



A Whitepaper for Corporate Decision-Makers

Optimizing the Monetization of a Connected Universe

*Leveraging a Carrier-Grade Billing Platform to
Maximize Service Revenues in the New Digital &
Subscription Economies*

An Independent Analysis Published on Behalf of Comverse.



Executive Overview

Businesses in nearly every industry are facing unprecedented challenges as their customer preferences shift from an explicit set of product offerings to an infinite array of 'on-demand' services, 'always open' store fronts, and 'accessible anywhere' delivery channels. This phenomenon is forcing a growing number of enterprises to transform their business design while expanding beyond their current reach and expertise.

Corporate decision makers such as CIOs, CFOs, CTOs and CEOs are faced with a disruptive new generation of Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS) and Infrastructure-as-a-Service (IaaS) Cloud solutions to enable their new business design to support these new service types and shift in consumer expectations.

The most obvious examples of this shift is in the connected industries where goods are no longer viewed as simply boxed products purchased as a one-time sale, but rather a personalized service that can be acquired on a subscription basis or combination of sale types.

But, it is not just the explosion of subscription services that can be billed in a relatively routine fashion that is changing how businesses are monetizing their products. It is also the growing demand for a new breed of pay-as-you-go services that are packaged and priced in a more dynamic offering.

Optimizing the revenue opportunities of both the subscription and consumption economies requires a sophisticated monetization engine that can support dynamic rating and pricing models, track variable usage, properly bill for services, analyze utilization patterns, and uncover new business opportunities.

Although there are numerous point-solutions that can address some of these monetization issues, none has been able to provide an end-to-end management platform that spans the full lifecycle of needs facing large-scale enterprises seeking to succeed in the connected world. And, none has the flexibility and scalability to handle B2B and B2C transactions for global organizations, as well as small- and mid-size businesses (SMBs).

This whitepaper will examine the monetization management challenges facing enterprises and the functional capabilities they must put in place to overcome these issues. It will also show how Comverse is leveraging its extensive experience in delivering revenue management solutions to the global carrier industry to deliver a complete Carrier-Grade Cloud-based monetization management platform for enterprises offering digital services or delivering services for connected consumers in other industries.

Key Forces Driving the Growth of a Connected Universe

THINKstrategies believes the following macro-market forces are fueling the transformation of traditional product businesses in nearly every industry into a new generation of digital and connected services:

- Consumers are becoming hyper-connected and consequently less loyal to their suppliers in a world in which they can get immediate access to an infinite assortment of solutions to meet their varying needs
- Rising competition and lower customer loyalty are driving businesses to become more receptive to adopting Cloud-based services that enable them to better understand their customers' shifting needs and more quickly react to competitive moves

- Corporate decision-makers are adopting new strategies that allow them to reduce their CapEx and OpEx spending so they can focus on their core competencies to grow their business
- Compounding these challenges is the need to create a unified business approach (regardless of industry or geography) that is flexible enough to cater to the specific policies and regulations of the target market or region alongside global security expectations

These forces are coming to a head at the same time technological innovations are enabling a new generation of digital and connected services that are fundamentally changing the operating models of most B2B and B2C businesses.

In the same way the first generation of ecommerce pioneers like Amazon and Apple changed the retail and entertainment industries forever, a new generation of Cloud-based services are gaining momentum in other segments of the market. Uber and Airbnb have demonstrated the disruptive capabilities of the shared economy by fundamentally changing the rules in the transportation and hospitality industries, and opening the door for similar services elsewhere.

Whether you refer to these new offerings as subscription, consumption, or hybrid models, what they have in common are the need for dynamic pricing, reliable fulfillment and failsafe revenue optimization—it's these challenges that must be addressed to keep pace with escalating customer demands, intensifying competition, and need for growth.

The Growing Connected Universe Growth Demands a New Monetization Platform

The growth in connected enterprise services, combined with the dynamic pricing and packaging required to compete in today's rapidly changing marketplace, places a new set of operational burdens on a business that cannot be solved with traditional billing systems or simple Cloud-based services.

Businesses must think differently about how they deliver their solutions, and shift their business models from a product-centric to services-driven approach. They must also recognize that one-size won't fit all their customers. Instead, they must adopt a highly personalized approach to packaging and pricing their solutions. And, they must respond quickly to changing customer expectations and varying competitive tactics.

Creating easy to procure and always accessible digital services requires user-friendly interfaces supported by powerful fulfillment systems.

These systems must possess sophisticated usage tracking, metering and measurement capabilities to ensure proper billing of existing customers. A robust analytics engine is also necessary to identify new revenue opportunities and enable organizations to share the information across the enterprise.

And, the monetization solution must interoperate with other enterprise applications to properly support all related business processes. Traditional billing systems have never provided this end-to-end functionality, and are not agile enough to keep pace with today's market demands.

The new generation of Cloud-based billing systems also falls short in satisfying the monetization lifecycle management needs of large enterprises at scale. These point solutions are unable to handle the volume and complexity of digital services being launched today.

In addition, a number of new Cloud-based recurring billing platforms have emerged seeking to help enterprises capitalize on the growth of subscription services. Common to most of these products is that they are focused on the rollout of small-scale product catalogs, in a specific country or region, for greenfield customer bases. Increasingly, there is evidence that while the initial deployment of the solution is rapid and gets high degree of satisfaction from users, the longer-term results are varied.

Companies report frustration that rating capabilities are weak and require customization, taxation support is limited, international data safe harbor protections are not possible, and that product catalog management rapidly spins out of control. Processes that seemed very manageable initially, fail to scale once the business scales to a certain size or span geographies.

In addition, these solutions lack critical monetization components such as policy management, real-time transaction handling and business intelligence. These features are essential because they ensure seamless revenue optimization, while encouraging customer retention and deeper customer penetration and loyalty. They are also a practical necessity as today's B2C and B2B businesses must maintain an "always open" operation that caters to the 24x7 needs of the global customer.

Simple billing systems, whether hosted in the Cloud or delivered on-premise, fail to address all these requirements. While they may be able to perform straightforward transactions, simple billing systems can't handle the more complex back-office tasks or provide the in-depth insights required to optimize the monetization process.

As such, having to switch monetization platforms at peak growth can seriously damage a company's ability to monetize effectively. It is for this reason that the future of monetization platforms will evolve from the "quick and dirty" implementation of narrowly-focused platforms to enterprise class systems, or "Carrier-Grade" solutions.

Employing a Carrier-Grade Monetization Platform to Meet Today's Connected Consumer Revenue Requirements

THINKstrategies believes the ideal solution for today's unprecedented demands must support the following functional capabilities:

- Always-On Sales Enablement
 - Consumers expect to be able to procure these services where ever and whenever creating the need for a 24x7x365 storefront
- Always Connected Customer Management
 - Consumers expect access to their information and customer service from any device creating the need for a seamless experience
- Unified Revenue Lifecycle Management
 - Consumers expect all of their interactions and purchases to be viewed as a single transaction creating the need for centralized consolidation

Converse has combined its carrier-grade business support systems (BSS) and revenue management capabilities with a new set of Cloud-based enablement solutions to provide an end-to-end monetization platform delivered by the evolving Kenan software.

Converse's new suite, the Kenan Monetization Realization Platform, can be deployed On-premise, in a Hybrid Cloud, or now in a Public Cloud environment via the Web.

The Kenan platform provides end-to-end customer relationship management, customer service management and complete customer financial management flexibility for subscription billing, usage and event-based billing, and cross product packaging and bundling.

The Kenan platform can also provide complex enterprise support for multiple contracts, complex hierarchies, bulk operations, usage consolidation, multiple currencies and languages. It provides integrated policy management and real-time support for any type of service regardless of business model, channel technology, line-of-business, payment, or billing method.

Underlying these capabilities is a business intelligence engine that supports in-depth analytics and reporting. All of these capabilities are now delivered via Web access, as well as through traditional avenues, through a new Web architected API suite, mobile UI modeling, and CEO dashboard.

The market differentiator of the new Kenan platform and what makes the Comverse Kenan offering a first to address the connected universe's current and ever changing monetization needs, is the consolidation of a global scalable carrier grade billing usage workhorse engine, combined with the latest Web technologies of subscription management--all backed by an partner ecosystem and expert services team that has deployed and supported more than 500 complex billing projects worldwide. These key components make the Comverse Kenan platform the ideal solution to support an enterprise's needs to optimize the monetization of its connected offerings.

Summary and Conclusions

The rapid shift in the marketplace from traditional products to a widening array of connected services and partnership models have created a new set of business challenges for companies in nearly every industry.

Today's digital and connected services are being launched into an increasingly price-sensitive competitive landscape amidst a customer base that no longer holds a strong allegiance to its suppliers.

Therefore, enterprises must be more agile and insightful about how they satisfy their customers' changing needs and gain critical competitive advantage.

They must design their services to be user friendly and easy to procure. They must be able to dynamically package and price the services to satisfy varying needs. They must be able to provision, bill, track and measure their services in an automated and scalable fashion to ensure the profitability of their current offerings and identify new service opportunities. Traditional billing systems and the ongoing new small scale Cloud-based solutions can't meet the demands of today's digital and connected marketplace.

Comverse has developed a market first robust monetization platform that leverages its extensive experience in the communications industry and other complex enterprise markets. The Kenan platform delivers revenue lifecycle management functionality more flexibly via the Cloud to support the variable needs of today's leading enterprise operations.

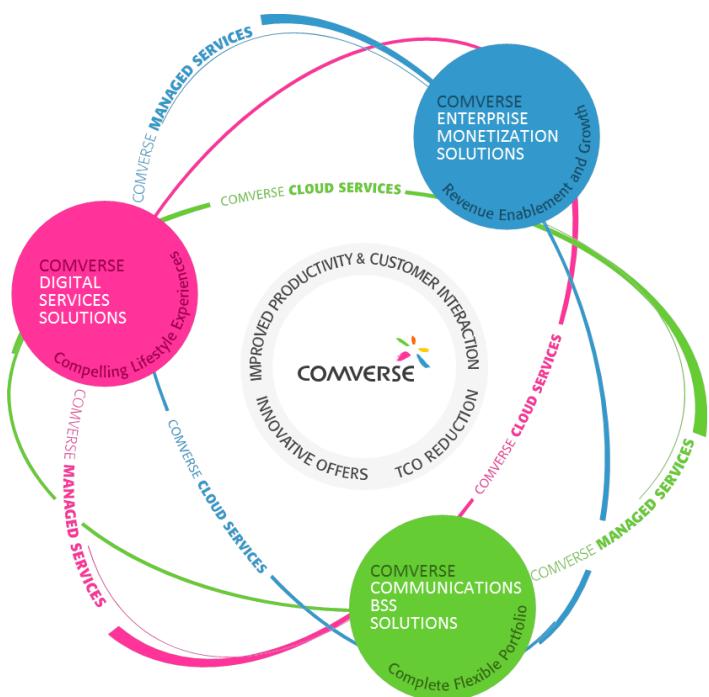
Comverse has also architected its platform so the BSS capabilities can integrate into the enterprise operating environment and support a series of business processes to maximize revenue opportunities.

In summary, the new Kenan platform and suite of monetization solutions satisfy the requirements of a world-class connected consumer services strategy today--while being prepared for tomorrow's quickly changing needs.

This independent analysis was published on behalf of Comverse.

About Comverse

Comverse delivers a true carrier-grade cloud-based suite of software solutions that support users' connected lifestyles and help our customers monetize, future-proof, and differentiate their offerings with faster time to value and less complexity. We offer proven and flexible solutions that include managed BSS and Policy (PCRF), Enterprise and Cloud Billing, and Digital Services, all guided by an experienced Managed Services offering, that ensure our customers gain competitive advantage. Comverse's customer base spans more than 125 countries with solutions successfully delivered to over 450 communication service providers and enterprises serving more than two billion subscribers. For more information, visit www.comverse.com.



About THINKstrategies, Inc.

THINKstrategies is the only strategic consulting services company formed specifically to help our clients better understand and capitalize on the business implications of the transformation of the technology industry from a product-centric to a services-driven business model. The company's mission is to help our clients re-THINK their corporate strategies, and refocus their limited resources to achieve their business objectives.

THINKstrategies has also founded the Cloud Computing Showplace (www.cloudshowplace.com), an easy-to-use, online directory and resource center of SaaS, PaaS and IaaS solutions worldwide, organized into over 90 Application, Industry, Service and Enabling Technology categories. The Showplace also includes information and insights regarding industry best practices.

THINKstrategies also hosts the Cloud Innovators Summits (www.cloudsummits.com), executive forums focused on key business opportunities and challenges created by the Cloud, including the Cloud Channel Summit, Cloud Analytics Summit and Connected Cloud Summit.

For more information regarding our unique services, visit www.thinkstrategies.com, or contact us at info@thinkstrategies.com.