

Amdocs Charging: Confidence and Ingenuity

Charging's role as an integral service component is more essential than ever





More than ever, in today's competitive market, how customers are charged for services significantly impacts their overall experience and satisfaction. This is because how and when services are charged are important elements of the overall service experience.

Leading service companies understand that flexible payment options are crucial to enhancing service value. Take for example the experience of booking a hotel room. A requirement for advance payment can detract from an otherwise excellent stay. Additional services like gym access or dining can be charged in various ways – pay-as-you-go, all-inclusive, bundled at the end of the stay or even part of a longer-term subscription. Since customers have different entitlements and preferences, rigid payment structures can diminish their satisfaction.

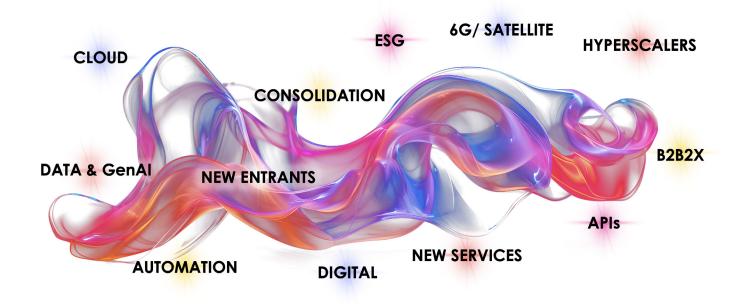


Figure 1: Some considerations in an ever-evolving landscape

Tough just got tougher

As services become more diverse and personalized, real-time visibility and seamless service activation are essential. For advanced experiences like industrial XR, gaming, entertainment or V2X, charging must be flawlessly integrated into the connectivity experience, operating smoothly in the background while providing clear pricing breakdowns and self-service options for adjusting service elements when needed.

Reliability, however, is non-negotiable. There can be no blind spots in terms of data visibility and system robustness. But reliability doesn't need to stifle innovation. The goal is to balance total reliability with extreme flexibility to meet diverse and evolving customer expectations. In other words, innovative charging models must be catered to.

By prioritizing both trustworthiness – which includes advanced security – as well as highly adaptable charging methods, businesses can confidently enhance customer satisfaction and stay ahead in the market.

Demands on real-time charging are much greater at an enterprise level

CSP-driven capabilities are only one side of the equation. As consumer expectations continue to evolve, enterprise requirements are also becoming increasingly demanding, pressing CSPs to adapt quickly. CSPs are therefore striving to define their roles in the enterprise space – for example which sectors such as healthcare or manufacturing to address – knowing that enterprises will continuously evaluate their choice of CSP.

SLAs and real-time demands for industrial connectivity and applications can be a double-edged sword. While on one hand, they present CSPs with new revenue opportunities, on the other, they introduce challenges and consequences when expectations are not met. Multi-party services need to run precisely, enterprise hierarchies need to be made seamlessly controllable, and real-time, mid-cycle adjustments must be catered to as needed. Everything simply must work perfectly and securely for business users at any level. Enterprise and B2B2X services can be highly valuable but only when working flawlessly. The enormity of charging's role as an essential element of enterprise services cannot be underestimated.

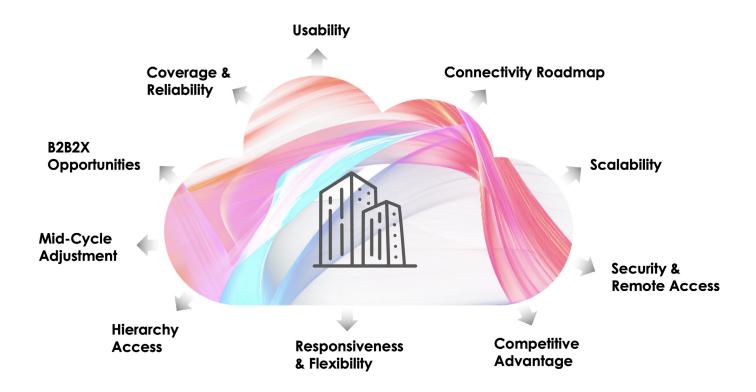


Figure 2: CSP selection criteria (enterprise perspective sample criteria)

The rapid evolution of GenAl and APIs underscores the critical need for responsive charging

As 5G technology advances, the pace of progress, though uneven, is expected to be explosive for certain services. The dynamic communications and media landscape (boosted by hyperscaler coopetition) presents significant opportunities for providers willing to shape and capitalize on emerging trends such as those in edge computing, IoT and satellite technologies – with recent advancements in GenAl and API exposure augmenting this.

Meanwhile, the competitive environment remains highly fluid and potentially disruptive. And while the opportunities for multi-party partnership continue to expand, for some CSPs it will be too complex. For these reasons, having an adaptable monetization strategy that facilitates experimentation in an increasingly complex environment is more important than ever. As the network diversifies, charging will remain critical, offering a strategic advantage to those who can navigate, influence and embed monetization strategies ahead of emerging trends.

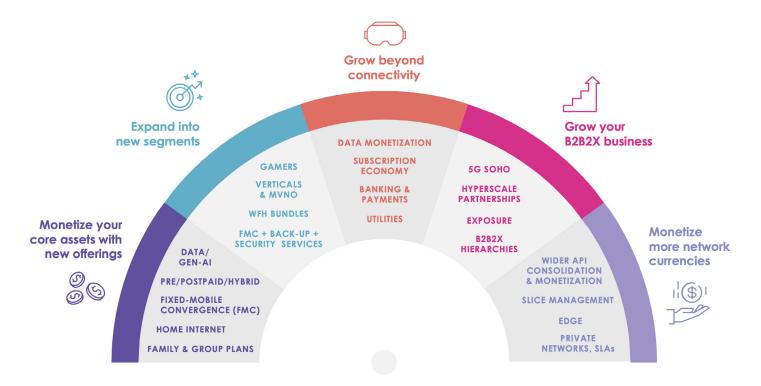


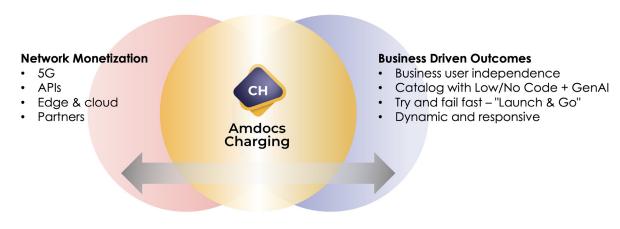
Figure 3: Sample business requirements demanding network and charging flexibility

Amdocs Charging: Balancing the three key requirements for effective monetization strategy

Most advances in technology are not straightforward. Consider for example the smartwatch market. Having been slow to begin with, several factors combined to accelerate the market's growth. These included: adoption by celebrity sports stars, launches by various brands, advances in eSIM technology and the timing of the Covid 19 pandemic – which occurred several years after the initial Apple launch¹. Analyst consensus is that double-digit growth will continue for the current decade and a large proportion, if not the majority, of devices will be directly connected to cellular networks.

Growth, in other words, is rarely driven by a single source or feature. Rather, it results from a combination of elements working together. Charging is no exception: to be truly effective, it needs to be adaptive, timely and well-supported.

Amdocs Charging focuses on three essential areas to ensure optimal monetization capabilities for CSPs, no matter where they are in their development journey.



Right-Sized Charging

- OOB / start small
- SaaS / Cloud Scale up & down
 - Standards-led (TMF / 3GPP)

Figure 4: Right-sized and adaptive charging for evolving business requirements & network capabilities

1. Network monetization focus

Especially as 5G standalone (SA) matures, the newly monetizable elements of 5G, sometimes referred to as freshly available "currencies", continue to emerge. These elements, particularly improvements in latency, speed, coverage, capacity and density features, need to be managed, combined and tailored to monetize new devices and markets via API exposure. This goes far beyond traditional charging models and "all you can eat" plans of the past.

Flexible monetization options that align with network capabilities are therefore more critical than ever. What was once an afterthought or just a checkbox for some CSPs has now become an essential driver of service success.

2. Versatility with right-sized charging

While the ability to reach and respond to network capabilities as they become available is essential, it alone is insufficient. And while CSPs need additional flexibility such as cloud elasticity to spin up (and back down) as needed for specific services, those services need to be personalized – potentially in real-time. This service-focus needs to be both lightweight enough for specialized MVNO competitiveness, as well as scalable to manage millions and perhaps hundreds of millions of users or endpoints.

Of course, in addition to deployment and adaptive scaling, charging has to provide continuous rating and monetization innovation after the initial setup. This means acting as a responsive value engine for every opportunity, from online gamers to industrial manufacturers, while catering to complex B2B hierarchies and B2B2X value chains. Increasingly, this will involve closer integration and interworking with data and AI to revolve silos and enhance existing services, as well as the need to define and develop yet-to-be-imagined services with optimal charging options.

3. Business outcome focus

In the context of ever-accelerating change and rising expectations, trialling more services increasingly seems like an obvious move. CSP business teams still dream of being able to test and adapt services rapidly without being hindered by outdated technology or complex systems. But they also need the confidence that comes with always having the latest toolsets – those that offer robustness, and are updated in the background without disrupting customers.

Meanwhile, interfaces need to be intuitive, based on low-code or no-code with rapidly available and easily accessible pre-integrated use case libraries. Configuration should take priority over customization, with telco-specific GenAl offering valuable support – even anticipating what is needed.



Readiness for every strategic requirement

As strategic imperatives evolve, flexibility within a chosen charging platform will require a different emphasis for different service providers, and even for different teams within service providers. For some, it will demand a consolidated as well as convergent approach – for all lines of business, present and future, on a single, standards-driven platform. CSPs taking this approach will need to ensure a unified perspective on both the network and service lifecycle management, while enabling seamless oversight of all operations.

For others, priorities may need muti-tenancy control or adjunct capabilities that allow for building upon "start fast" functionality and driving efficiencies in the core business via smooth evolution toward the new charging system as needed. Others still may need an entirely separate, additional charging capability for efficiency reasons – perhaps for new lines of business or MVNO support. Then there are CSPs who will prefer a large-scale swap, with options on future multi-tenancy.

Of course, these various approaches are not mutually exclusive. A powerful, cloud- and microservices-driven, lighter-touch charging solution can provide both "all-in-one" and "as-needed" capabilities-delivering the essential balance of reliability and innovation.

Unblocking the opportunities

So where does this leave CSPs now? There's no question that demands on these players are constantly changing and for many, they are more urgent than ever. To meet these challenges, CSPs must respond accordingly. Strong change agents are essential – particularly those who can efficiently support monetization and charging.

Yet not all CSPs have managed this transition effectively. It's unsurprising that some CSPs have become frozen by bureaucratic and monolithic 3G or 4G-era vendor decisions. Others have become frustrated, having opted for unsupportive, startup-style providers with limited wider BSS and network experience in an over-focus on siloed services and cost-cutting. Both miscalculations have resulted in missed opportunities and under-delivery.

As a critical lens and driver of service lifecycle management, especially in the context of increasingly diverse and complex enterprise opportunities, Amdocs Charging continues to demonstrate its greater adaptability for CSPs of all sizes. By combining essential reliability with future-proof flexibility – supported by its focus on network orientation, versatility and business – the solution sets new standards in our industry for monetization success.

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Amdocs helps those who build the future to make it amazing. With our market-leading portfolio of software products and services, we unlock our customers' innovative potential, empowering them to provide next-generation communication and media experiences for both the individual end user and large enterprise customers. Our approximately 29,000 employees around the globe are here to accelerate service providers' migration to the cloud, enable them to differentiate in the 5G era, and digitalize and automate their operations.

Listed on the NASDAQ Global Select Market, Amdocs had revenue of \$4.89 billion in fiscal 2023.

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