



Whitepaper

Why change your charging system?

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will be the one's that act now.**

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INTRODUCTION

It's been ten years of serious pressure for telcos. Revenue sources have dried up, and new revenue opportunities have been hard to crack.

Throughout the pandemic, you were great at actually being there for your customers' new habits and crazy connectivity needs. You kept us connected. You made sure we had health, safety and other important information we needed. And you made sure that businesses could operate effectively in a work-from-home mode.

But for all that, telcos generated less shareholder value than any other sector except financial services. If you want to thrive, you have to change.

2022 is the critical year for operators. You'll need to re-invent the way you monetize your network so you can move beyond defending your core business and find new long-term revenue sources.

**The telcos around in 10 years' time
will be those that *act now*.**

CHANGING CONSUMER EXPECTATIONS

Consumer expectations. They were already high, and then digital-native companies like Uber and Netflix raised the bar (to the ceiling). Telcos need to meet that challenge.

New entrants have disrupted the market by leveraging AI, machine-learning, automation and the public cloud to eat into your market and margins. There's increased competition among your current competitors and market dominance is shifting to tech companies.

Your response? Not so good.

Responding with attempts to improve your efficiency, finally starting digitization efforts, and productivity improvements – didn't do anything. They were too little, too late.

Some of your competitors tried to expand into new industries, such as TV and information and communications technology (ICT), to increase revenue streams.

That didn't work either.

Some telcos responded by rapidly digitizing all services and focusing on a compelling digital first customer experience.

But most did not.

And then your customers started asking for stuff that you didn't expect to see for another five to ten years.

That threw you for a loop.

HOW TO NAVIGATE THE CHANGES AND WIN

1. *Focus on building a smart, automated and fast monetization engine.*

You could mess around and make some incremental gains. But that won't do it. You have to seize the opportunity to create a permanent and new place in your customer's hearts.

2. *Forget about modernizing your legacy stack.*

It's been cobbled together over decades of business evolution and M&A. A facelift is impossible. Telcos that try to modernize this stack will fail.

You need to embrace new technologies, processes and systems to be competitive.

3. *Embrace the public cloud.*

Your competitors are chucking their on-premise systems, creating a greenfield IT stack in the public cloud. They're going fully cloud native, working with hyperscalers to achieve simplicity, speed, automation and smarts.

Moving to the public cloud can drive your TCO down by 80%, and provide a 10x performance improvement. It provides unparalleled security and is compliant with government regulations.

Since monetization efforts over the next ten years will be based on speed and personalization, charging must be based on real-time subscriber, network and competitive information. The scale and speed required means you can only do this in the public cloud.

HOW TO NAVIGATE THE CHANGES AND WIN

4. *Hyper-personalize subscriber plans.*

Legacy charging systems are at the heart of your monetization system. But they're dumb! They only allow you to design plans for the masses.

You need to design revenue-generating or churn reduction plans specific to an individual subscriber. They need to be hyper-personalized to prevent churn, hit your ARPU and acquisition KPIs.

Using public cloud AI and machine learning, and automation makes this possible.

5. *Make big investments in AI and machine learning.*

Intelligence, speed, automation and affordability will be critical to improving your competitiveness. You can eliminate the time it takes to get plans into market. Your focus should be on intelligence and automation - especially in the areas of plan decision, design and deployment - as well as the analytics to drive this automation. It's data-intensive and needs to be done in real time. Only the public cloud can support this.

6. *Take a Zero Capex strategy.*

Public cloud based strategies move infrastructure to the hyperscaler. There's zero capex involved. You'll never have to buy hardware again.

7. *Create a digital content and services portfolio.*

OTT providers are difficult to partner with. Work with a charging OTT provider that can bundle digital content and services directly into subscriber plans. These offers should be both pre-integrated and pre-negotiated with a turnkey API approach to integration. Totogi has created an OTT marketplace where carriers can select premium services from Apple, Soundcloud, Ticketmaster, and others and incorporate them into your promotions, improving offer stickiness and subscriber retention.

HOW TO NAVIGATE THE CHANGES AND WIN

8.

Re-invent your customer experience strategy.

Millennials and Gen Z's only stick around if they have awesome customer experiences. They need to be a 360-degree digital and zero-touch approach.

9.

Figure out how to access your data.

Right now, it's locked up by your on-premise BSS systems. Using the public cloud, AI, advanced analytics and automation unshackles that data so you can actually use it. For instance, Totogi accesses subscriber, network and competitive data in real-time and uses that data to craft hyper-personalized subscriber plans.

10.

Act like a tech company.

Don't be hierarchical – flatten your organization so you can move faster, make decisions in a fail-fast mode, and empower your employees to make decisions to meet their team's goals. Reset your internal processes, and dump your on-premise charging system to win over digital natives. Increase your speed to market and take a continuous improvement approach to create great customer experiences.

Case Study: CSPs leading the way in public cloud adoption

In the latter half of 2021 we saw some big announcements from three CSPs embracing the public cloud. **DISH partnership with AWS, AT&T with Azure and Bell Canada with Google Cloud.**

Each of these announcements show that carriers are starting to move serious workloads to the public cloud. Don't get left behind!

DISH

The first telco to go ALL-IN on the public cloud, DISH announced that it's building a fully virtualized, OpenRAN-based greenfield network using AWS to deliver both core and edge infrastructure to subscribers.

In the **Q3 earnings** call (as well as in **the Q1 call**), Charlie and the executive team mentioned the company's strategic partnership with AWS, and how they're working together on "enterprise

opportunities." At AWS re:Invent, DISH network chief **Marc Rouanne said its new network** will be optimized for human and machine-to-machine communications, and therefore be a "game changer" for enterprises. He even said "some say we are the AWS of wireless."

You can read more about it in the TelcoDR case study: **1&1 Vs. DISH: A tale of two Open RAN networks.**

Bell Canada

In June 2021, **Bell Canada** announced it was moving its critical workload and apps to Google Cloud and tapping the hyperscaler

for data analytics, AI, capacity planning, service assurance (and more).

AT&T

In June 2021, AT&T announced that it would be working with Microsoft Azure on edge computing capabilities. The partnership between AT&T and Azure is not new; that was **announced** quite generically back in 2019. But in this announcement, Microsoft is acquiring AT&T's network cloud in a deal that includes IP, talent, and assets. Microsoft will spend the next three years moving workloads to Azure as it adds technical know-how to its Azure

for Operators offering, which includes the Metaswitch and Affirmed acquisitions that happened in 2020. In return, AT&T will get cost savings, reduced CAPEX/OPEX, and speed to market as it adopts Microsoft services around AI and analytics. This deal shows that Azure's not going to stand by while AWS runs a few telco laps; it is here to play and it is spending what I have to assume is serious bank in order to compete.

Summary

It's the perfect time to change. Actually, it's the only time to change if your telco is going to thrive over the next ten years.

Your charging system is one of the most important aspects to accomplish this change. Traditional on-premise systems don't provide the speed, automation, or intelligence to get you there. Without a system built with and for the public cloud, you'll be so busy defending your core business that you won't be able to do anything else.

TOTOGI IS THE PARTNER TO GET YOU THERE.

We're focused on delivering the important but hard-to-solve Charging problems you face every day. In this way you can:

- ⚡ Put plans into market in hours not weeks or months.
- ⚡ Hyper-personalized and purpose built to drive ARPU, prevent churn or acquire new subscribers.
- ⚡ Empower business users and decrease reliance on IT.
- ⚡ Use AI and ML to automatically create and deploy revenue-generating plans or plans that prevent churn and drive subscriber acquisition.
- ⚡ Leave the infrastructure work to the hyperscaler.
- ⚡ Reduce your capital expenditures while improving your ability to put new features into the market quickly.

We know the right way to do this. We know for certain that you don't need every feature in your existing BSS [Charging] system so we won't build them. But we will always build what you need and will do it with the public cloud.

Our objective is to build telcos an automated, intelligent and blazing fast monetization engine that makes money for you.

**WANT TO TRY
IT OUT FOR
YOURSELF?**

Request a demo of the Totogi Charging System and a free tariff migration assessment. See if you can move to Totogi today!

Contact us to set up a meeting at sales@totogi.com or visit totogi.com/products/charging-system