

# CONVERGENT CHARGING

## GAIN FLEXIBILITY WHILE REDUCING COSTS

With the SAP® Convergent Charging application, you can differentiate your next-generation services and beat the competition. By consolidating your pricing, rating, and settlement functions onto a single platform, you will gain business flexibility, deployment flexibility, and low total cost of ownership.



The telecommunications industry is going through a multiservice revolution, with a shift from legacy to next-generation networks and the introduction of new and advanced services such as IPTV, voice over IP (VoIP), WiMax, mobile TV, mobile Internet, and more. More and more service providers are progressing to triple-play and even quad-play packages in order to provide a one-stop shopping service to customers. As a result, a major challenge facing mobile, Internet, and fixed telecom providers today is how to rapidly and profitably introduce new services and effectively bundle them with traditional revenue generators.

The cumbersome charging and billing solutions that many large providers are currently stuck with are slow-moving and costly to maintain. They often suffer from revenue leakage, they insufficiently protect against credit exposure risk, and they hinder business model innovation by making even moderate changes a long and expensive process.

By using SAP for Telecommunications solutions to implement convergent charging services, you can reduce your operating costs while improving customer intimacy and reducing revenue leakage. And you're in a better position to attract new partners and change your business model rapidly to stay ahead of the competition.

### Service and Payment Convergence

The SAP® Convergent Charging application is a modular solution, designed with convergence in mind, and meant to adapt according to the potential needs

of telecom service providers. It complements traditional intelligent network (IN) architectures by providing the sophisticated pricing and rating functionalities required. The application can deliver a comprehensive convergent charging solution complete with online and offline access for both incumbent and green-field operations. SAP Convergent Charging is also aligned with the emerging standards for online charging, and SAP developers are closely following developments in this area.

Native convergent functionality makes SAP Convergent Charging ideal for emerging IP services such as mobile data and multimedia broadband services. It is also designed to meet the needs of demanding service providers by offering combined prepaid and post-paid services to millions of mobile and broadband subscribers. This includes messaging and advanced data services like ringtone downloads, gaming and entertainment, VoIP, video services, and triple play.

The extensive, standards-based application programming interfaces (APIs) and integration framework have enabled SAP Convergent Charging to be integrated into a range of charging architectures in a variety of carrier environments spanning mobile, broadband, and on-demand services.

### Unconstrained Pricing

Designed to deliver complete pricing flexibility with high performance and no compromises, SAP Convergent Charging virtually eliminates functional or technical limitations to developing offers

for different types of services. An intuitive GUI enables “visual programming” in which components for making choices, dynamic table lookups, macros, and arithmetic computation are assembled into a decision tree to build a custom algorithm that will calculate the price of a service.

#### Pricing and Profit Simulation

SAP Convergent Charging enables what-if analysis that allows pricing managers to get answers to define optimum price structures and bundles for customer segments. For example, they can better determine which partners are best to use and how lowering costs can improve profit margins.

#### Advanced Rating Features

Time, date, geographic, content size, content type, shared plans for friends and family or corporate plans, bundled offers, cross-product promotions, and instant discounts: all of these different types of ratings can be combined within a single rate plan. Event-based, recurring charges and one-shot charges are also managed as a coherent whole by the rating engine using the same intuitive GUI.

#### Modular Online Balance Management

Online balance management provides convergent prepaid and postpaid account management, delivering full control over the totality of the pricing of services and bundles.

#### Subscriber Controls

Subscriber policies held at the charging layer equip parents and employers with appropriate spending controls on a per-service basis and even according to predefined times of day.

#### High Performance and Scalability

Proven in tier-1 mobile operator environments worldwide, the solution offers high rating performance in aggregate and per CPU. SAP Convergent Charging has multiple references in the challenging environment of real-time online and prepaid charging, where low latency, high throughput, scalability, and five-nines reliability is delivered.

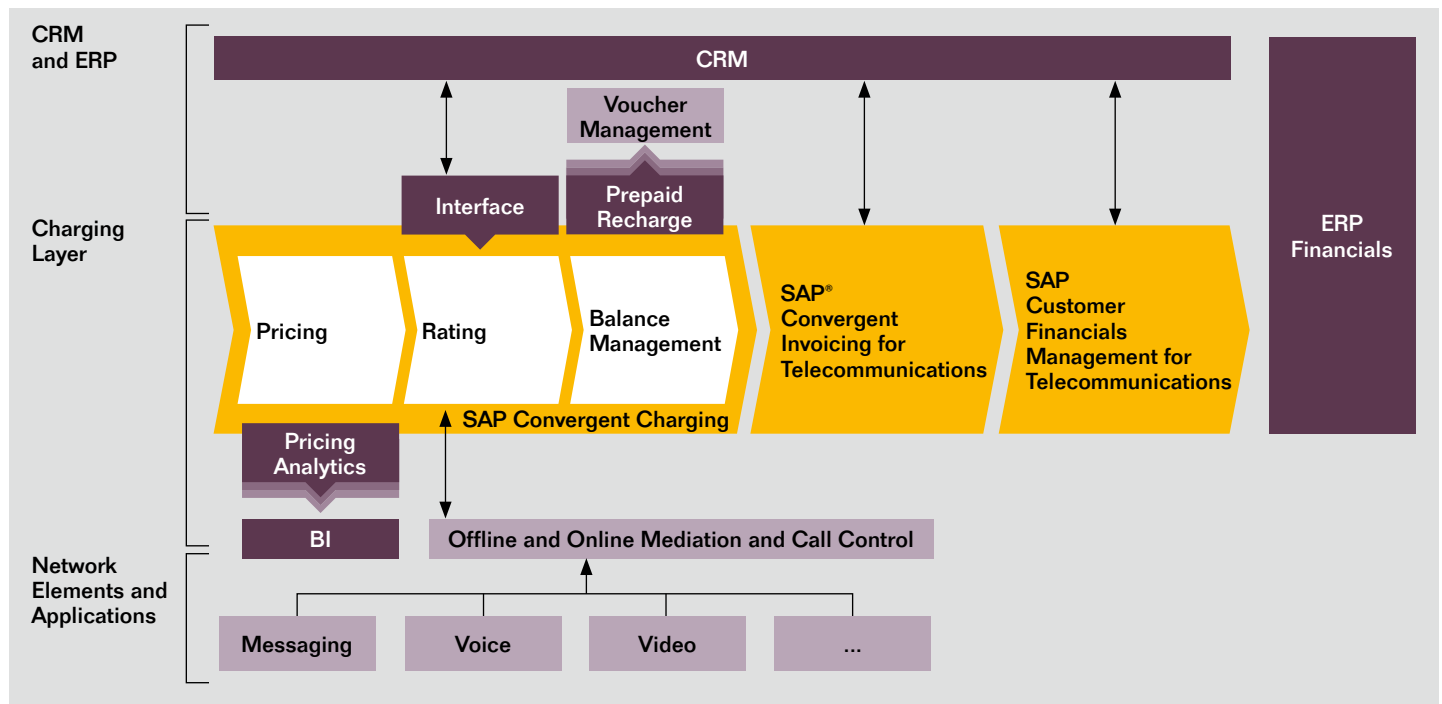


Figure: Integration with Other SAP and Partner Solutions

Quick Integration Through Open APIs  
SAP Convergent Charging is designed to integrate easily with the SAP Convergent Invoicing for Telecommunications and SAP Customer Relationship Management and Order Management for Telecommunications packages to form a comprehensive consume-to-cash solution (see figure). A rich, deep, and well-documented set of APIs and an integration framework and toolkit are available to help partners build their solutions on this foundation.

The common denominator for any convergent charging system is that service pricing makes sense for the customer and at the same time enables the service provider to differentiate in line with a sound customer ownership strategy.

### The Benefits of Convergent Charging

The majority of consumers are uninterested in technology. They simply want to use services – at the time, in the place, and in the manner of their choosing. The common denominator for any convergent charging system, therefore,

is that service pricing makes sense for the customer and at the same time enables the service provider to differentiate in line with a sound customer ownership strategy.

#### Comprehensive Charging Controls

With real-time, online charging capabilities, you can charge for complex, blended data services even with multiple concurrent service usage. You can enhance customer loyalty by delivering a single bill for all services while at the Same time eliminating fraud and credit exposure risks with tighter online control of subscriber balances and allowances.

#### Introduce Flexible Payment Options

By having integrated prepaid, postpaid, and hybrid charging models on one system with one GUI, you will be able to grow customer loyalty by offering dynamic account charging with spending controls per individual and per service for families and businesses. You can also eliminate customer “bill shock” by introducing capped payment plans to manage postpaid spending and targeting specific wallets for high-end services such as mobile TV or videoconferencing.

The powerful settlement functionality will enable you to manage licenses and third-party settlement in real time with timely reporting and a real-time view of revenue streams. This way, you can attract new partners and be sure that the content offered to customers, from ringtones to pay-per-view movies, is always fresh and new.

#### Rapidly Launch Innovative Pricing Models

SAP Convergent Charging uses visual symbols that are designed to be easily learned, and they enable intuitive and flexible pricing design. New services and offers can be codesigned by the business and IT departments using simple GUIs, tested for profitability before launch and made live in hours and days rather than weeks and months. You can reduce operational costs, rapidly introduce short-term promotions to encourage customers to try new services, and reduce customer churn by introducing creative, personalized bundles, such as individualized IPTV channel packages or VoIP calling plans.

#### Find Out More

Want to learn more about how SAP for Telecommunications solutions can help you reap the benefits of convergent charging? Contact your SAP representative today, or visit us at [www.sap.com/telecommunications](http://www.sap.com/telecommunications).

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## Summary

The SAP® Convergent Charging application is modular software that allows service providers to gain pricing, rating, and packaging flexibility while supporting high performance, low total cost of ownership, and proven integration with networks and business systems.

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## Business Challenges

- Pricing, packaging, and introducing new integrated services to the market rapidly
- Offering new services to all customers, irrespective of their payment choice, while eliminating credit exposure risk
- Proposing innovative new hybrid payment methods for service differentiation
- Correlating charging data for events from multiple services and concurrent service usage
- Promoting new products and rewarding customers online at point of purchase

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## Key Features

- **Unconstrained pricing** – Enjoy complete pricing flexibility with high performance and no compromises
- **Pricing and profit simulation** – Define optimum price structures and bundles for customer segments
- **Advanced rating features** – Combine different types of rating within a single rate plan
- **Modular online balance management** – Take full control of the totality of pricing of services and bundles
- **Subscriber controls** – Offer spending controls on a per-service basis and even according to predefined times of day

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## Business Benefits

- **Rapidly react to competitive offers** by launching new services and cross-promotional bundles
- **Attract and retain customers** by providing the same offers, bundles, and promotions to all subscribers, independent of their payment method
- **Differentiate services** by targeting market segments with appropriate bundles and promotions
- **Minimize operational costs** when modifying price plans and offers and reduce inefficiencies associated with managing separate billing systems for prepaid, postpaid, and hybrid subscribers
- **Be confident in performance and scalability** thanks to the proven experience of multiple customers, where the solution has delivered low latency, high throughput, scalability, and five-nines reliability

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## For More Information

Contact your SAP representative, or visit us online at [www.sap.com/telecommunications](http://www.sap.com/telecommunications).

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