



Spread cash flow evenly throughout the month

A whitepaper by

OpenCloudBSS

What would it mean to you if you could spread your cash flow evenly?

Many Telcos are restricted to only a few moments per month where they can create invoices.

This typically leads to an uneven distribution of the cash flow in the company. Next to an uneven distribution, it also delays the ability to get cash into the business as soon as possible and increases the risk of bad debt customers with higher open amounts.

31 bill cycles a month
leading to even
distribution of cash flow

Once invoices are sent to customers the payment collection process is also not as efficient as it could be, leading to a longer time to get invoices paid which again adds to an increased outstanding amount.

This is money Telco's could have in their own bank account and use it to grow their business.

In this white paper we explore where the typical bottlenecks in the revenue management process are and how they could and should be resolved to increase cash flow and reduce the outstanding amount. This while at the same time increasing customer experience and satisfaction.

We will explore the complete Revenue Management process that is handled in a BSS system. From receiving usage to creating invoices and finally collecting the payments from the customer.

Process usage



Balance management

- Any type of usage
- Usage consolidation
- Balances updated in real time

Create invoice



Billing

- Daily Invoice generation
- Billing level discounts
- Invoice via email or self-service

Collect payment



Payments

- Reminder notifications
- Direct Debit or card payments
- Barring of services in case of no payment

Process any type of usage

Revenue management starts with the processing of usage by customers.

Where traditionally this was just usage based on connectivity as making a phone call, sending a text message and use data services, telco's now and moving forward will have to be able to process any type of usage.

This being for example usage of cloud services, time or distance travelled by car or public transport, time spend gaming or any other type of usage that can be measured.

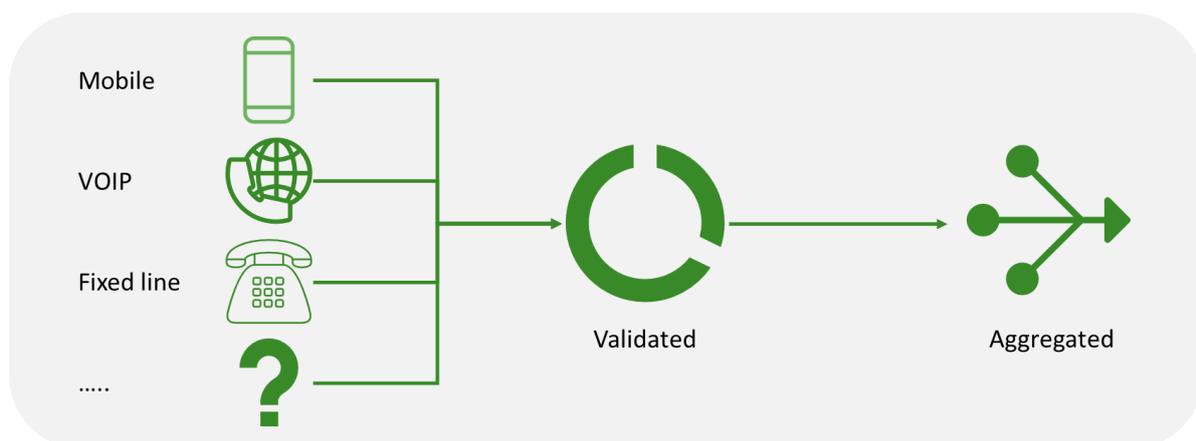
All usage will have to be processed in real time. This not only to be able to provide the customer with direct insight in usage and balance but also to feed a campaign management system to use in real time campaigns. This allows marketers to provide offers to customers when they are using, and the offers are relevant.

Telco's should be able to process any type of usage

Next to receiving and validating the usage an important next step is to start aggregating the usage.

Aggregation does not only help to provide customers with a clear view of their usage till date. It more importantly starts the preparation of the invoice creation.

Utilising the incremental aggregated data for invoicing purposes significantly reduces the time a bill run takes.



Create invoices on any day of the month

For many operators, running a bill run to create the invoices takes a lot of planning. Bill runs have a big impact on infrastructure resources, take a long time to complete, cannot go together with upgrades of any of the components and many other dependencies.

Scheduling a bill run together with all other operational activities leads to a complex task.

Because a delay in creating the invoices has a direct effect on when the money can be collected from the customers bank account, other operational activities usually must be planned around this. Any delay occurred during the bill run has then a direct knock on effect on for example already very busy release schedules.

These dependencies between when invoices can be created, and other operational activities leads to a reduction on the number of bill cycles an operator can have. Most operators can only support 4 to 6 bill runs a month to prevent impacts on other operational activities.

SmarTel

Mr. J. Doe
Stationstreet 1
AA01 288 London

Date 1 May 2021
Account code 267485
Invoice ID 105202100012
Page 1 of 2

Your invoice € 143,24
Payment due date 10 May 2021

Type	Period	Amount
Monthly recurring costs	1 April 2021 - 30 April 2021	147,50
Discounts		-20,00
Out of allowance fees	until 30 April 2021	5,74
Additional costs		10,00
Total		€ 143,24
	Including 21% VAT	€ 30,08

We will collect payment by Direct Debit on 10 May 2021

Upgrade your mobile Powerplan 1000 to an Unlimited plan now and get 50% discount for the first 6 months! For more information check my account on our app or website

More information
Login to My Smartel for usage information and payment status

SmarTel
Šeimyniškių St. 19
Vilnius LT-09234
Lithuania, European Union

Corporate Reg No. 300066544
VAT No. LT100001310419

SmarTel

Date 1 May 2021
Account code 267485
Invoice ID 105202100012
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Summary per subscription

Subscription ID 07912345678

Type	Period	Amount
Monthly recurring costs		
Powerplan 1000	1 April 2021 - 30 April 2021	50,00
Discounts		
20% discount Powerplan 1000		-10,00
Out of allowance fees		
Premium calls	until 30 April 2021	3,99
Sub total		€ 43,99

Subscription ID 0791235689

Type	Period	Amount
Monthly recurring costs		
Powerplan 1000	1 April 2021 - 30 April 2021	50,00
Spotify	1 April 2021 - 30 April 2021	7,50
Discounts		
20% discount Powerplan 1000		-10,00
Additional costs		
New simcard		10,00
Sub total		€ 57,50

Subscription ID pete@smartel.com

Type	Period	Amount
Monthly recurring costs		
Broadband Unlimited	1 April 2021 - 30 April 2021	25,00
TV Basic		10,00
Vop National		5,00
Out of allowance fees		
International calls	until 30 April 2021	1,75
Sub total		€ 41,75

The low number of bill cycles leads to other sub sequential issues. For example, the introduction of pro rata amounts on the first invoice because a customer will have to be added to one of the few bill cycles that is available.

Or an uneven distribution of revenue generated on a few days in the month, instead of an even spread.

And a fluctuation of calls to the call centre directly related to the few days in a month where customers receive their invoices.

New, cloud native Billing platforms take away the need to restrict the number of bill cycles an operator can have.

Their more efficient design allows for the introduction of 31 bill cycles for every month. This because a bill run no longer takes 8 hours or more but can be finished in 2 hours or less.

The reduction in processing time removes the dependency between billing and operational activities. Enabling operators to invoice their customers when they want, and not just when they can.

Collect payments efficiently

With invoices send daily, the first step to create an even cash flow has been taken. Next, let's have a look at the collection of the invoice amounts.

With insufficient funds being the main reason direct debits fail, let's have a look at how Telco's typically communicate with their customers around invoice payments.

> 1% of all Direct Debits fails due to insufficient funds in the customer's account

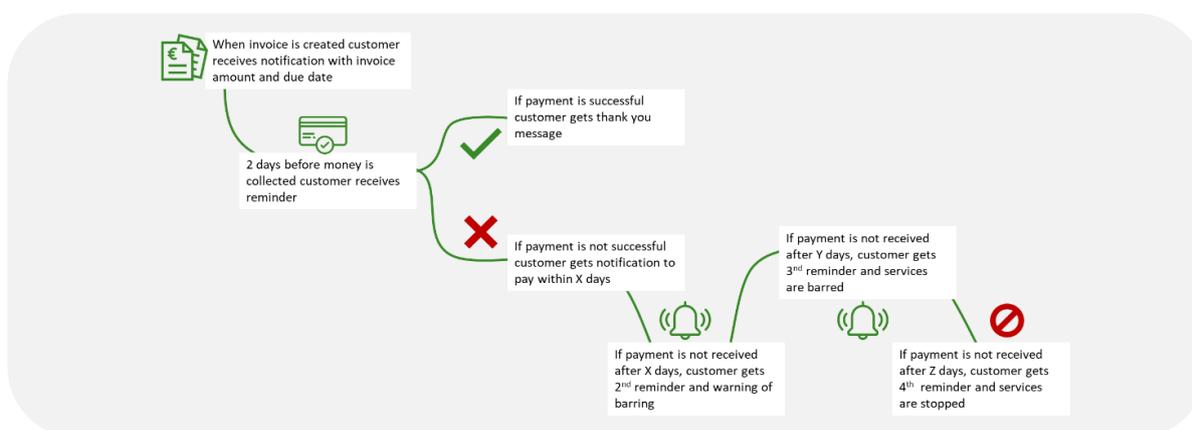
[Source: Gocardless](#)

In most cases customers receive a notification via sms or e-mail to inform that their invoice is available. In some of these cases the Telco also tells the customer what the amount on the invoice is. And in a very few cases Telco's tell their customers in that same message when the amount will be deducted from their account.

If customers do not exactly know what you will deduct from their account and when, they cannot prepare for it. It gets even worse when Telco's start to send payment reminders to their customers. The message usually does not go beyond a statement that the payment has failed with an urge to the customer to act. But there is no easy way provided to the customer to act on.

This is where Telco's can make big steps to improve their cash flow, helping their customers by making it easy to pay their invoices.

Telco's should clearly inform their customers on both the amount as due date when they send a notification. Then send a reminder to the customer close to the collection day, to provide customers with the possibility to prepare for this.



If payments do fail, then customers should receive a notification with a link in the message that directly brings them to the payment page. No need to first log on to a portal where credentials are required, which the customer cannot remember and therefore aborts the payment. If customers have structural problems with paying invoices in time, they should get alternative payment dates offered. Aligning the payment date of their invoice with an event where they will receive money, significantly improves the payment behaviour. And with 31 bill cycles per month there is always a date available that works for your customer.

Do you want to spread your cash flow evenly?

If you are looking for ways to manage your cash flow better, let us know and we are happy to help!

In a few sessions we:

- 1) Discuss the issues you currently have in your revenue management solution
- 2) Show you how we have solved these issues for some of customers
- 3) Provide you with a plan that shows how we could make your cash flow more efficient

No commitments required!

Looking forward to helping you and your company to spread your cash flow more evenly

Let's get started

