

## Revenue Assurance in Telecom Industry

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### Abstract

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Revenue Assurance implies the efforts taken by a company to track the factors that might impact their income and take necessary actions to protect the same. These actions can be tangible or intangible in nature and can be focus on positive areas like improving the sales, attracting new customers, optimizing the operations or negative areas, like, fraud detection, loss prevention, revenue leakage, cost cutting, etc. . Today's telecom industry has transformed from a mere communications provider to a wide range of products and services. With this expansion, it brings in the complexity in billing its customers, ensuring that the right amount is billed as per the contract with the customer. With the customer having the control to move around various plans and providers at any time, the telecom industry needs to be extremely accurate and fast in incorporating the changes while billing the client.

Keywords : Revenue Assurance in Telecom, Telecom Billing, Process Optimization in Telecom, Revenue Optimization, Fraud Detection, Revenue Leaks, Process Streamlining, Loss Prevention.

### Introduction

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The success and growth of any industry is measured by its ability to continuously generate and improve revenue and increase their profit margins. In this hyper competitive market, every industry continuously thrives to find new ways to do the same and hence the need for revenue assurance. Revenue assurance is rather a generic term used to represent any action that the industry takes to either improve its revenue or prevent loss while building its customers accurately and maintaining the cash flow. This takes a peek at every section of the company both internal and external factors to identify anything that might impact its revenue. This is the other side of marketing an advertisement where marketing trace to attract new customers and revenue assurance make sure that the company makes money.

The recent growth of telecom industry has been nothing but exceptional. With the advent of smartphones that has been a sharp rise in the number of users who use mobile phones and engage telecom services. It has drastically evolved from a mere voice and text provider to a plethora of services including data services, home internet to my hot spots and much more. With strategic tie ups with the cell phone manufacturers, they offer various smart products in conjunction with their services at the rebated price. While their primary goal is to provide an interrupted and best quality services to their customers, it is equally important that they generate appropriate revenue as part of these efforts. With growing industries there will always be certain aspects that are either overlooked or the cracks in the system that might lead to losses or bugs that might cause financial losses. With the help of revenue assurance each of these areas can be revisited and refined to make sure that all such gaps are plugged. With a wide range of services provided by these telecom industries to their customers with each of the product or bundle having their own set of promotions and privileges it is important that the customers get accurately billed such that they not only ensure revenue but also to avoid void any potential losses.

## **Benefits of Revenue Assurance**

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It is no secret that every business enterprise needs to generate revenue. There are times even the nonprofit and charity organizations need certain amount of revenue at least to cover their costs. Every organization needs a certain level of revenue assurance as part of their business practice. The ability to bring in more money from their customers and sales directly impacts their brand value in the market and investors interest. Even the so-called nonprofit organizations need certain amount of revenue generating strategy to make sure that they do not completely rely on charities and donations to keep up with their activities. Telecom industry, which obviously is a for profit organization, needs revenue assurance just as any other industry. But the uniqueness of this business and the complexity that it has needs more focus on revenue generation a bit more than any other industry. That was our key focus areas when finely tuned can make a stark difference in generating revenue or avoiding loss which will be discussed in the following sections.

## **Improve Operational Efficiency**

One of the key areas that every organization continuously monitors and deals is their operating process. As organizations grow certain practices that were initially adopted might no longer be relevant or proved to be a huge overhead that needs to be refined to best suit the current need of both the organization and the market. Not only such absolute practices waste valuable resources of the organization but also have a cost of keeping up the practice and maintain the seal. There are times that these are old and obsolete that the cost of maintaining it over wise the benefit it might cost come on in other times, these practices can be altered such that it can generate more revenue or help get rid of excess package. There are several ideas such kind of efficiency can be monitored and tuned ranging from the most controversial topic, employee cost cutting, to the most sought activity of IT infra restructuring. For example, in the recent years several organizations moved from on-prem so let us go into cloud. This was a strategic move that widely benefit the organization in terms of reduced maintenance cost and keeping themselves up to date with the market patches and the applications.

Particularly in telecom industry there is a prime need to focus in this area. The telecom industry is extremely dynamic in the way they operate. The products that they offer, the bundles, the promotions everything change within a very short duration. Their ability to quickly churn new products and offerings to their customers helped them get the edge that they are always looking for while retaining some of the old features where some of these customers still reside on. Additionally, these telecom industries are ever expanding to cover more areas for providing their service and these need to be included as part of their operations immediately so that their customers would be benefited. This forces them to quickly adopt to the way they operate to accommodate these changes as part of their revenue generating system. With the business being so volatile come on that is a great chance that there might be significant oversight leading to cash bleed or disrupted service causing them to lose valuable revenue. By having a continuous and dedicated revenue assurance system in place come on these changes can be easily adopted and make sure that these seamlessly integrate with their core operations.

Now come on that is also the back-end operations that needs to be considered. Unlike traditional manufacturing or banking industries the telecom industry has a very low turnaround time. When there is an outage reported or a problem with their service, they need to fix it with the shortest downtime possible with minimal impact. If not have an effective workaround put in place so that the customers are happy, if not that is a chance that they might move on to a different provider. Hence the servicing operations as well as the maintenance have to be revisited to make sure that they are

continuous and periodic at the same time able to rectify any problems that might happen within the shortest duration possible.

### **Billing Accuracy**

If there is one particular area that stands out in the telecom industry it is the billing. Unlike any other industry where there is a product and a price associated with it, telecom industry this is an extremely complex process. There are several factors and subsections that can contribute to up bill. Almost every telecom service provider offers a plan or a package to their customers. The customers need to choose one of these packages as part of their service. This could be a family plan, or a data bundle or any combination under the sun. Depending upon the plan that one is, the charges would vary. This creates an overly complex multidimensional tables of possibilities and each having its own price. The other crucial factor is that the ability of their clients to switch or move plans at any given point of time come off forcing the company to change their building and payment structure accordingly starting from the very second of the change. This brings him the proration and other factors into the mix. There has been several instances of dissatisfaction and complaints by the customers regarding their building and other payment related factors in the past period while the companies have actively addressed those and solve them the best possible capacity it is a nuisance and can be a serious impact on their reputation and their ability to retain their customers.

The role of revenue assurance in this area is primarily to make sure that the customers are built right since any mistakes here might mean financial losses and damage to the reputation. Since the bill to a customer is a preface of making a revenue, it is important that each section is clearly broken down and the price clearly defined. That should also be promotional or chargebacks that might directly impact the revenue considered. Since the goal of revenue assurance team is to make sure that the pros outweigh the cons that way benefiting the organization financially come on any promotions or freebies that are provided to their customers need to be taken into account as part of their final profit calculation. There might be certain giveaways that might be focused in attracting new customers where revenue is not the focus but ultimately these would impact the overall profit and hence should be carefully planned and calculated as to what quote this bring to the table in terms of profit. For instance, T-Mobile offers a promotional feature called T-Mobile Tuesdays where its customers can avail movie tickets for a much-reduced price on every Tuesday. Though that is a deal struck between the theaters and T-Mobile that is a certain cost incurred. There needs to be a strategic planning put in place to know the number of users who might avail this based upon the historic data and the trend to know what kind of revenue impact it might cause.

The ability to collect the payments safely and promptly is another key feature of revenue recognition. In today's world almost every payment made to the telecom industry is electronic via cards or direct bank transfers. The ability for them to seamlessly collect it in a timely fashion is critical in realizing the revenue at the right time. It is the responsibility of these collection division in the telecom industry to make sure that the payments are received. Any problem in this area would absolve declines from any responsibility provided they have enough balance, and the cards are up to date. This would mean significant delay in receiving the funds or if this were caused due to a glitch in the IT division then it is much more serious resulting in some changes to be made within their operations which again would mean defund transverse would be delayed. In case of any issues due to client not B or the problem with the bank account or cards it is the responsibility of the collection team to promptly reach them and remind them to pay in a timely fashion by giving proper notices and eventually terminating the service if not paid. These grace periods and notifications are to be carefully designed because any service provided during this period is free service to the clients and if they decide not to pay, it goes to the collection agencies for pennies on the dollar.

## **Revenue Assurance Methods**

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While the benefits of revenue assurance is clear, there are different ways to achieve it. And all these methods can be implemented in any industry to successfully reevaluate their processes and other factors that might affect their revenue. One must understand that revenue assurance is not a phase or an event, but a partner in every walk of the business. Realistically pretty much every decision that had company takes is to improve sales and increase revenues. Hence revenue assurance is an integral part of everything within the organization. In the telecom industry there are way more events that are aimed to be a catalyst in improving the revenue and focus can be laid on each of these strategic decisions to calculate the net benefit that it brings to the company.

### **Continuous Monitoring**

This is one of the most obvious revenue assurance methods. In this case every operation is continuously monitored to calculates its efficiency and identify any gaps or overheads and eliminate them. These covers every inch of the business starting from the suppliers, the products offered, the customers, T geographical locations where the services provided etcetera. This is to identify the net profit based upon each of these criteria to find if there is a better way of doing things. In addition to these external factors the internal factors such as the workflows, the time taken to the market, the effort needed to make the change and the cost of maintenance all factors are carefully monitored to see if there are any problems. As mentioned earlier as business and technology evolve, there are certain old ways of working that is either no longer relevant or there are cracks that are exploited that can cause financial losses to the company. As part of the continuous monitoring activity each of these processes can be verified and corrective actions can be taken.

### **Event Based Monitoring**

Telecom industry is one of the most dynamic in packaging and repackaging a set of services to offer to their customers. Paste upon the customer interest and the profit that it can bring the telecom industries read bundle them and make it available for their customers. This can either be global or can be a localized promotion, in other words every new offering, promotion, cash back can be called as an event that the company decided to pursue due to a certain short term or long-term plans . An event-based revenue assurance is a process of tracking the revenue generated due to a particular event. This can either be positive where it brings in more customers more revenue into the system thereby encouraging the executive management to offer more provisions on the same lines or a negative impact where it might be abused or might have some serious gaps that might prove to be unsavory. The details captured as part of monitoring these events would be a great benefit in making data-driven decisions in the future for the executive management since it clearly says what worked and what did not.

### **Net Profit Based Monitoring**

This method can be considered as a standalone or can be in conjunction with the other two methodologies. In this method both the existing operational practices, new events are carefully monitored to find the amount spent on each of these activities and the revenue it potentially generated as part of it. This revenue assurance practice can help in many ways including fraud deduction which is key to find any misappropriations of funds and services as part of the daily operation or any special event that the company might undertake. By carefully looking at the balance sheets and the numbers hitting D profit and loss accounts are the suspense accounts the assurance team can clearly have a picture as to what is the net profit as part of the activity being monitored. When the money it made does not match up to the expectation, the entire process can be are revisited and audited to find the core reason off the gap. This can either be that

the new product was not immensely popular in the market which would mean that it was an unwise decision, or there were some significant overheads or revenue leaks that were not initially accounted which caused the revenue to drop. Using these information D marketing and the strategy team can reevaluate to see if there are any changes to be made to the existing practice or the promotion or in worst case scenario completely scrapped off.

## Conclusion

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The revenue assurance is not a new term. It has been there since the dawn of business. This might not be such a highlighted our focus area in the past since every business had revenue as their prime target which clearly indicates that though the principles and the methods for revenue assurance has changed the concept or the need for revenue assurance has not. It is worth stating that with innovative technologies and the evolution of AI and machine learning, organizations are working to incorporate them as part of their revenue assurance plans. With telecom evolving from its traditional ways to a conglomerate of products and offerings ranging from smartphones two smartwatches and even accessories the areas of focus to bring a boat a meaningful increase in revenue has become a challenge. There are several applications and software available in the market that aids the telecom industry to generate better revenue and stay competitive in the market, yet it is important to note that these can only be fruitful based upon tea data-driven decisions that the company takes as part of their business vision.

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