

# ScreenPlays

## Adoption of Broadband Subscriber Service and Change Analysis on the Rise

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Columbus Communications Jamaica Ltd. is the latest triple-play operator to adopt Scorecard Systems' platform to more precisely track and analyze subscriber growth and churn, service upgrades and downgrades, and to calculate commission payments to third-party sellers, technicians and call centers.

As competitive pressures have sped a wide range of video, voice, data and mobile services to market over the past decade, operators have sought to maintain uniform and timely visibility into sales results, bundle and multi-play penetration rates, retention, bundling opportunities, subscriber segmentation, distribution channel and other key business management metrics.

Many operators are employing software from suppliers like IBM's Cognos and Oracle's Hyperion Essbase to apply performance, planning, payment management and other business intelligence applications to constantly changing subscriber and service data. However, the effectiveness of such analytics often has been thwarted by lack of uniform access to the data, as well as by sometime inconsistent business rules applied to data analysis by various marketing, finance, maintenance and other departments, and the replication of these business rules in many different systems and reports.

Columbus Communications Jamaica, doing business as Flow, is implementing Scorecard's Subscriber Analysis Application, Commissions System, and Revenue/Usage and Trouble Ticket Analysis reporting modules.

According to Scorecard CEO Simon Marwood, the resulting analysis capabilities will provide Flow with a complete picture of customer interaction from acquisition and churn to truck rolls, service calls and revenue, as well as identify upsell opportunities in a uniform manner across the operator's enterprise.

Scorecard customers now include fixed, wireless, cable and satellite operators including Sprint, Bell Canada and Comcast, as well as operators as small as 30,000 subscribers. The supplier has closed deals in England and Ireland and is expanding its presence in Europe and South America.

"We drop the solution in middle of a carrier's IT infrastructure either as a standalone application or plug into established data warehousing and business intelligence systems," Marwood says.

Lack of uniformity in business rules can lead to a finance department interpreting one thing while marketing interprets something entirely different from the same data. Because methodologies are often 'hard coded' into data warehousing and analytics programs, it can be difficult to change. Drilling to lower levels of detail exacerbates the problem.

Consequently, he says, "We define business rules with the operator from the start based on industry standards, and then implement the rules into our system. In part, we also bring added governance processes to this type of data. Every day the system looks at every customer who has had a change.

What did I look like yesterday and today? How many and which customers in/out and services in/out? Then it applies the business rules to differentiate between what appears to be an acquisition or churn, and what really is. If I want to know the business rule for disconnects, I can go online to that rule."

To achieve granular visibility into, and analysis of, each service, Scorecard also deploys a product map. "We take all service codes, categorize them and rank them. If a subscriber has product A and adds B, we let the operator know if that is an upgrade, downgrade or sidegrade," he says. "If HBO is dropped and Starz added, those services are likely in the same category, and we can rank both. We can also let the operator know that a subscriber dropped HBO but added a voice package in another category."

The Scorecard platform then can feed Cognos, Hyperion or other business intelligence systems for holistic analysis. "If the churn rate is 3.1 percent, I can ask specific questions like which services are churning, on what node or cell site, and what the tenure of those customers is" Marwood explains. "We will then true up to the billing system and ensure that ending counts remain consistent between the reporting systems and the source system of record."

In each implementation, Scorecard develops a business rule document approved by departments and in line with government reporting requirements. Because business requirements are largely the same across various types of fixed and wireless operators, the business rules are "in large part pretty much the same, with subtle differences between wireless and cable," he says. "That is helpful in that we're able to show operators what others are doing. The story is the same everywhere. You've got sales, finance, customer care folks largely after the same kind of information. The words change, but the concepts are the same. People are after accurate and timely information whether on customers, services or bundles. How many new connects? How many pending connects in the pipeline? How many have become active? How many have slipped to a lost sale?"

According to Scorecard, accurate commission payments constitute one key benefit of service and subscriber analysis of this kind. Among wireless resellers, for example, retail phone outlets sometimes offer an existing customer a new phone and inaccurately report the sale as a new customer with a new identity. To the operator, this may appear as a connect and disconnect. The dealer gains a \$60 commission and the handset maker gains \$600 sale, but the operator has overpaid the commission and an inaccuracy has been added to the growth and churn pictures.

Ferretting out such abuses adds manual analysis costs to overpaid commission costs. Scorecard believes it can significantly reduce those costs through automated, deeper analysis of the activities.

Detailed, up-to-date service and subscriber analysis also can help marketing departments better judge the efficacy of ongoing promotional offers or advertising campaigns.

For example, if a cable operator queries a billing system for an aggregate count of new high speed data customers, the answer traditionally may not reveal what number of adds are new customers, existing customers upsold to the premium tier or 'promotion surfers' who take the service only for a promotional offer period, then move on to another limited-time offer from a competing provider. "You see the same sort of things on disconnect side," Marwood says. "Are we in fact happy that they cancelled this service because it's an upgrade to a more lucrative package?'"

He adds that marketing departments can use such detail not only to assess campaign success rates, but also to assess subscriber migration paths. "Say I have three Internet access data speeds and I offer the fastest for a limited time at the same price as the next lowest speed," he says. "At the end of the period, I want to know how many stayed and how many moved back down. That traditionally has been quite difficult to do. Our solution interlinks together the fact that the customer turned this service on and that

service off. The end customer sees a bundle, but behind the scenes it may be from four billing systems, and someone from finance is trying to analyze from stove-piped reporting on top of each. With the interlinking, even if the billing system doesn't know, I know the customer has bundle A."

The need for cross-system and cross-service visibility is destined to grow with operator consolidation, such as a trend among European wireless companies acquiring fixed line broadband operations. "It's a challenge to bring that information together, like if I cancelled a fixed voice line and activated a wireless line, that's not really churn," he notes.

Flow is the third operation to adopt Scorecard among businesses managed by Columbus Communications Inc., a Barbados-based international corporation that invests in and manages retail broadband operators based in the Bahamas, Jamaica and Trinidad, and wholesale broadband networks throughout 21 countries in the greater Caribbean and Central American region.

