Achieving Digital Monetization with MATRIXX

SOLUTION BRIEF

Overview

As Communication Service Providers (CSPs) search for ways to differentiate themselves, delivering digital-first customer experiences is a top priority. Early efforts focused on the discovery and purchase user journeys with real-time access to bundle consumption and prepaid balances. Increasingly, service providers are focusing on real-time and immediacy across the complete end-to-end customer lifecycle and, more specifically, the billing and payments processes. This means merging once disparate processes around online and offline rating and charging with classic billing functions such as batch recurring and one-time charge generation. By consolidating and simplifying these processes, usage-based, recurring and one-time charges are all managed and available to customers in real-time.

The result is true transparency of all incurred costs at every point in the customer lifecycle enabling a digital-first experience way beyond purchase and onboarding. It also speeds up time-to-cash for service providers and lowers billing costs, revenue leakage, disputes, and bad debt. MATRIXX Software's digital monetization solution is a real-time platform that enables this digital-first model by providing a single, converged monetization engine for all charges.

How Does Digital Monetization Work

The traditional functional demarcation between billing, charging, ordering and care is changing. Charging is assuming more charge calculation functions, while billing (and invoicing specifically) provides bill-cycle-run functions like billing quality assurance (QA), invoice generation and integration with other systems, including bill formatting and financial reporting.

The diagram below shows the shift of functions from the legacy, bill-cycle driven billing system to the real-time charging system. There is a centralization of all rating — usage, one-time and recurring. Taxes and discounts are now calculated in real-time, adding significant value to the information presented to customers during the billing cycle.
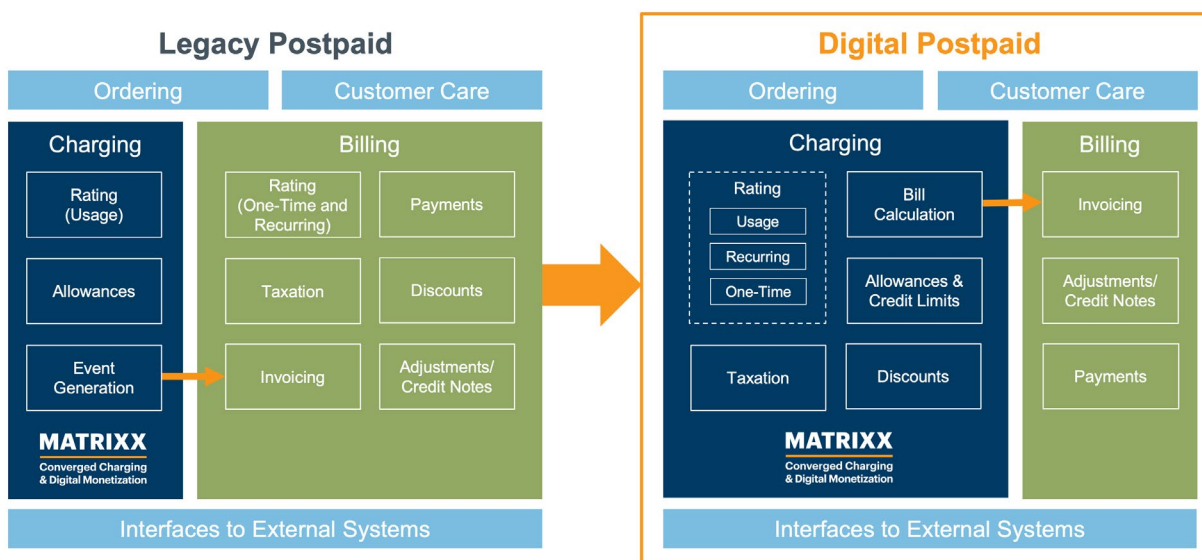

Figure 1: MATRIXX Charging Supports All Types of Charges

How Digital Monetization Improves Customer Experience and Cash Collection

A key part of digital monetization is real-time charge calculation, including taxes and discounts. Charges are calculated when incurred. For an existing plan, the monthly charge is calculated at the start of the bill cycle rather than the end, and this could be any charge including for subscriptions, contracts or devices. For one-time activities like a game boost or a new or changed plan, the charges are calculated when ordered. This is how service providers can achieve transparency and immediacy, giving the customer their up-to-date spend visibility at all times, and giving care staff the same visibility. By calculating all charges in real-time, service providers are improving how fast the bill is generated, and therefore, cash is collected, with some validation and QA activities undertaken throughout the period, reducing the end-of-cycle load. And overall, the bill cycle process is simpler as it just needs to process charges already created and passed to it.

The principle of immediate charge calculation versus the traditional, typically end-of-month, bill-cycle batch calculation is illustrated below:
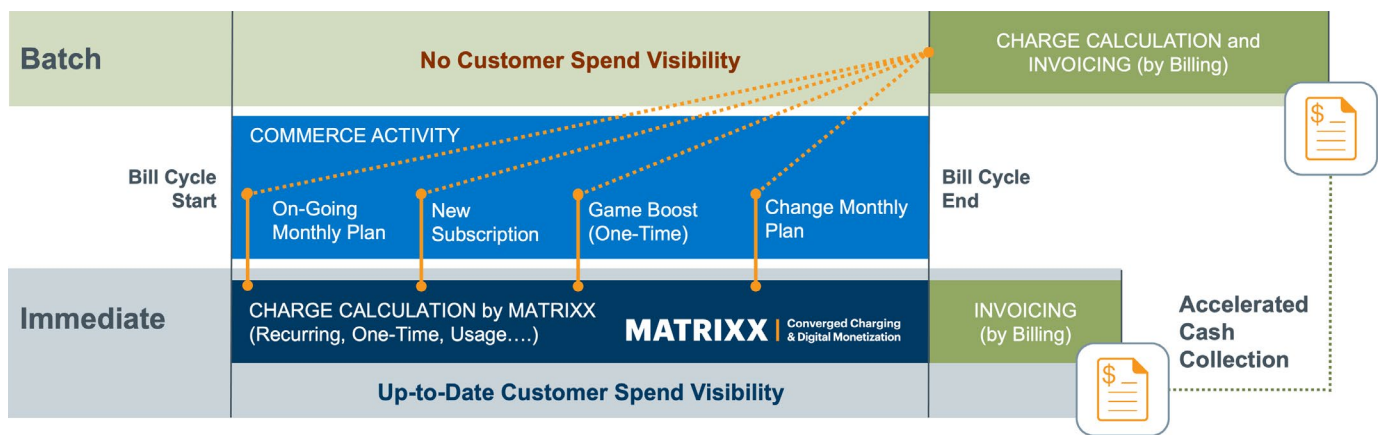

Figure 2: MATRIXX Immediate Charge Calculation

Most legacy billers use their own pricing service to calculate charges, while the commerce system uses a different one in the quotation phase, leading to potential discrepancies between the quote and the bill. The MATRIXX pricing service (using Advice of Charge) is immediate, and any commerce system can use it in the quotation phase by integrating with ordering to provide the quote, including tax. This guarantees the quote given to the customer is identical to the actual charges they will be billed by integrating with billing to provide the charge calculation, including tax and proration, further differentiating the customer experience.
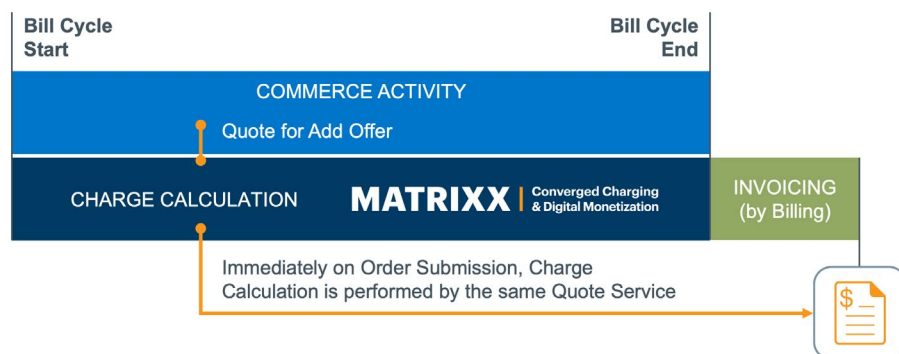

Figure 3: Using MATRIXX Advice of Charge as Centralized Quotation Service

Expanding this capability to calculate first bill charges with proration logic reduces first bill shock. It also provides an accurate and current unbilled spend position of one-time, recurring and usage charges, which gives the customer transparency and control. With charges calculated and visible immediately, rather than at bill-cycle, billing care is improved, allowing credit on unbilled charges and issues to be rectified quickly. Customers control their own threshold limits and real-time triggers generate these and other notifications delivered to their choice of channel.
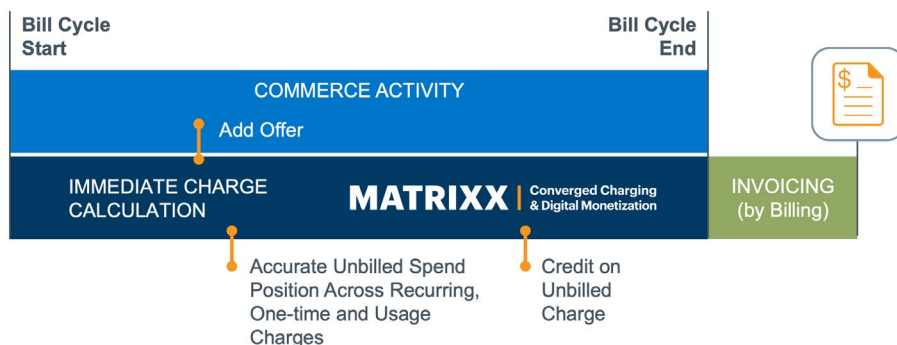

Figure 4: MATRIXX Unbilled Spend Position

Calculating all charges immediately makes it possible to also charge the customer instantly by credit card (or any digital payment) outside of the billing cycle — known as the off-cycle-bill subscription or Netflix model. The CSP has the control to decide which charges will be paid on-cycle-bill or as a subscription, and if the customer can choose how to pay. Subscription charges paid off-cycle-bill are passed to a payment gateway for immediate digital payment.
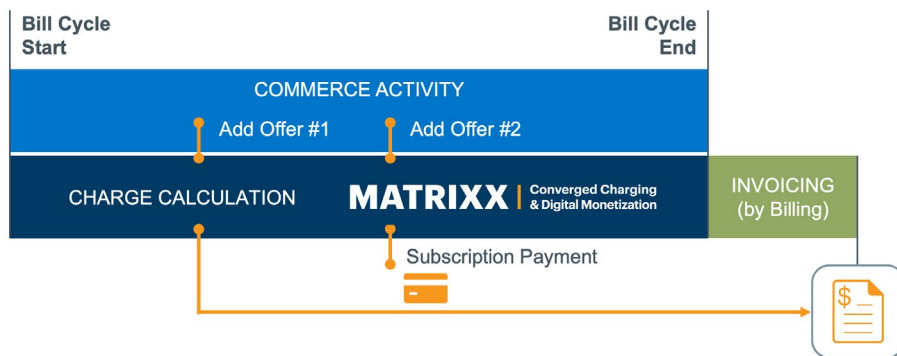

Figure 5: Convergence of On-Cycle-Bill and Subscription

Compelling Scenarios Utilizing Digital Monetization Capabilities

Digital Layer Consolidation Project

In the case of modernizing and consolidating ordering, care and channel systems, digital monetization reduces the number of order notification interfaces from two to one (per the example below). But even more importantly, digital capabilities that are extremely desirable are provided by MATRIXX out-of-the-box, including quote, estimated bill, spend triggers and others as illustrated below. Lastly, there is no need to use either a legacy or new dedicated charging and billing suite for subscription-based services.
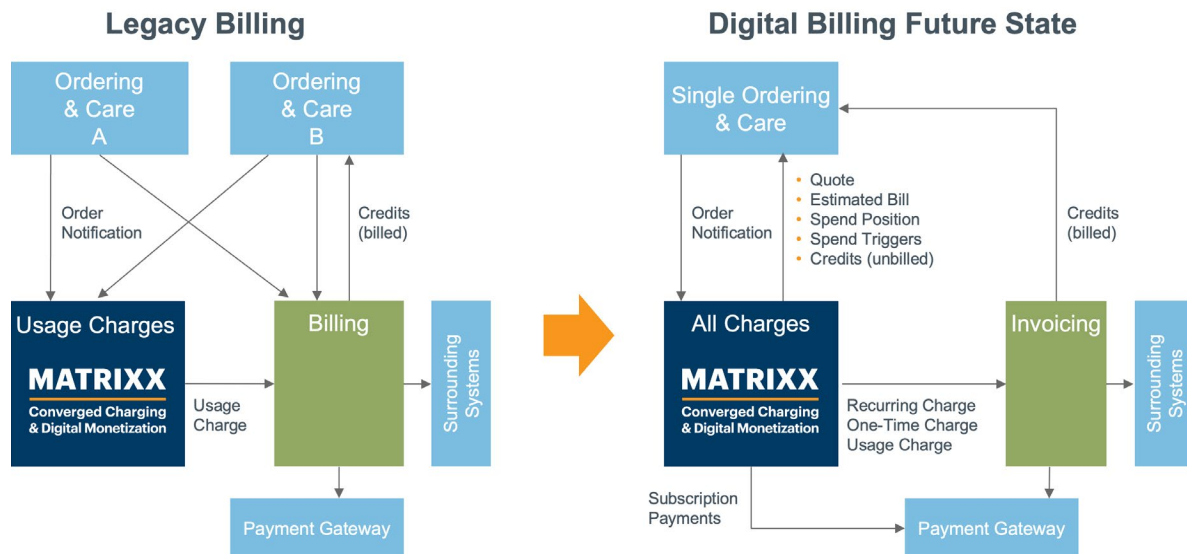

Figure 6: Digital Monetization Role in Digital Consolidation Projects

Billing Consolidation Projects

Consolidation projects of multiple billers are often aimed at total cost of ownership (TCO) reduction. The problem is that over the years, complex bill-cycle practices, QA, were created as well as interfaces to surrounding systems and financial reports. Replacing them poses a risk of periodic revenue leakage, inaccurate financial reporting and decreased level of customer satisfaction until all issues are resolved.

Digital monetization provides a balanced approach between TCO reduction and risk reduction. Charge calculation functionality is moved from all the legacy billers into one modern cloud-based platform; legacy bill-cycle practices, interfaces and financial reports stay as-is until there is a compelling event to consolidate as well.
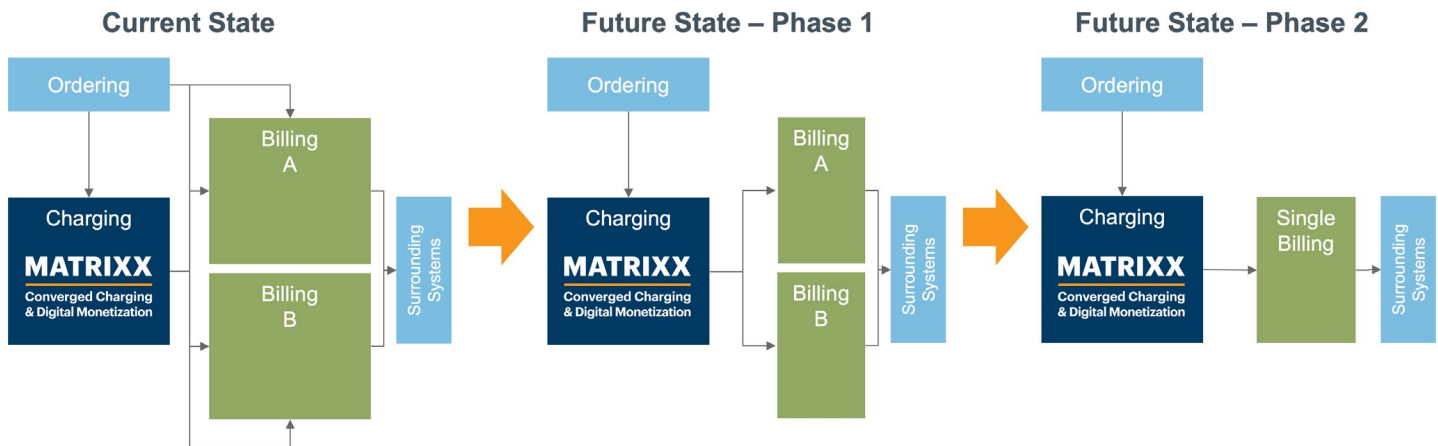

Figure 7: Digital Monetization Role in Billing Consolidation Projects

Mergers and Acquisitions

When two CSPs merge, MATRIXX allows current offers sold to the market by the different charging and billing systems to be rapidly recreated in a unified catalog and charging system, including the digital monetization capabilities.
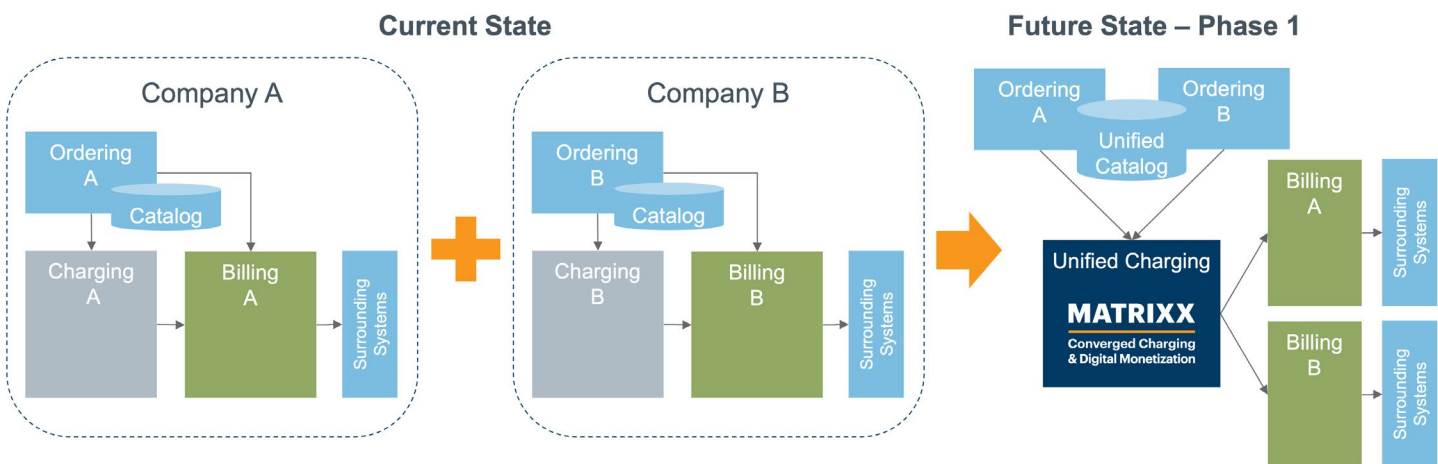

Figure 8: Digital Monetization Role Post M&A

MATRIXX Software's Digital Monetization Solution Is Unique

The MATRIXX digital monetization solution uniquely solves the challenges of inflexible, costly and siloed billing platforms and processes with a single charging and monetization engine that can calculate all usage, one-time and recurring changes for any service in real-time. The charge records are then passed to the billing or financial system "invoice ready." This delivers the digital-first experience customers demand today and provides the transparency needed to prevent customer confusion, disputes and churn. The shift to digital monetization is a fundamental step of digital transformation that achieves a more cost-effective and dynamic system architecture underpinning the modern digital telco.

About MATRIXX Software

MATRIXX Software delivers a modern converged charging and digital monetization solution proven at scale. Global operators like Telefónica and Telstra, IoT providers like Tata Communications and network-as-a-service (NaaS) providers like DISH rely on the platform to overcome the limitations of traditional Business Support Systems (BSS). With MATRIXX, service providers can rapidly configure, deploy and monetize personalized, innovative offerings. Its cloud native platform delivers accurate, real-time information that improves customer engagement. MATRIXX enables commercial innovation and real-time customer experiences that drive revenue and growth opportunities across multiple markets.

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