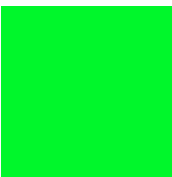# MONETIZING THE ENTERPRISE

6 WAYS TO CAPTURE THE B2B2X OPPORTUNITY

᛫᛫⁙ csg Encompass

Today, more than half of all communications service providers (CSPs) globally get 90 percent of their revenue from B2C. But the future looks quite different. In the next five to 10 years, over 75 percent of CSPs expect more than half of their revenue to come from B2B2X.[1]

There are several factors driving this shift. First, enterprises have increasingly high expectations for CSPs to innovate in areas like 5G and cloud, since the business sector will be the largest users of this technology. Use cases like robotics, connected cars, augmented reality and smart devices will have varying demands on connectivity including bandwidth, quality and security.

CSPs can unlock between $400 and $700 billion in new revenues available from 5G enterprise and B2B2X opportunities by placing themselves at the core of the digital value-chain.[2]
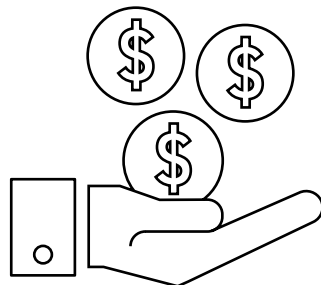
1 "5G Future: Targeting the Enterprise," TM Forum
2 "Becoming a tech-driven telco demands a new operating model," TM Forum

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Enterprises want to use CSPs' connectivity to drive automation to modernize their operations. But CSPs won't just be a key part of providing enterprise connectivity—to drive revenue growth, they will want to offer new solutions that ultimately help enterprises better deliver services to end customers.

Supporting the growth potential from enterprise customers requires additional investment from CSPs, whose capex is largely focused on 5G rollouts. On the infrastructure side, while CSPs have made strategic partnerships with major cloud providers, they're still considering how hybrid and private clouds will be part of their long-term operations.

To drive enterprise growth, CSPs will need to offer additional services and solutions at better value, while optimizing business processes. By developing strategic partnerships, CSPs can broaden their enterprise portfolios to include rich, digital solutions, combining multiple partner offerings to create truly differentiated offers. To do this, CSPs will need digital commerce solutions that enable the B2B2X ecosystems and business models needed to deliver innovative, collaborative digital services. This approach will help CSPs maximize profit margins and realize the most growth from the enterprise segment.

In this eBook, we'll cover six ways CSPs can simplify, innovate and advance their operations to make the most of the enterprise opportunity right now, and set themselves in the driver's seat for future opportunities. We'll also share examples of how CSG has worked with leading CSPs to transform their enterprise operations in each of these ways.

1. MAKE OPERATIONS EFFICIENT

Many CSPs currently manage multiple billing systems to serve their enterprise customers, often setting up a bespoke instance for each company's account. Sometimes, these systems are developed in-house or might be as rudimentary as using Excel spreadsheets to provide supporting data.

Approaching enterprise account management in an ad hoc manner doesn't just impact the CSP—it impacts the enterprise end customer. With no consolidated repository for all accounting and invoicing information, the CSP faces increased operating costs. Not being able to enforce uniform business processes also greatly increases the likelihood for error, with no single view of account information and charges. This can make invoices complicated and hard to reconcile, as data is pulled in from multiple sources to create a single bill.

As CSPs look to greatly expand their portfolio of enterprise services by implementing digital ecosystems, these issues will only compound, and CSPs need to address the underlying challenges.

Using a convergent billing platform for fixed, mobile, data and digital services helps CSPs reduce the costs of maintaining and operating multiple systems that have become increasingly impractical to upgrade. A convergent solution also helps CSPs reduce process and accounting errors, including missed, late, dropped and duplicate charges. Finally, CSPs can home in on which customer accounts or product lines are the most profitable with improved financial reporting.

CSP SUCCESS STORY
CONSOLIDATION OF MULTIPLE SYSTEMS

This CSP developed its own in-house billing software, which was coded, maintained and supported by a team of well over 100 employees. Due to the complexity and tailored nature of the individual customer contracts, the CSP developed multiple instances of the billing system to support different requirements, each with little reuse. The deployment of CSG's solution allowed the customer to consolidate multiple billing instances, while retaining the flexibility for customers with highly customized contracts.

CSP SUCCESS STORY
MANAGED SERVICES

Managed services have been a key component of this CSP's enterprise monetization program with CSG, allowing them to benefit from lower costs of operating an enterprise solution and the expertise CSG has in managing its own systems. CSG undertakes a range of functions from change management, business operations, reporting/analytics and managing various legacy applications. This empowers the CSP to focus on better delivering to their customer and has reduced their cost to serve by 20 percent.

2. INCREASE BUSINESS AGILITY

5G is driving fundamental changes in the way services from transportation to healthcare will be delivered. Communications will be a key part of the value chain, but the business model for how different components of a given service will combine is still nascent. That's why CSPs need the flexibility to try new models with their business partners, learn from success and failures and adapt.

80 percent of enterprises would consider buying edge, 5G slicing and private network services within the next 5 years according to a recent survey by Analysys Mason.[3] In order to seize this opportunity, CSPs need to shift to service creation for enterprise customers. Many have started by adding in ICT portfolios for cloud and security. In the future, these offerings will become more sophisticated, such as combining services from multiple partners to create rich vertical offerings like health, education and transport. With modern digital commerce platforms, CSPs can fast-track innovation to meet their critical business requirements and get to market quickly with new offerings without needing to overhaul their existing IT infrastructure. Using configurable out-of-the-box platforms means CSPs break the cycle of development backlogs. Cloud solutions remove many of the overheads of day-to-day operations, and coupled with managed services for in-house maintenance, free the CSPs' skilled resources to focus on revenue generation projects.

3 Analysys Mason survey of CSPs and multinational corporations, 2021

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3. IMPROVE CUSTOMER EXPERIENCE

An enterprise customer's organization can have hundreds of thousands of employees. Add to that with thousands of locations, multitudes of cost centers and a complex bundle of communications services and equipment, and CSPs face an incredible challenge to deliver a seamless customer experience to all stakeholders.

For instance, there are many user groups within an enterprise that need to be considered, from procurement, who want a streamlined process from bid to contract to renewal, to operations and IT who will need services like inter-office connectivity and enhanced services like cloud security. CSPs also need to consider the entire organization's structure, from headquarters to manufacturing plants to retail, which each require their own connectivity and services.

However, enterprises generally want to be treated as one buying entity for their communication services—sometimes with one agreed price across all their services. CSPs need to address the needs of all departments, regardless of product and location. One way to do this is to mirror the structure of the enterprise, providing a hierarchical view of both their services and business cost-center structure. This model helps represent the enterprise as it is structured, so that account managers can streamline communications with the organization's stakeholders. It also helps to greatly simplify the accounting and payments process for the accounting team, which allows CSPs to recognize revenue faster and minimize costly disputes.

CSP SUCCESS STORY
CORPORATE CONCIERGE SERVICE

The CSP uses **CSG's solution** to map its corporate hierarchies for its largest customers. **It is flexible to represent** any hierarchy, regardless of how complex the structure is, providing incredible flexibility in invoicing, discounting and reporting. The CSP couples this with CSG's managed services to offer a "corporate concierge service," managing their top customers from onboarding to billing to reporting.

CSP SUCCESS STORY
A PLATFORM FOR ANY SERVICE

This CSP uses CSG's convergent billing capabilities to enable new service and bundle development, rating and charging for more than half a million enterprise and SME customers. They support the uniqueness of enterprise customers with complex voice and data needs, as well as offering bundles of cloud applications such as IaaS, video monitoring, CRM, HR and payroll, asset management and more.

4. DRIVE TECHNOLOGY ADOPTION

Enterprises need a wide range of services, whether mobile, fixed, satellite or data networks, along with functionally rich solutions. And they prefer the reliability of a single supplier to get end-to-end accountability, economies of scale and preferential pricing. Looking toward the future, enterprises signing a 10-year contract need to know that their CSP will be the first to market with future, sometimes unknown, technologies like augmented reality, holographic support, robotics and more.

The ability to rapidly productize and commercialize new technologies like 5G, cloud, network slicing and edge computing will help CSPs both gain market advantage and realize ROI. To achieve this, CSPs will need highly standardized, but open solutions that allow for automated publishing of third-party catalogs, including automated service configuration, integrated workflows, and advanced partner and customer journey management.

Investing in digital commerce solutions that are network- and service agnostic will be essential for managing every element of the digital services ecosystem – from the underlying networks to the industry verticals and customer segments being served to the charging, payment and settlement methods employed. Most 5G B2B2X use cases will be delivered over a combination of networks – 5G, 4G, WiFi, Fixed networks, both legacy and new deployments. Business model flexibility such as how enterprise customers engage, consume and pay will create an elevated experience for all segments. Success will come from digital commerce solutions that are truly agnostic, scalable and configurable with modern architecture and defined roadmaps.

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5. ENABLE ECOSYSTEMS

CSPs learned valuable lessons from 4G, when they sought to create their own digital service offerings for consumers. They were initially hesitant to forge partnerships with OTT players, who instead delivered their services over the top of CSPs' networks, diverting valuable potential revenue. With 5G, CSPs increasingly view digital partner ecosystems as a key path to future profitability and recognize the importance of partnering with other organizations to provide value-added services to enterprises.

CSPs are already established experts at ecosystems. Together, they operate one of the most comprehensive, automated ecosystems in existence—the telecommunications network. As ecosystems expand to bring in services from other verticals, CSPs can differentiate from their fellow service providers by offering a compelling proposition for future services partners.

CSPs can offer a wide range of services, from centralized catalogs to bundle third-party services to partner onboarding and settlement processes. They can also offer sophisticated customer journey management from browsing and ordering to simple or complex charging and onto invoicing and payments. Enabling digital ecosystems will take many forms, and the key to CSP success will be adaptable processes and open architectures to ensure their systems are interoperable with partner systems.

SUCCESS STORY
B2B2X SOLUTIONS

This CSP operates in a wholesale business model, selling its products and services through complex networks of 100,000 dealers and value-added resellers (VARs). With CSG solutions, the CSP can provide multi-tenancy, real-time credit control, rating and charging for partners and retail end users. The CSP can also pay out commission to agents and royalties to content providers.

CSP SUCCESS STORY
REVENUE SHARING

This CSP manages relationships with more than 500 partners and uses CSG partner settlement solutions to share revenue for premium and entertainment services. The CSP can now establish different revenue sharing models, either as a percentage or a set dollar amount. The CSP also builds strong relationships with partners by establishing a minimum guaranteed revenue share they will pay out.

6. BUILD CREATIVE COMMERCIAL MODELS

Modern monetization solutions will be critical for CSP success in helping enterprises thrive in the digital economy. Monetization spans from capturing usage at the network edge, through charging, invoicing and payments and into streamlining the interfaces into the general ledgers of both organizations. But enterprise monetization must be scalable to manage hundreds of thousands of services and charge types, yet still be simple enough for customers to understand to help them allocate costs faster.

At the heart of modern digital commerce platforms are product catalogs that can bring together disparate portfolios of CSP and third-party services into any number of bundled, unified offerings. CSPs can also further encourage customer retention with sophisticated loyalty and discount programs, as well as multi-language, multi-currency and taxation customization for different operating companies. Monetization solutions can also help the automation of SLA and penalty charge calculation and management, a common feature in enterprise contracts.

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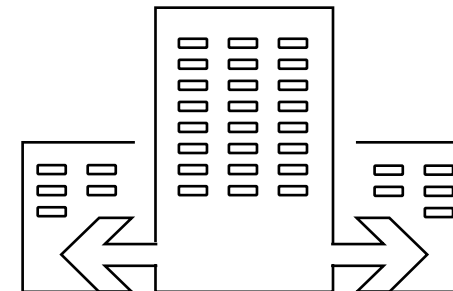
FUTURE READY, TODAY

The enterprise segment is poised for significant growth. As enterprises embrace digital transformation for both their operations and the services they deliver to customers, they need technology that supports rapid growth and innovation.

CSPs have an opportunity to help enterprises grow their revenue and serve their own customers, all the while providing an exceptional service experience to them. To do this, they need to innovate to offer the latest in solutions and services to their customers. Underpinning this, the imperative to optimize business processes efficiently is essential.

A SaaS, open, integrated and modular solution, CSG Encompass reduces the complexity of multi-sided, B2B2X ecosystems to enable dynamic, agile and scalable collaboration across a multitude of partners. With Encompass at the heart of an interconnected ecosystem of enterprises, consumers and partners, CSPs can differentiate themselves in the highly competitive enterprise market with a future-ready solution that enables 5G-enabled offerings that will excite customers, deliver seamless commerce and push B2B revenue growth.

Partners

Service Provider
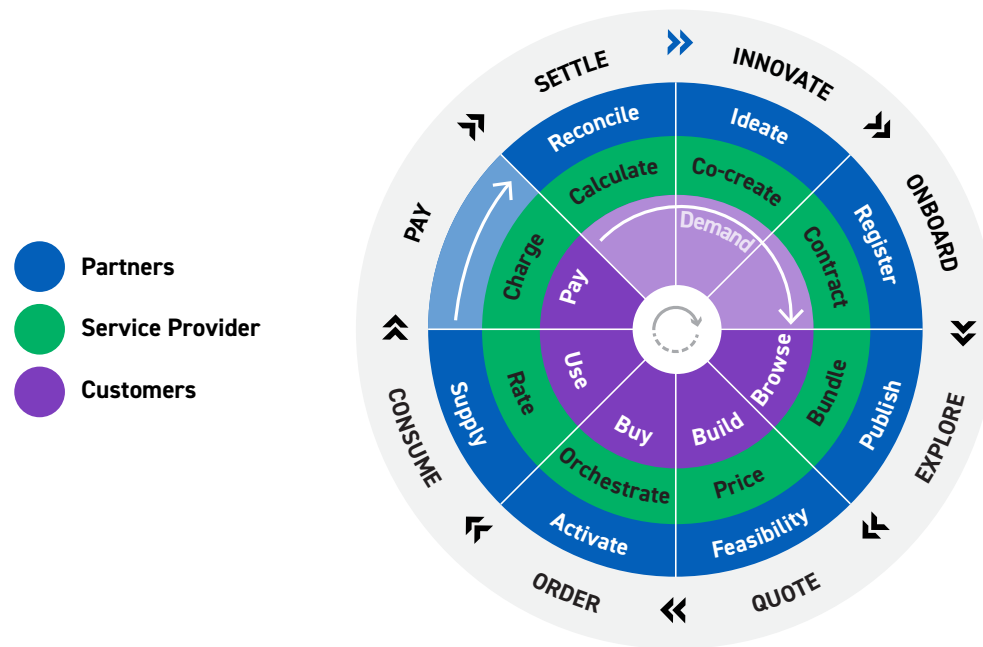
Customers

CSG Encompass is the only solution designed and built to manage multi-sided business models and unify the commerce journeys of CSPs, partners and customers.

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ABOUT CSG

CSG is a leader in innovative customer engagement, revenue management and payments solutions that make ordinary customer experiences extraordinary. Our cloud-first architecture and customer-obsessed mindset help companies around the world launch new digital services, expand into new markets, and create dynamic experiences that capture new customers and build brand loyalty. For over 40 years, CSG's technologies and people have helped some of the world's most recognizable brands solve their toughest business challenges and evolve to meet the demands of today's digital economy with future-ready solutions that drive exceptional customer experiences. With more than 5,000 employees in over 20 countries, CSG is the trusted technology provider for leading global brands in telecommunications, retail, financial services, and healthcare. Our solutions deliver real world outcomes to more than 900 customers in over 120 countries.

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