

The Power of a Platform-Centric Approach to Monetization

Optimizing Revenue Management

With the growing adoption to 5G and cloud native networks, telecommunications solution vendors need to fundamentally rethink their go-to-market strategy to better align with their customers' digital operating models. A monetization and billing solution that truly supports critical digital capabilities requires a different approach not only from a technology perspective, but also in the way software vendors do business.

Over the past decade, most monetization vendors' business models have not kept pace with today's critical requirements. Most telco software vendors still rely heavily on selling services to customize their solutions and generate returns on their investment, leaving their customers holding the bag to fund their platform evolution.

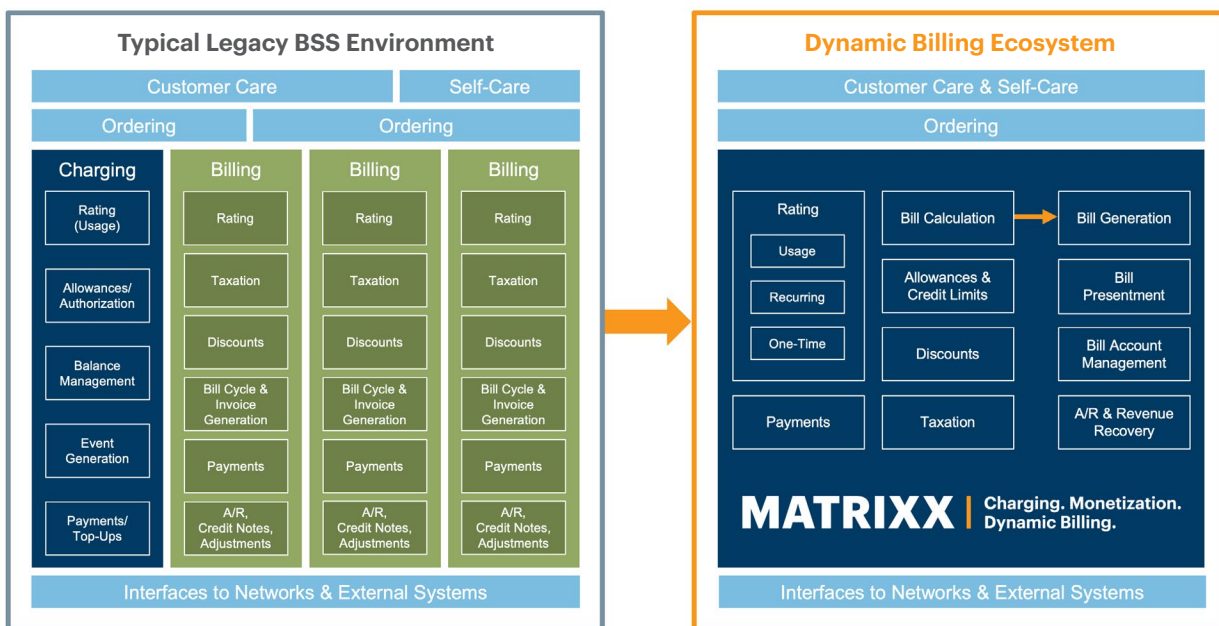
This creates two problems for telcos. First, it destroys business agility since it requires a negotiate-develop-test-deploy cycle before a new service can be launched and monetized, a process that can often take months. Secondly, it results in a more complex and customized version of the solution over time, making it extremely difficult to upgrade or leverage innovations and developments from different projects.

The MATRIXX Software Approach to Monetization

MATRIXX Software's approach to monetization is unique. The company was founded on the principles of building and delivering an integrated data and logic architecture to meet limitless monetization needs. This goes well beyond the basic rating, charging and legacy billing functions of other vendors by unifying market-leading capabilities on one real-time platform that delivers and processes all charges and payment methods across all business segments in one place.

The MATRIXX Dynamic Billing solution delivers operational autonomy, putting the power of local decision-making in the hands of the telco's technology teams, not the vendor. Gone are the six-month delays for vendor custom feature development, hidden change request costs, lost market opportunity and the ensuing friction between the telco's technology, commercial and leadership teams.

Legacy BSS vs. MATRIXX Dynamic Billing



Most BSS vendors today generate 70-80% or more of their total revenue from customization services, and they are only profitable through consistent change request projects. Their initial solution consists of a development framework, often positioned with a small number of prototype use cases that are "lab test" quality rather than production-ready.

History has shown that, as soon as any adaptation or change is required to these use cases, it can take months of development effort via change requests before they can be made operationally live, leading to delay, frustration and lost opportunity. The shortcomings of this approach have been repeatedly manifested when customers have requested initial, competitive proof-of-concept projects to be delivered on very short notice. In every one of these instances, the MATRIXX Dynamic Billing solution has delivered to every requirement within 24 hours.

Legacy vendors with development framework approaches fail to deliver.

Five Key Reasons to Consider MATRIXX Software

The feedback from telco technology teams deploying MATRIXX at the heart of their monetization strategy can be summarized as follows:

1. Empowering Operational Autonomy

Cost control and rapid time to market remain omnipresent business requirements. Telco network and IT teams are being pushed hard by their commercial counterparts to get services out to market quickly and not be seen as revenue “blockers” as they wait for vendor change requests to be initiated. To achieve this, technology teams need the operational autonomy to launch and monetize services quickly on their own.

In demonstrations of the MATRIXX solution, network administrators were “blown away” (their words, not ours) by how quickly new offers and services could be configured and launched—in many cases, less than 48 hours. The product-centric nature and out-of-the-box configurability of the platform are at the heart of this. With many of our customers, this has given them the confidence to operate their MATRIXX implementation independent of the MATRIXX team, resulting in true operational autonomy.

2. Cloud Native Support

Most billing and charging solutions on the market today are refactored, monolithic software systems that are positioned as cloud native but, in fact, lack true microservices flexibility and scaling characteristics, resulting in major project bottlenecks and delays. Re-engineering monolithic systems consisting of a series of non-integrated components into a true cloud native solution is a non-trivial task, at best requiring a major engineering redesign and, at worst, being completely unfeasible. Meanwhile, cloud native “vaporware” solutions have cost telcos heavily in terms of delayed market entry and increased, unforeseen fees.

The MATRIXX solution was engineered from the beginning to be modular and extensible, with a microservice-centric, cloud native architecture deployable on a range of bare metal, private and public clouds. The software is deployed on Kubernetes using 100% native controls and without plugins or external provisioning overlays. This is made possible due to the platform’s inherent microservices design—even with the inclusion of stateful in-memory database components—and is achieved through the use of Deployments and the Operator Framework. The result is a powerful combination of flexibility, scalability and portability using industry-standard, cloud native containerization and orchestration technologies that run on a wide variety of infrastructures.

Customer Success Highlights

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Orange Poland



Orange Romania



The MATRIXX solution is currently certified on and operating in the following cloud native architectures: Google GKE, Amazon EKS, Microsoft Azure AKS, Red Hat OpenShift Container Platform and VMware TKG. MATRIXX also offers an Embedded Kubernetes option, including services and support for telcos without cloud native expertise.

Notably, MATRIXX was the world's first monetization solution to run on Google's Confidential Cloud Computing service—an important consideration for telcos that want to capitalize on the flexibility of cloud deployments for their revenue management solutions but also have to meet stringent national security requirements before doing so.

3. Real-World 5G Experience

5G remains a key growth opportunity area in both B2C and B2B for telcos. In order to fully explore these 5G revenue opportunities, telcos must break free from the slow, customized development timelines of legacy vendors. Given the focus on delivering returns on the capital invested, 5G-ready monetization is a key requirement.

MATRIXX Software was an early pioneer of 5G charging systems. It was the first monetization vendor to demonstrate a working 5G Converged Charging System (CCS) and, today, is the Chair of the 3GPP SA5 charging working group. Since shipping its first 5G CCS capabilities (based on 3GPP R15) in 2019, there is now support on the platform for R16 and R17 functionality, with R18 being implemented.

Currently, MATRIXX supports key 5G standalone core SBA interfaces to the Session Management Function (SMF), Policy Control Function (PCF), Network Data and Analytics Function (NWDAF), Access and Mobility Function (AMF) and Network Exposure Function (NEF). This enables telcos to develop new monetization ideas and use cases across B2C, B2B, IoT and B2B2X 5G-centric opportunities—one monetization platform for all business segments.

MATRIXX has firsthand, detailed experience integrating its CHF interface into a number of the leading 5G standalone core vendor platforms. Publicly declared customers that have deployed MATRIXX within a 5G standalone core network include TPG Telecom, Telstra, Telefónica O₂ Germany and DISH.

4. Cost Flexibility and Control

The MATRIXX pricing model is “SaaS-like” but with the added benefit of software ownership and the option of autonomous deployment for the telco. MATRIXX software is licensed on a subscription basis over a fixed period of time and includes full access to the complete set of product capabilities, including new versions, updates and support, just like a SaaS offering. In addition, advanced features such as prioritized promotions, balance sharing and bundled discounts are already activated and can be configured by the telco to meet their specific needs.

Customer Success Highlights

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There are several important benefits to this pricing model:

Eliminate expensive change requests.

There are many factors that can cause a solution to run over budget and off schedule. If the vendor has already collected the perpetual license value and is now racking up additional revenue for change requests and project extensions, their business model runs counter to the telco's interests. The MATRIXX model turns that around by charging a set license fee annually for the solution. Instead of being forced to sign expensive change requests to make forward progress, cost is pre-determined, and MATRIXX is incentivized to deliver any necessary enhancements as quickly and efficiently as possible.

Unlimited innovation.

MATRIXX customers have access to new capabilities that MATRIXX continually builds into the product, even if the customer didn't originally request the enhancement. Since development efforts are leveraged across the entire customer base instead of being project-specific, MATRIXX focuses on innovating constantly ahead of industry trends and emerging business models. Customers automatically participate in both driving and benefiting from product enhancements. MATRIXX has also invested in making the upgrade process manageable, with key capabilities like fully automatic data migration and guaranteed API compatibility.

Continual value creation.

Perpetual licenses generally require a telco to pay for the entire license up front and only pay annually for support. In contrast, MATRIXX license costs are spread out over the life of the relationship, so MATRIXX is highly motivated to continue providing value year over year to ensure customers renew their subscriptions.

The advantages of this approach cover both operational and financial considerations. A product-centric approach, by its nature, will offer a lower total cost of ownership (TCO) over a period of time. Clear Consulting modeled a comparison between the MATRIXX Software approach and a legacy services-led approach based on a five-million-subscriber telco over a five-year period. **Their findings suggest a saving of 26% or up to \$10 million in TCO over that period for MATRIXX.**



Customer Success Highlights

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Zain SA



Zain Iraq



One.NZ Consumer



One.NZ Enterprise



5. A Complete Platform

Platform business models have become increasingly important and interesting to telcos due to the ease of extensibility, cost efficiency and the operational benefits of a “deploy once, use many” model. The complete platform-in-a-box nature of the MATRIXX solution offers those same benefits in a strategic monetization engine. MATRIXX customers use the MATRIXX solution to deliver B2C, B2B, wholesale B2B2X and IoT services from the same product, leveraging the same extensible database and data model.

Other vendors offer a “platform” solution that relies on third-party databases and billing systems in order to replicate the same functionality that MATRIXX offers. In reality, these solutions are complex, expensive and fail to deliver the agility, flexibility and operational autonomy that telcos crave.

MATRIXX was designed from the ground up to be much more than a standard online charging or converged charging system. Its inherent platform nature and the company’s years of experience in commercial feature development put it well ahead of the competition. For example, the MATRIXX solution even features secure logical partitioning and multitenancy for wholesale MVNO/MVNA/MVNE applications as well as fixed network deployments.

The Future Is Dynamic Billing

MATRIXX Software believes telcos need to fundamentally change their revenue management model in order to grow sustainably. Postpaid billing is a *revenue collection* model that has hardly changed in 20 years and offers no differentiation. A far more dynamic, on-demand and real-time model is required, one built on the principles of *revenue generation*. The question is: can current billing architectures really adapt, and if not, what is the path forward?

That path is MATRIXX Dynamic Billing, the transformation of billing and revenue management. Dynamic Billing unifies all rating, charging and billing into a single solution for all usage and non-usage charges for all customer types, networks, payment methods and lines of business. This provides customers with real-time access to their services, balances and transactions, delivering the digital-first experience expected today with instantly available and accurate data and end-to-end self-service capabilities.

While billing system consolidation can deliver some efficiencies, this approach still leaves the telco with a traditional, often outdated approach to revenue management processes. Dynamic Billing transforms utility-style billing and collections processes into active on-demand engagement that will drive more revenue while simplifying and improving how customers buy, use and pay for products and services.

“Partnering with MATRIXX will provide us with one of the best monetization solutions for our next-generation network and services. It’s one of the best technology solutions for meeting our evolving needs as we strive for new and better ways to connect customers across our rapidly expanding 5G network and offer whatever businesses and customers want next. MATRIXX will help reduce our operational costs and improve our products at a faster pace than traditional software, with a step change improvement in our delivery efficiency.”

Hesham Fahmy
Chief Information Officer
TELUS

MATRIXX Dynamic Billing is being adopted by leading telcos who recognize that change is needed to drive innovation with simpler, more dynamic revenue generation processes that can be reused and adapted across the business.

A Call to Action

The fast-changing dynamics of the telecommunications market dictate a need for telcos to constantly review strategy and operational readiness for new opportunities. Predicting the future is impossible, but preparing for that change through an approach that is flexible, adaptable, agile and, crucially, gives telcos the autonomy to make rapid local decisions is paramount.

Decisions made on monetization systems within the past few years may now be due for review and re-assessment. Monetization solution choices made in the past few years are likely due to be reviewed and re-assessed. Given the increasingly competitive and dynamic nature of the telecommunications market, there is an opportunity for technology teams in telcos to consider a different approach, one that fundamentally delivers a best-in-class solution to a broad range of monetization needs, both now and in the future.

MATRIXX Software Is Ready to Help

Learn more about the **MATRIXX Dynamic Billing Solution**.

“We are committed to achieving a new level of operational efficiencies and enabling innovation across the region. The MATRIXX solution is uniquely capable of delivering both cloud native capabilities and a TM Forum, ODA-compliant digital business architecture to realize meaningful efficiencies across our operating companies. MATRIXX also delivers unmatched business agility so we can maintain and extend our market-leading position in the Nordics with new customer propositions and enhanced experiences.”

Ville Virtanen
Acting SVP and COO
Telenor Nordics

About MATRIXX Software

MATRIXX Software delivers a dynamic billing, monetization and charging solution proven at scale. Global service providers like Telefónica, IoT providers like Tata Communications and network-as-a-service providers like DISH rely on MATRIXX to overcome the limitations of existing billing applications. MATRIXX provides a unified platform that transforms and simplifies billing operations across consumer, enterprise and wholesale businesses. With MATRIXX, operators can rapidly configure, deploy and monetize personalized offerings, enabling commercial innovation and real-time customer experiences that drive revenue and growth.

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