

Contract Assurance

Detecting over GBP £35M million of revenue leakage for a global telecom services provider

The Client

The client is one of the world's leading communications services provider, serving the needs of customers in over 170 countries, with an enterprise customer list which includes more than 100 Fortune 500 and FTSE 100 companies across Europe, EMEA, Americas and Africa, and gross revenues to the tune of £ 5 billion and growing. The main activities are providing and managing data and voice networks and offering a range of services over these networks.

The Challenge

The client is organized into multiple market-facing units and each unit caters to the specific needs of different enterprise segments. With a long stint in the industry, coupled with consistent growth, there are thousands of bespoke complex contracts to be managed and audited to ensure that there is a constant check on revenue leakage. Each of these contracts run into several pages and are quite complex with varied terms of service, time periods, renewals, and amendments over time. Understandably, contract management has become unwieldy and has resulted in millions of dollars of revenue leakage, which the client had to address. The client decided to opt for an external contracts assurance services provider, and chose iOPEX because of our expertise in process transformation.

Objective: Golden Equilibrium

All around the world, regulatory requirements in the Telecom Industry are stringent and require companies to ensure 95% credibility in their billing operations. Moreover, in the current competitive business environment, companies cannot afford to leave money on the table and should make efforts to recognize all revenue that they are entitled to for the services provided by them. However, rating and billing difficulties, human errors, lack of coordination among business units, provisioning and ceasing of network services, mergers and acquisitions, and growing business complexity add to the challenges



iOPEX's Contract and Revenue Assurance Services are geared to address the above challenges. Through extensive analysis and auditing rigor, we detect lost revenue opportunities while ensuring compliance to regulatory requirements. Besides, our analysts bring their expertise in the telecom industry and stakeholder management skills to assist in creating business cases for effective recovery of possible lost revenue.

Our Approach

Consulting:



Our team conducted a thorough “current state” analysis of the client’s business and gathered information from past failures to identify the business goals, success factors, KPIs, and milestones. We then formulated an optimum operational methodology and created workflows with well-defined SLAs.

Hybrid model:

The client was running the entire revenue assurance program internally; iOPEX implemented an Onsite-Offshore model to provide high caliber analytical and stakeholder management competencies. The challenge was to setup an onshore team of 7 and an offshore team of 21 within a month.



Skill hiring and training:



iOPEX head-hunted the right specialists for various job positions. This started with drafting a precise job description for each role, shortlisting experienced candidates, conducting a written test and mock test, and hiring only the most suitable candidates. This was followed by an extensive on-the-job training and knowledge transfer.

Team distribution:

The team consisted of an optimum mix of legal consultants, contract accountants, business consultants, procurement specialists, telecom specialists, cost consultants, accountants, audit specialists, and revenue assurance specialists. We created 8 discreet teams with a 1:3 (Onsite:Offshore) deployment ratio. Each team was given specific KPIs and they worked simultaneously on several mid to large-sized contracts.



Revenue assurance methodology:



With years of experience in the field of optimization, iOPEX implemented a streamlined and proven RA methodology that involved various stages of research, discovery, and recovery. Every contract would go through 6-8 weeks of comprehensive analysis across three levers: **Network, Commercial and Third Party Costs**, with an objective to identify revenue leakages based on reconciliations done. The workflow included the following stages:



Planned quality checks and timely reporting ensured transparency and accuracy. We also created workflows for escalations and follow-ups. Process improvement and knowledge management are always at the core of all iOPEX services; these were complemented by latest technologies to achieve greater efficiency.

Data Analytics Platform – OpEx Wise:

OpEx Wise is extensively used by our KPO teams while analyzing large chunks of transaction data to identify patterns, reconciling network elements, and identifying root causes for contract deviations and revenue leakages.

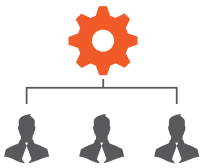


The results:



290+ contracts worth over US \$ 1400 Million were reviewed; GBP £35M million of revenue leakages were identified. Various kinds of errors were identified and reported; these included invoice errors, CCN errors, network errors, indexation errors, third-party errors, MRG errors, and other forms of discrepancies.

Efficient stakeholder management:



The job involved high level of collaboration between various parties (Contract Managers/other vendors/various technology tools). Our onsite-offshore team effectively collaborated with all the stakeholders to collate the data for reviewing and presenting findings in order to deliver final benefits to the client.

Linear “contract centric” approach:



iOPEX defined a unique workflow with specific review stages that each contract must go through. This has enabled increase in throughput (contracts handled per person) as well as output (discrepancies identified).

Multipronged throughput-centric methodology:



In order to optimize throughput, each team member works on multiple contracts at the same time, while moving them from one stage to the other simultaneously. This has significantly increased the number of contracts handled by our team.

Process automation:



Various non-core and repetitive tasks have been automated by iOPEX with the use of latest technologies in order to increase team performance and output.

Gain sharing pricing model:



The amount of revenue leakage identified has already paid multiple times over for the investment in this service. iOPEX charges its client with a nominal fixed price and the rest is based on performance and output.

iOPEX now helps the client with reactive, active, and proactive revenue assurance to plug all types of revenue leakages and increase brand value. By discovering and plugging revenue leakages across business units and geographies using efficient processes, the client is able to optimize its revenue assurance and thereby enhance its profitability.