Global revenue assurance survey 2013

Delivering further value to the revenue, cost and cash agenda
Global revenue assurance survey in context
Delivering further value to the revenue, cost and cash agenda

In 2008, Ernst & Young conducted a global revenue assurance survey with more than 64 major telecom operators to assess the maturity of revenue assurance in these organizations. This survey produced valuable insights and benchmarking data, which respondents used to validate their revenue assurance strategy, organization, processes and tools.

As a follow-up and at the request of telecom operators, Ernst & Young performed another revenue assurance survey in 2009 to assess the impact of the financial crisis on revenue assurance. The survey aimed to understand how revenue assurance was reacting to the changing business environment and what the key areas of focus were.

Over the last five years, most revenue assurance functions began to realign themselves to best practices and incorporated a robust revenue assurance control framework.

Ernst & Young has now conducted a further survey to determine the key areas of improvement that exist for revenue assurance functions, understand the evolution of revenue assurance functions, challenges and how revenue assurance is delivering further value into the revenue, cost and cash agenda.
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Executive summary

1. New services provide a new challenge and increased risk.

Operators continue to be more dependent on revenue growth from new data services. Positioning RA to meet this changing revenue profile is key to ensuring profitable business activities.

2. Opportunities in revenue assurance still exist.

Telecom operators continue to lose billions of dollars every year due to revenue and fraud leakage. This coupled with a stagnant growth environment and falling margins provides a strong business case for revenue enhancement activities.

3. Need for improved coverage of revenue from new revenue streams.

New revenue streams continue to grow as a percentage of overall operator turnover. RA must focus on improving its coverage of revenue streams focusing on new data services to remain aligned with the industries strategic direction.

4. Difficulties in recovering the identified leakages.

Across all geographical areas, over half of identified leakages were not recovered. It is important to have a cross-function mandate to recover revenue wherever possible. These require strong executive sponsorship.

5. Balance required between control execution and identification of incremental opportunities.

Telecom operators need to find a balance between control execution and new opportunities identification. As new services develop, identifying new areas of opportunity will be increasingly important to overall profitability.


New service assurance is less dependent on traditional switch-to-bill activities. RA needs to expand its scope up and down the revenue cycle to ensure that it can meet the challenge of assuring these services.

7. New skill sets required for the next round of challenges.

Most respondents believe that churn management, intelligence and data analytics are the three most important skills they will need for the next round of challenges facing revenue assurance.
Profile of participants

58 leading telecom operators including major global players and regional leaders

Europe
- Belgacom (Belgium)
- KPN Group Belgium (Belgium)
- Mobistar (Belgium)
- Tango (Luxembourg)
- Telenor Norge (Norway)
- And 18 additional Telecom operators*

North, Central and Latin America
- Batelco (Bahrain)
- Emirates Integrated Telecommunications Company (UAE)
- Zain (Kuwait)
- And 15 additional Telecom operators*

Africa, Middle East
- Belgaicom (Belgium)
- KPN Group Belgium (Belgium)
- Mobistar (Belgium)
- Tango (Luxembourg)
- Telenor Norge (Norway)
- And 18 additional Telecom operators*

Asia and Oceania
- CMPak Limited (Pakistan)
- Mobilink (Pakistan)
- Telenor (Pakistan)
- And 10 additional Telecom operators*

Participants' geographic location

- Europe: 43%
- Africa and Middle East: 22%
- North, Central and Latin America: 5%
- Asia and Oceania: 29%

Participants turnover

- Less than US$ 100 million: 14%
- US$1 billion to US$10 billion: 6%
- US$10 billion or more: 43%

* These operators requested to remain anonymous.
Introduction - a changing environment makes RA a key investment for operators

Key findings:
► Operator profitability is under pressure. Legacy revenues from voice and SMS are stagnating while data service growth leads to lower margins.
► Data will rise from 20% of global mobile revenues in 2008 to 36% in 2015, leading to greater reliance on a currently less profitable revenue stream.
► New competition from non-telco industry participants is increasing the pressure on margins with Over the Top (OTT) becoming increasingly prevalent.
► Revenue cannibalization in mobile has historically been driven by VoIP but now SMS is seen under pressure from the rise of mobile IM:
  ► WhatsApp and Viper have witnessed strong take-up among youth smartphone users
  ► Factors affecting SMS substitution include penetration of bundle packages, messaging platform interoperability, customer inertia
  ► In the enterprise market, instant messaging is finding favor as an alternative to email that boosts productivity
► Operators face major decisions on resource allocation with enhancements in network, customer operations and service launch all competing for capital injection.
► Given this backdrop, RA teams need to make a greater case for continued investment in RA activities. A changing revenue landscape and the need to assure greater margin from new services while continuing to squeeze legacy streams appears to be a strong case for management to consider.

Effect of data growth on revenue and margins

Data to eat into higher voice and SMS margins

► Data services currently account for lower margin contribution than voice and SMS.
  ► 20-30% from data with more than 70% and 45% from SMS and voice services, respectively.\(^1\)
  ► A telco's overall margin is estimated at around 45-50% in 2011\(^1\)
► Significant increase in data traffic projected and rise in contribution of data to telco revenue mix to result in:
  ► Lower overall margins for telcos below 45%.\(^2\)
  ► Potential revenue cannibalization due to free data-centric over-the-top (OTT) applications

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2. Asian CFO Roundtable, GSMA Mobile Asia Conference, November 2011

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Context
Potential revenue and fraud leakage from the industry remains significant even as margins are pressurized

Q. What do you estimate your revenue and fraud leakage to be?

Key findings:

► Opportunities for improvement remain - close to one third of operators (30%) estimate their revenue leakage to be 1% or more of their total revenues.

► Globally, 65% of respondents estimate their fraud leakage to be less than 1%, while 14% of respondents admit to bearing fraud leakage between 1%–5% of their revenue.

► In an environment of pressurized margins and stagnant revenue growth, greater focus on revenue assurance projects can be beneficial to the bottom line.

► Visibility and transparency of leakage remains a concern. 5% of respondents can't assess their revenue leakage and over 20% of respondents can't assess fraud leakage. Even for those operators who can assess some portion of their losses, it is likely that 100% visibility is not yet attained.

► Based on a weighted average of the leakage percentage reported by the respondents in our survey, the global industry continues to lose 1.1% as revenue leakage and 0.6% as fraud leakage every year, costing the industry approximately US$23b per year.

Lessons learned

► As measured revenue and fraud leakage reduces, further investment in RA processes and tools becomes subject to greater scrutiny by the CFO. Keeping an organization's focus on assuring revenue streams can become a challenge in mature operators.
Emerging markets still suffer highest revenue and fraud leakage but how leakage is measured remains key

Q. What do you estimate your revenue and fraud leakage to be?

Revenue leakage (RL) – regional view

Key findings:
► Africa, Asia and Oceania show the highest proportion of operators bearing revenue leakage (i.e., above 2% of total revenue). In addition one-tenth of this year’s respondents from Africa admit revenue leakage of up to 5%. Asia and Oceania also show that over 15% of respondents are not equipped to measure revenue leakage.
► On average 10% of the respondents from each region do not have the means to assess fraud leakage.
► Africa is the only region where operators estimate their fraud leakage to be over 5% of their revenues.
► Measuring leakage remains inconsistent across operators and there is little alignment of lowered revenue leakage with identified maturity.
► Operators who identify higher levels of leakage may consider themselves more mature since they have increased visibility of leakage across revenue streams.

Identified leakage by maturity level

Lessons learned
► Emerging markets, where new products and services are being introduced rapidly, are more prone to higher leakage. There is often greater tolerance for higher leakage in rapidly growing markets with assurance processes being sacrificed for time to market. In developed markets, greater scrutiny is put on revenue enhancement as growth slows.
Although the nature of the leakage plays a role, recovering identified revenue leakage is still a big challenge

Q. What percentage of overall leakage and opportunities identified last year was recovered?

Key findings:

► On average, only 45% of the identified leakage was recovered globally, with Asia and Oceania at the bottom of the list in recovering the identified leaked revenues.

► Mature developed European operators responded differently to this question highlighting that perhaps the specific type of leakage manifested impacts the recovery process.

► Based on the weighted average of responses, our estimates indicate that telecom operators were unable to recover US$9.6b of the identified revenue leakage in 2011.

► A number of issues potentially lead to a significant gap between leakage and recovered revenue:
  ► Not all revenue leakage is recoverable. i.e. some fraud leakage is unrecoverable
  ► There may be business decisions taken that lead to leakage occurring. Telecoms tend to be marketing driven functions and some business choices may prioritize market share or speed to market over revenue leakage
  ► Processes and tools are not mature enough in some operators to recover leakage. In some cases, identification processes often lead recovery processes

Lessons learned

► The nature of identified leakage is key to its recovery. However, it is important to have resources focused on timely resolution of the issue and recovery of the revenue. Strong Executive sponsorship is needed to drive recovery especially where non-RA resources need to be prioritized.
Revenue assurance scope to be deepened across the revenue streams

Q. What percentage of your company’s revenues is covered by your current revenue assurance control activities?

**Key findings:**

- With the advent of new services, especially data, new revenue streams are being added to operators P&Ls. RA needs to have a plan to address these given projected future growth rates.
- On average, 30% of an operator’s revenues are not covered by RA activities.
- Coverage of revenue streams should be considered a key metric for RA functions. Greater coverage offers incremental opportunities for RA functions and focus on delivering revenue enhancement.
- Coverage is dependent on scope within the revenue cycle as well as breadth across revenue streams. Mature, high performing RA functions will consider this a key goal.
- Lack of coverage calls into question any estimate of leakage – by definition there is a visibility gap that needs to be addressed before estimates of leakage can be accurate.
- In spite of low coverage of revenue, many operators claim to have a revenue assurance maturity of 4 to 5.

**Lessons learned**

- There is clearly room for improvement for revenue assurance to spread its coverage across all revenue streams. As new services develop, a plan to increase coverage is critical to RA improvement. Data services are the future of the industry and covering these is imperative to business profitability.
New services
Revenue assurance starts to gear up for the next generation of telecommunication services

Q. Which of the following offerings impact your current revenue assurance scope the most?

Key findings:

► New services are driving a step change in the telecommunications industry. The services bring new impacts on revenue assurance, which legacy revenues being slowly eroded and replaced with new data-driven services.

► A majority of survey respondents believe that the next generation of telecommunication services has already started disrupting existing setups and brings new challenges to revenue assurance.

► Services bundling and data and content services have already impacted revenue assurance by opening up new areas of leakage (e.g., revenue share, profitability).

► In addition, most respondents believe that mobile money, cloud-based services and mobile app stores are expected to bring new revenue leakages and fraud threats to telecom operators.

“\textit{I see the next area of challenge in our situation being in data, with the multiple business models and products available, as well as the next generation of products like mobile money. Further, RA is expected to act more and more as a business partner to help improve margins. In many cases there isn’t enough bandwidth to deal with this (tools and some form of centralization would help) and skill sets need to be enhanced to deal with this challenge.}”

Head of revenue assurance, Africa

Lessons learned

► Next generation services are changing business models rapidly causing significant upheaval for RA activities. RA has to adapt to these challenges by getting involved earlier in the product process and widening the scope of where RA adds value. Cost reduction, cash improvement as well as customer metrics become key activities.
As new services develop, RA activities will need to become more involved in the end-to-end product life-cycles

Q. Which areas are part of your current revenue assurance scope?

Key findings:

- Revenue assurance functions remain focused on the traditional switch-to-bill element of telecoms revenue streams. This potentially highlights an unpreparedness to deal with revenue streams from new services and business models.
- Dealing with channel partners, management of customer choices and working with order provisioning are likely to be key for new services and operators appear to only be partially covering these areas of the revenue cycle.
- The survey shows RA less likely to be involved in cash related activities. This may be due to collections functions being created and operated separately for a number of years.

Lessons learned:

- RA needs to expand their scope in order to keep up with the changing nature of service business models. Some examples of new areas impacted:
  - Cloud - partner management
  - Shared plans - customer acceptance
  - Tiered pricing - order provisioning
- RA has been able to move into areas of product design and offer development as a valued partner who can demonstrate key understanding of revenue processes. Areas of cash improvement remain difficult for RA to tap into, perhaps due to the establishment of large collection functions already dealing with these issues.
Revenue assurance goes beyond identifying and recovering revenue leakage especially in slower growth environments

Q. What are the other key objectives set for revenue assurance functions, other than the primary objectives of preventing revenue and fraud leakage?

Key findings:
► As operator growth slows, RA functions are moving into other areas to identify benefits. These are reflected in the kinds of objectives RA functions are asked to support.
► 43% of the revenue assurance functions that participated in this survey have margin improvement and cost reduction as their top objective after revenue leakage prevention.
► Supporting revenue recognition has become a major objective for RA functions partly due to its positioning in the Finance function and due to recovery activities that impact financial reporting.
► Improving cash flows, commercial optimization and support of regulatory requirements have become key objectives for mature RA functions.
► Customer management/retention objectives have yet to become key to RA activities – as customer behavior fragments further and drives profitability, it is likely that these metrics will also need to be considered.
► As growth continues to slow in legacy areas and profitability becomes the major operator challenge, RA will need to become more aligned to many of these other objectives.

Lessons learned
► Taking a broader view of RA adds significant value. Even moving focus from traditional switch to bill to bill to cash has delivered real value for some operators. With the advent of new services, revenue is not the only major objective to be measured. Therefore, widening the scope to focus on cost, cash and customer metrics is key to adjusting to the new environment as well as beneficial to the bottom line.

“In addition to classical revenue leakage detection, prevention and recovery, we have EBITDA, cash flow and customer-focused targets as part of revenue assurance objectives; these value-added responsibilities have helped establish revenue assurance as a strong discipline in the organization and as a key stakeholder in strategic product and operational decisions”.

Director revenue assurance, VOIP Operator
Revenue assurance scope evolves with maturity with focus shifting to areas more relevant to new services

Q. Which areas are part of your current revenue assurance scope?

Key findings:
► As operators mature, traditional aspects of RA such as network usage and rating become significantly better controlled. This allows these operators to consider moving into up and downstream focus areas.
► Operators with a lower revenue assurance maturity level (e.g., maturity level of 1–2) tend to give higher priority to core activities i.e. usage and billing activities while more mature respondents (maturity level 4–5) are more focused on areas relevant to new services e.g., Partner management, product design as well as customer management.

Lessons learned
► New services are less contingent on switch-to-bill assurance. New business models focus on tiered plans, partnership agreements, content and customer analytics which means that RA needs to shift focus away from core activities and into new areas. These ultimately deliver greater value to the assurance of new services.

"Due to the competitive market the chances of revenue increase is not very much. However companies have to control their cost and margins in the offered products. RA role is expected to be changed through evolving its functional scope to “business assurance”. New scope will help the company in increasing the profitability and to control the costs which eventually lead to maintain its existence in the market”.

Revenue assurance director, Asia
Structuring
Group wide synergies and shared service centers are beginning to bring efficiencies to RA

Q. Have you started to realize the benefits of centralization/outsourcing for some of the key revenue assurance tasks?

Key findings:
► Telecom operators have started to benefit from the synergies of group-wide revenue assurance efforts through shared service centers from increased efficiency and effectiveness of task execution.
► For more than 70% of respondents, end-to-end provisioning reconciliations, rating and billing validation and interconnect invoice validation are activities that fall mostly under the responsibility of a group shared service center.
► On the other hand, 50% of respondents are benefiting through outsourcing inter operator tariff (IOT) validation for roaming, test call generation, and dunning and bad debts collections.
► Management of outsourcing partners remains a concern and requires strong contractual relationships to bring about successful implementation.
► Outsourcing may have a knock on effect on overall team knowledge. Poorly managed outsourcing relationships cause an erosion of core process/system knowledge in-house and needs to be closely managed.

Lessons learned
► As with any shared service/outsourcing activity, RA can reduce cost and widen synergies from adopting this structure. However, clear thought should be given to the components outsourced to ensure strategic and high value controls remain in-house to prevent increased risk.
Centralizing revenue assurance functions will help focus on issue resolution and leverage on shared service center opportunity

Q. Within your own organization, how would you best describe your revenue assurance structure?

Key findings:
- The trend toward centralization has increased in the past five years, with 53% of the telecom operators surveyed having a centralized revenue assurance function in 2012, compared with 40% in 2007.
- This trend in centralizing the revenue assurance function can be explained by the following benefits over a decentralized organization:
  - Centralized revenue assurance structure provides improved visibility for top management
  - Centralization helps build specialized revenue assurance skills
  - As controls become more and more embedded and automated in day-to-day operations, the revenue assurance function mainly represents a second level of control focusing on KPI monitoring, reporting and issue resolution.
  - For certain telecom operators, centralization means that shared service centers are bringing cost benefits.
  - Successful RA functions seek to embed RA controls into the organization, leaving them to monitor and analyze without performing the execution. This creates more time to focus on strategic initiatives in new areas.

Lessons learned
- Centralizing revenue assurance efforts has helped build an end-to-end comprehensive view across the organization, and efforts led by centralized revenue assurance functions have resulted in delivering greater and more immediate benefits to telecom operators.
Collaboration with the business remains a challenge when considering new services

Q. With which functional areas in your organization do you discuss your revenue assurance strategy?

Involvement with other departments and levels

Key findings:
► The survey finds RA to be highly cross-functional in nature with strategic discussions occurring across all functions. This positions RA well to drive major initiatives across the business.
► A profile issue remains, with RA unable to get significant sponsorship from C-suite levels in non-finance functions.
► In most cases revenue assurance is part of the finance function, making the collaboration with finance at all levels considerably higher compared with other departments.
► For all functional areas, revenue assurance tends to get more participation at the lower levels of the organization. While this allows RA to provide input, it does not mean prioritization of RA objectives in large business projects.
► Revenue assurance seems to be less involved in customer/sales matters than in technical, operational and financial aspects. Technical and operational functions are more aligned with core RA activities. As RA begins to focus on new services, these relationships will have to be strengthened.

Lessons learned
► Revenue assurance definitely needs to collaborate more with the business, especially around customer/sales and technical departments in order to establish a good relationship and optimal influence. These relationships are key to addressing the new challenges of data services effectively.
Revenue assurance has started to gain influence at the top however broadening sponsorship is key

Q. To whom does the head of revenue assurance functions report? What is the level of the head of revenue assurance with respect to the given positions?

Whom does the head of RA report to?

<table>
<thead>
<tr>
<th>Position</th>
<th>2012</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>44%</td>
<td>4%</td>
</tr>
<tr>
<td>CFO</td>
<td>43%</td>
<td>6%</td>
</tr>
<tr>
<td>CIO</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>CTO</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>CRO</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>23%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Key findings:
- Around half of the respondents (44%) ultimately report to the CFO, while a small percentage reports to the CIO, CRO or CTO.
- Revenue assurance has gained influence in the past five years as the percentage of revenue assurance heads at CXO-1 level has increased by 12 percentage points to 55% in total.
- Broadening the support and sponsorship for RA is key to creating greater influence. As mentioned previously, RA functions are spending less than 6% of their time with CxO levels outside of the Finance function.

“Enough management support is key in order to carry on handling changes; this is our main challenge right now”

Revenue Assurance Director, Western Europe

Lessons learned
- The championing of revenue assurance by the CEO/CFO is crucial to its success. Success depends on a wide range of business executives supporting RA activities and bringing them into key business projects.
- RA often competes with speed to market and customer acquisition as organizational challenges. Support from non-finance executives is key to ensuring RA remains a priority for the business.
Revenue assurance efforts need to maintain a balance between execution and the identification of new opportunity areas

Q. What is the percent of effort distribution of revenue assurance functions in your organization for the following areas?

**Key findings:**
- Spending less time on executing controls allows RA functions to focus more heavily on strategic analysis and root cause definitions. Strategic activities allow RA to seek revenue enhancement in a broader scope of areas.
- A balance between execution of controls and identifying new opportunities is fundamental to a successful RA implementation.
- In Africa, Asia and Oceania between 40–45% of the revenue assurance functions time is spent executing controls, which could be due to a lack of automation.
- However, in regions such as Europe and the Americas revenue assurance spends more time in root cause analysis and new control implementation. These regions typically have more mature RA functions.
- On average only 10% of time is spent on project management for new initiatives across the regions. This is possibly due to RA pushing resolution into other functions such as IT and networks.

**Lessons learned**
- RA can move to greater maturity by balancing execution activities with greater identification activities. Pushing RA execution activities into other functions such as Networks, IT or shared service centers free RA to focus on widening their scope and delivering greater value.
Revenue assurance and fraud management have reached a satisfactory level of integration or coordination

Q. How are revenue assurance and fraud management functions set up in your organization?

Level of integration between revenue assurance and fraud management

- 43%: Part of the same department, leveraging the same resources
- 36%: Separate functions with a coordinated approach
- 21%: Separate functions with limited coordination

Key findings:

- RA and fraud have traditionally seen large synergies in the activities. Operators have not always engendered collaboration between these groups.
- The survey finds that most operators are actively seeking collaboration between Fraud and RA. This manifests either as a separated function or integrated within the RA team.
- Fraud management is an integrated part of the revenue assurance function for 43% of respondents, which supports them in leveraging their skill set and tools through a coordinated approach.
- Over a third of respondents (36%) consider fraud management as a stand-alone function, but still foster a coordinated approach to managing risk.
- However, one out of five operators (21%), has separate functions and may not benefit from a coordinated approach between revenue assurance and fraud management.

Lessons learned:

- Integration of the fraud management and revenue assurance processes can help streamline information flow and improve issue resolution.
- The collaboration between revenue assurance and fraud management teams does not mean having common people in charge of both functions, as objectives and processes are different. However, a close collaboration in analyzing and resolving revenue leakage issues at a holistic level should be more efficient and can greatly improve the performance of both functions.
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People
Revenue assurance needs to invest in key skills however evolution may not lead to bigger teams

Q. How many full-time employees (FTE) do you have within your revenue assurance function? What is the percentage change in the total head count (FTE) within your revenue assurance function over the past 36 months?

Key findings:

► A vast majority of companies (67%) show a revenue assurance function with fewer than 10 employees. These companies usually show a turnover below US$5b, while companies with a higher turnover than this have revenue assurance teams from 11 to 50+ employees.

► The data shows that the range of RA FTEs for organizations larger than $US5,000 can be between 6-50 FTEs.

► More mature teams may lead to controls being embedded in other function. RA therefore, requires fewer people with greater focus on problem solving and opportunity identification.

► Revenue assurance's investment in people in Africa and Europe has increased by up to 50% and 33%, respectively, over the previous 36 months. This could be due to the expansion of services by operators in most parts of Africa and Eastern Europe, traditionally areas of lower revenue assurance investment.

► Stagnant revenue growth and the increased take up of data services, has pushed operators to maintaining their investment in RA teams to help drive revenue enhancement opportunities.

“The profile of RA professionals at present is oriented to people with strong IT backgrounds. The new challenges will require a staff with both technical and commercial skills.”

Revenue assurance director, South America

Lessons learned

► As revenue assurance functions mature over time, management have started widening their scope and objectives, becoming involved in new areas. Controls need not be performed by RA and successful RA implementation may lead to other functions taking RA control responsibility.
New skill sets are required for the next round of challenges

Q. What additional skills or experiences would be required by revenue assurance functions to embark on the next level of maturity?

Skill sets for the next round of challenges

Key findings:

► Major challenges identified by respondents include:
  ► New products e.g., Mobile banking, M2M and VoIP service
  ► Scope expansion – margin assurance, cash improvements
  ► Customer sophistication – new tariffs, unlimited data usage
  ► Greater sponsorship – widening scope

► To support this, RA skills need to be augmented. A focus on analytics and partner management are key to support new business models.

► Most respondents believe that churn management, business intelligence and data analytics are the three most important skills they will need for the next round of challenges facing revenue assurance.

► Also commercial viability and base case assessment are the other skill sets that respondents highlighted as the second priority.

► The progression of RA staff remains a concern with career path and promotion unclear within a number of operators.

“Evolve through new tools, education and additional new personnel hired.”

CTO, Southeastern Europe

Lessons learned

► New services will test the existing skill sets within RA. Like the rest of the business, RA needs to augment it’s skill base to meet these challenges. While priority is still given to skills linked to the core activities, the revenue assurance function faces the challenge of new skills that will allow identification of opportunities in new and evolving business areas.
# Ernst & Young revenue assurance maturity model

<table>
<thead>
<tr>
<th>Maturity Level 1</th>
<th>Maturity Level 2</th>
<th>Maturity Level 3</th>
<th>Maturity Level 4</th>
<th>Maturity Level 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early</td>
<td>Recurring</td>
<td>Established</td>
<td>Administered</td>
<td>Optimized</td>
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</table>

## Strategy
- **Maturity Level 1 Early**
  - No formalized strategy and limited revenue assurance influence
- **Maturity Level 2 Recurring**
  - No formalized strategy, but some revenue assurance success
  - Start to break even on return on RA investments
- **Maturity Level 3 Established**
  - Formalized strategy and influence at executive level
  - Systematically adds benefits to company’s financials
- **Maturity Level 4 Administered**
  - Formalized strategy with strategic papers and elements of group integration
  - Support in providing Cash, Cost and revenue maximization opportunities
- **Maturity Level 5 Optimized**
  - Strategy is risk-based, includes cost reduction parameters, and is integrated within group
  - Considered as a profit center in company’s contribution

## Organization
- **Maturity Level 1 Early**
  - Undefined revenue assurance structure. Limited to isolated and personal initiatives
  - Small team not focusing exclusively on revenue assurance activities
- **Maturity Level 2 Recurring**
  - Early formalization of the revenue assurance function, but with low influence
  - Skill set in development
- **Maturity Level 3 Established**
  - Defined and recognizable team focusing on revenue assurance activities
  - Availability of multidisciplinary skills. Training on an ad-hoc basis
- **Maturity Level 4 Administered**
  - Revenue assurance activities are spread into the organization and monitored by the revenue assurance team
  - RA staff have key technical skills and subject matter expertise. Training budgets are available
- **Maturity Level 5 Optimized**
  - Revenue assurance primarily undertakes a monitoring and advisory role and guides on cash and margin issues
  - RA staff also have accounting and auditing skills. Formal training and skills optimization plans are in place

## Processes and technology
- **Maturity Level 1 Early**
  - Reactive and instinct-based revenue assurance activities. Only basic revenue assurance tasks
  - Substantial manual effort and end-user computing tools only
- **Maturity Level 2 Recurring**
  - Basic revenue leakage-related tasks performed
  - Some efforts to support cash and margin improvement program
  - Automation remains fragmented
- **Maturity Level 3 Established**
  - Major revenue assurance processes covered
  - Some automated revenue assurance processes
- **Maturity Level 4 Administered**
  - All revenue leakage and fraud processes are covered
  - Major cash and margin activities covered across value chain
  - Tools are widely available
- **Maturity Level 5 Optimized**
  - All revenue assurance processes are covered
  - Revenue assurance covers revenue, cash and margin leakages
  - Optimized automation of revenue assurance tasks

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# Contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jonathan Dharmapalan</td>
<td>Global Telecommunications Leader</td>
<td><a href="mailto:jonathan.dharmapalan@ey.com">jonathan.dharmapalan@ey.com</a></td>
</tr>
<tr>
<td>Olivier Lemaire</td>
<td>Telecommunications Leader – EMEIA</td>
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<tr>
<td>Holger Forst</td>
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<td><a href="mailto:holger.forst@de.ey.com">holger.forst@de.ey.com</a></td>
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<tr>
<td>Luis Monti</td>
<td>Telecommunications Leader – Americas</td>
<td><a href="mailto:luis.monti@br.ey.com">luis.monti@br.ey.com</a></td>
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<td>Prashant Singhal</td>
<td>Global Telecommunications Markets Leader</td>
<td><a href="mailto:prashant.singhal@in.ey.com">prashant.singhal@in.ey.com</a></td>
</tr>
<tr>
<td>David McGregor</td>
<td>Telecommunications Leader – Asia-Pacific</td>
<td><a href="mailto:david.mcgregor@au.ey.com">david.mcgregor@au.ey.com</a></td>
</tr>
<tr>
<td>Masahiko Tsukahara</td>
<td>Telecommunications Leader – Japan</td>
<td><a href="mailto:tsukahara-mshk@shinnihon.or.jp">tsukahara-mshk@shinnihon.or.jp</a></td>
</tr>
<tr>
<td>Brice Lecousteay</td>
<td>Partner</td>
<td><a href="mailto:brice.lecousteay@lu.ey.com">brice.lecousteay@lu.ey.com</a></td>
</tr>
<tr>
<td>Tim Wulgaert</td>
<td>Executive Director</td>
<td><a href="mailto:tim.wulgaert@be.ey.com">tim.wulgaert@be.ey.com</a></td>
</tr>
<tr>
<td>Paul New</td>
<td>Executive Director</td>
<td><a href="mailto:pnew1@uk.ey.com">pnew1@uk.ey.com</a></td>
</tr>
<tr>
<td>Rohit Puri</td>
<td>Director</td>
<td><a href="mailto:rohit.puri@ey.com">rohit.puri@ey.com</a></td>
</tr>
<tr>
<td>Ajay Bali</td>
<td>Senior Manager</td>
<td><a href="mailto:ajay.bali@lu.ey.com">ajay.bali@lu.ey.com</a></td>
</tr>
</tbody>
</table>
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