



MASTERING OPERATIONAL EFFICIENCY: How to Assess Your OSS ROI



In this era of cloud and disruptive technologies, telecom providers of all shapes and sizes are realigning their business strategies and restructuring themselves in terms of operations, networks and customer care. With the demand for new products, bundles and customized solutions on the rise, areas such as service configuration, order fulfillment and service support are becoming increasingly complex and require more and more financial overhead.

While OSS solutions play an essential role in efficiently running operations, they represent significant annual expenditure with high administration, maintenance and upgrade costs. Small to midsize service providers looking to achieve greater business maturity may find traditional OSS systems have been designed and priced for large telecom providers.

This document provides a starting point for evaluating your current situation and guidance to assess different OSS alternatives. It also enumerates the essential capabilities that any cutting-edge OSS platform should deliver and comprehensive steps to calculate the Return on Investment (ROI) of each particular OSS investment in order to help you select the right solution for your needs and budget.

PREPARING FOR NEW TECHNOLOGIES

The demand for higher quality of services and new technologies are inciting service providers to transform their organization by creating strong cross-functional interfaces between back and front offices and by implementing tools for maintaining business flexibility. According to TM Forum, *“Up to 72% of 5G revenue growth is dependent on transformation of operational and business support systems (OSS/BSS). The business benefits of 5G are reliant on the development of better, automated, and integrated management and operational capabilities.”* If you are not yet convinced, the table below highlights further motivation for service providers to transform and adopt latest generation OSS.



¹ TM Forum, *5G monetization: Operational imperatives*, 2018



Decreasing Profit Margins

Stronger competition from other service providers and technology vendors is creating pressure to offer new services faster and at lower prices. With high demand for technical staff and higher salaries, service providers are looking for ways to optimize their operations in order to protect their margins.



Labor Intensive

Unemployment rate and high demand for technical personnel are increasing salary demands and making recruitment more difficult. All the while, the lack of integration between systems results in manual entries of customer & service information into multiple systems and sometimes, data entry error or missed service orders causing time-consuming service issues and billing errors which create further pressure on labor resources.



Time-to-Market

Customers expect on-demand service delivery, enhance customer experience, and self-service portal capabilities. Service Providers need to simplify the service delivery processes, and underlying systems, in order to gain business agility and efficiency as well as better ride the digital transformation wave.

KEY IMPERATIVES FOR NEW GENERATION OSS SOLUTIONS

Avant-garde OSS systems should be able to deliver the following benefits and functionalities:

1. Improve margins by:

- Automating tasks and reducing manual intervention (cost of salaries is high due to low unemployment rate and demand for technical staff)
- Aligning operations with billing to avoid revenue loss while providing better customer experience
- Meeting SLAs and offering quick response time to service disruption with analytics and root cause analysis

2. Maximizing value of current infrastructure investments while preparing for new technologies with:

- Clear visibility on all resources, including POP, colocation and stranded assets
- Comprehensive views on how all resources are connected to services and you customers in order to maximize resource usage
- Service catalogs to accelerate customer onboarding and sell services based on current capacity

3. Optimize business operations across the organization by:

- Automatically sharing data and information between all operational and customer facing systems
- Reduce manual and redundant data entry that result in human errors and high costs
- Unify databases and provide cross-functional information to synch and align all departments with accurate and streamlined data
- Automatically provide insights to key stakeholders to conduct root cause and predictive analysis



FAMILIAR SCENARIO?

Traditional service delivery multi-step processes. Sales manually enters a new customer order - although access request may include over 250 attributes. A Service Delivery Team (SDT) then individually validates service order eligibility and manually re-enter the order specifications before moving on to the new service design. The SDT planner creates provisioning project plan, including people availability and tasks, and activates the Element/Network Management Systems (manually or via an API). Finally, SDT would manually notify client and billing of the new service activation.

Manually attempting to manage different systems and consolidate all the data that comes from each of them may result in information duplication, create workflow bottlenecks and introduce the possibility of human-induced error. New generation OSS can help you automate service delivery processes and improve your overall operational efficiency. Some platforms are quite flexible and will allow you to only automate certain processes while maintaining the approach you are comfortable with. As your company and service portfolio grow, the platform will already be in place and set the path for further automation and ultimately, automated service delivery.



GETTING FREE FROM LEGACY SYSTEMS

Legacy systems were designed on proprietary technology with embedded workflows to manage specific network related resources and operations. As service providers diversify their operations and look to streamline and automate operations, they need an OSS solution based on

an open data model for dynamic sharing of information. If data is contained in silos, it will be impossible to automate service delivery tasks related to customer onboarding such as service eligibility, scheduling and budgeting. Service Support will also be unable to conduct the advanced root cause analysis required for fast service restoration nor efficiently monitor SLAs and prevent breaches and penalties. Moreover, as there is no automated sharing of data and information between CRM and billing, it may result in misbilling and extra operational costs.

Legacy systems have serious costs and many limitations. If you are currently dealing with a platform that does not match your needs or drains your budget, it might be worth replacing it by a new generation OSS/BSS system. In addition to high recurring costs, infrequent releases and upgrades to support new technologies is often source of frustrations and indicates that it may be time for a change.



WHY ROI MATTERS?

ROI is a relatively quick and effective way to measure return or gain from an investment. This ratio proves to be very useful when comparing and ranking the attractiveness of several investment alternatives or evaluating the potential returns from a stand-alone investment. By assessing the benefits from an OSS relatively to its costs, you can determine the profitability of your current system or how it measures against next generation technologies. Small and medium service providers should be able to achieve the same level of business maturity as large telecom companies while ensuring reduced operational expenses and less financial risks with more cost effective OSS solutions. Where there is no system in place, ROI ratio can provide an idea of the gain in terms of hours worked - Full-time equivalent (FTE) or Part-time equivalent (PTE) - against the platform's cost.



CALCULATING YOUR ROI

The table below breaks down the different costs associated to legacy systems and the potential savings from migrating to a newer OSS solution. It is designed to help you during the first stages of your assessment and to better understand how each component influences your overall budget.

Costs	Why it matters - Estimated Costs
Initial License Acquisition	Some legacy systems charge very large license acquisition fee on the first year. However, you should know that some next generation OSS are offered without any initial license acquisition costs.
Annual recurring costs	
Licenses	The cost of annual licenses for OSS remains fairly the same across all platform brands. It is usually estimated at a few thousands per license and varies according to the number of seats purchased.
Maintenance	The way maintenance is handled could greatly influence your future system capacity and budget. Some companies will sporadically release upgrades and you may end-up paying a high price for those extra modules. In some cases, maintenance fees could rise up to nearly the same as the value of your annual licenses.
Admin and IT Support	The cost associated with your account administration and support will vary greatly from one vendor to the other. Some may charge up to double the amount of another. Migration and support remain an important part of your OSS/BSS budget. Make sure to ask questions as needed.
Estimated license savings	By switching your legacy system to a new generation OSS, you could completely eliminate your initial acquisition cost and cut your recurring annual costs by nearly half.
Cost of Manual Provisioning	
Manager and team	The highest is the level of automation of your processes, the less it will require human resources. By updating your system to next-generation OSS, you could save up to 25% on your related labor costs. Further savings are yet possible if no systems are in place.

**All the numbers listed above are provided as guidance. They are subject to change and are not guaranteed as past results do not assure results in the future.*

NEXT STEPS

Every situation is unique and it is not always so easy to assess and choose which technology will be at the center of your operations. Our Ni2 experts will be thrilled to answer any of your questions about OSS ROI calculation and discuss with you strategies to accelerate your business success.

Speak to an Ni2 expert