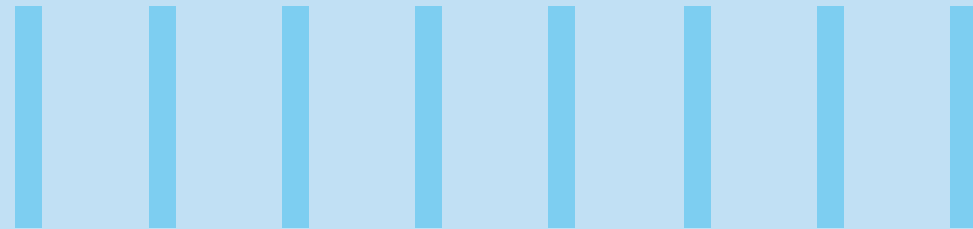# BUILDING ROBUST CSP CHANNEL PARTNERSHIPS FOR THE DIGITAL ERA

Struggling with stagnant revenues, dipping average revenue per user (ARPUs), rising costs, the need to maintain quality of service, and new competition - communications service providers (CSP) can no longer carry on business as usual. To meet the new customer needs of convenience and speed, CSPs must go digital first. However, they are not alone in this journey

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Channel partners – a vital piece of CSP success

Just a decade or so ago, roaming was so expensive that often consumers would think twice before signing up on a roaming plan while traveling. Today, they don't think twice about it - CSPs with their roaming and interconnect partners have brought in low cost and seamless connectivity anywhere their customers go. That's just the order of business today.

To maintain this experience, CSPs need partner value chains that take their products and services to the end consumer. Working on revenue share models these partner relationships play a major role in revenue generation by offering easy access to new markets, customer segments, and pre-established local-level networks. Needless to say these relationships need the highest level of trust and motivation to enable smooth functioning and disruptions could directly translate in to loss of business.

However, current partner relationship models are in no way perfect – or even optimal. Inefficiencies in partner management systems, specifically revenue models lead to revenue leakages, lost transactions, reconciliation disputes, losses due to fraud, and even regulatory abuse such as tax avoidance.

CSP reality in numbers

$30 billion lost to telecom fraud in 2017[1]

Estimated IRSF damages range between $4 billion and $6.1 billion[2]

80% of all messaging traffic comes from WhatsApp, Viber, and Apple's iMessage[3]

Skype accounts for more than a third of all international voice traffic minutes.

The new imperatives for partnerships

There are several issues that CSPs must address to optimize channel revenues and build stronger channel relationships in the digital era.

1 Taking a digital first approach

The need of the day is "Digital Differentiation" from competitors that now include not only other CSPs but also Digital Service Providers (DSPs) like Google, Facebook, WhatsApp etc. that are eating in to market share. Traditional CSPs need to embrace new business models to stay relevant.

Various players are adopting different approaches to this transformation. There is a surge in adoption of digital channels to drive direct sales. There are new partner engagement programs being instituted to drive better coordination and engagement with channel partners. Some CSPs are looking to create focused service offerings in partnership with technology companies and others are developing platform-based solutions to provide one-stop service provisioning, fulfillment, and delivery. Some pioneers such as France's Orange are pursuing adjacent business opportunities in financial services, IT, healthcare, automotive, utilities, and media. Orange has made inroads in to smartphone banking and already has more than 15 million mobile payment customers in Africa.

These approaches will also require revisiting their channel ecosystem and transforming their diverse partner base to fit their new realities.

2 Creating new rules for a new ecosystem

Traditionally, with wholesale and roaming partners, bilateral deals were defined for traffic for voice, data, and SMS. These contracts are no longer relevant. Today with digital partners for OTT, VAS, content, IoT and M2M services, CSPs need to define new parameters such as the number of clicks or impressions, subscriptions, downloads, meter readings, and so on. The current ecosystem is expanding with another set of entities like MSOs, integrators, dealers, and resellers who require different types of contracts and settlement rules.

In addition, with the increasing complexity of new service models and partner ecosystems, a new requirement of inter-partner relationship management has come into play where more than one partner is involved in service delivery to an end customer.

3 Catering to the digital consumer

Customer experience is the currency of the digital age – more powerful than the brand and the product itself. With increasing emphasis on improving customer experience via speed, convenience, and availability, CSPs and their partners need to rethink customer experience. Until now CSPs have been designing service offerings and forcing them on their customers with the view that they best understand customer needs. With drastic changes in user demographics, consumer behavior, and data privacy regulations CSPs need to change this approach. The idea is to first understand customer needs and then work backwards with their partner ecosystem to develop and launch the desired service classes.

To tap in to the pulse of the consumer, CSPs need data driven insights and deep analytics of customer behavior patterns. This requires a very tight integration of CSP systems with that of partners and data from a single source of truth. Existing systems are unable to integrate customer data from multiple data sources leading to low confidence on customer experience data analytics that is augmented by inadequate data science skills and ineffective segmentation processes.

CSPs and partners must deploy Business Intelligence tools and Big Data Analytics and mutually share these insights to deliver a personalized experience and seamless user journey.

4 Reimagining people, process, and technology to drive optimization:

In this changing environment it is very crucial to simplify partner management and optimize revenue streams while enabling omni-channel availability. Legacy tools, outdated processes, and manual operations will have to go.

Processes will need to be reimagined and digitized to enable e-self-care and social media support. People will need to be recruited or reskilled to understand and work on these new tools and technologies. Integration with ERP and other productivity tools is imperative to digitize operations and reduce costs.

Success in turbulent times

Success is flighty in these turbulent times. To sail through the upheaval, the industry is going through, CSPs – and as a consequence their partners – will have to create a whole new value proposition based on modernization, personalization, and new ways to do business. The need of the hour is for CSPs and channel partners to work together. Through close partnerships CSP's can identify new revenue streams, optimize existing revenue streams, drive sales, improve customer experience and customer journeys, as well as integrate systems for better visibility across the value chain.

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Pravin has close to 32 years of experience in the telecom industry, working on OSS and value-added services. These services include billing support, infotainment, mobile applications, content delivery and entertainment services. Pravin has been instrumental in bringing new digital services to enhance user experience. Predominantly these services have been launched in the telecom industry, however some have found applications in the corporate world as well. Pravin holds a Master's degree in industrial automation.

[1] https://www.scribd.com/document/368471387/2017-Global-Fraud-Loss-Survey-CFCA-pdf

[2] https://www.zdnet.com/article/phone-fraudsters-are-stealing-billions-each-year-through-a-scheme-known-as-irsf/

[3] https://www.strategyand.pwc.com/trend/2017-telecommunications-industry-trends

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