing bill size and weight, optimizing billing for segmented customers and improving address standardization for better deliverability. Additionally, easy-to-understand statements minimize customer inquiries, and online access to exact replicas of customer bills for reference helps CSRs

resolve inquiries faster, which results in significant cost and labor savings.

According to Chris Cherry, Pitney Bowes Software director, communications vertical strategy, the company's solutions can easily integrate with a telecommunications carrier's existing billing systems while enhancing both front- and back-end processes.

On the front end, when establishing new customer accounts, for example, Pitney Bowes software solutions offer accurate customer intelligence and demographic information to help identify additional services the customer may want to order and note if the individual is a past customer. Another consideration is security, particularly against fraudulent activity and identity theft. Pitney Bowes Software provides solutions that allow companies to screen customers' identification and account activities by vetting identities with terrorist watch lists and flagging suspicious activity. "Terror and fraud issues are relatively similar and have become very important. Ten to 15 years ago technology fraud was the number one fraud abuse; today, it's identity theft," Cherry says. Additional technology automates the assignment of appropriate taxes per the latest jurisdiction boundaries.

At the back end, Pitney Bowes designs the billing document to be graphically pleasing and to accommodate marketing messages, while delivering other communications from the telecom provider. The design also reduces calls to telecom call centers by spelling out charges clearly, Cherry says.

U.S. Postal Service regulations currently require telecoms to place barcoding on envelopes or bills in order to get the best possible postal service discounts, Cherry notes, but that's not the only function barcodes can perform. Providers can use them to confirm when a customer bill has been delivered and when a check has been mailed back. This allows companies to take appropriate corrective action on unreceived payments—which could mean being more proactive to collect late balances

due, or if payment is already in the mail, heading off the cost of unnecessary collection calls and related correspondence, which can damage customer relationships. A view of the incoming payment in the mailstream also helps communication carriers predict cash flow, says Cherry.

"Barcode generation and tracking solutions can help telecoms determine when a bill doesn't reach a customer, something that used to take up to 60 days. Now, they can immediately know when a bill isn't delivered. This 'track and trace' technology is already in place," he says.

He points out that today's well-designed bills also have white space areas that telecoms can use to describe new services and market them in order to up-sell customers, or to preview new services such as VoIP.

And because telecoms may be drawing customer information from multiple billing systems, "We really focus on converging these into a single customer bill. That's paramount,"

Cherry says. Pitney Bowes Software solutions provide bills in many formats besides paper, including SMS and email notifications, and Web portals. Customers are demanding a single-bill format in multiple forms and Pitney Bowes is helping companies provide that to customers, he says.

Looking to the future, Cherry says, "We are continually adapting to changes derived from United States Postal Service® mandates, increasing our accuracy in geocoding and helping companies to better manage customer information. Our approach is for data flexibility."

Martin Group also offers billing and collections solutions to telecoms that offer CSRs real-time access to bills and enables them to focus less on technical aspects and more on upselling opportunities, says Martin Group Vice President of Product Management Dawn Hill. CSRs can perform such functions as taking and processing orders and offering new services to customers, she says.

"Our bill presentations offer customized delivery that allows providers to get in front of their customers to upsell and market different products and services, as well as promote local events to demonstrate their interest and support in the community. There is lot of functionality designed for Tier 2-3 providers and ILECs. Our software shows customer usage in a simple format, which does away with manual functions," she says.

Hill says Martin Group recognizes that consumers are becoming a lot more sophisticated and that they desire immediate gratification. They want and expect 24/7 access to information, content and applications, especially younger customers. They require that, and providers need to focus on the virtual online environment. This means that billing and customer care must be brought to the Web so customers can have more control, pay bills, change services and make service requests, she says. Providers need to focus on the digital

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lifestyle. There's a big opportunity for providers to offer internal and external services and to become a storefront for many services, says Hill.

"In the past, there wasn't much focus on this but now, product managers need access to the BSS/OSS in order to build product packages using data found in the BSS/OSS, do a proof of concept, and add new offerings immediately," Hill says.

And providers, including rural ones, want to optimize their solutions without doing a complete system overhaul, says Hill. It's possible to offer new services and products without impacting existing solutions or affecting the existing business flow. "The market changes quickly and communications providers have to be able to respond," she says.

Rural telecoms have especially tried to package services from day one to compete with larger providers, Hill notes. Some vendors are taking into account their needs and putting together appropriate solutions that enable rural telecoms to offer such

packages without a large increase in staff or expenditure, she says.

"But they can no longer be in the business of merely capturing data; they need to interpret and execute on that data," says Hill, "and our next-gen billing and collection solution offers that opportunity."

To that end, Martin Group also offers a product that captures demographics. "So we're not only offering billing capability; we've taken it a step further so telecoms can manage their customers from a holistic view," says Hill.

In the future, she says, Martin Group will continue to support the digitized lifestyle environment, because the technology is constantly evolving. "What was available a year ago is antiquated compared to today," she says.

Hill notes that Martin Group's BSS/OSS software solution is a truly convergent solution that supports multiple services. "We've built a seamless solution that most other software providers are still trying to

get to. It's for a digital lifestyle and enables telecoms to offer enhanced services and products to customers. The ability to handle online payments automatically creates stickiness with the customer," she says.

Many customers have signed up for such functionality, and Martin Group is extending it even further, so users can not only manage their telecom features online but can create new accounts and add new services. "It's for the new generation that focuses on the Web," she says.

Hill is seeing a lot more partnering and consortia on the part of rural telecoms in order to upgrade to technologies they might not find it feasible to do alone, so some Martin Group clients have gotten together in groups to provide service. "That's why it's important to have open, non-proprietary solutions so you can interface with other providers to offer services to customers," Hill says. "Telecom providers need to have choices, which reinforce the need for non-proprietary solutions." ❁

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