

Reimagining the Small and Medium Enterprise Opportunity

With consumer markets relatively flat, the growth spotlight of telco executives and shareholders is focused on the enterprise market. With B2B business expected to contribute some 50% of telco revenue by 2025¹ the question is where will that growth come from?

At well over 50% of the overall enterprise market, the small and medium enterprise (SME) represents the largest growth opportunity for telco, yet has been persistently underserved. Time-poor in nature, often with no IT department and a propensity for OPEX-financed, managed ICT services, SMEs should represent a recurring success story for telcos.

Bridging the commercial chasm between today's reality and that latent high growth opportunity requires a new approach from telco to the delivered experience. This new approach should be predicated on a dynamic,

digital engagement strategy that delivers the win-win of informed real-time business decision making for the SME, enabled by commercial transparency, accuracy and self-help control. That is matched to breakthrough portfolio economics for the telco and driven by increased service lifecycle spend, massively reduced cost to serve, improved cash flow and reduced bad debt risk.

Expediency in bridging that chasm is a clear, strategic imperative for telcos.

¹ Source: TM Forum

The Consumerization of the Small and Medium Enterprise

Advanced digital deployments in the consumer segment have shown the wisdom of elevating the delivery of a feature and function-rich experience to the same level of importance as service portfolio and pricing.

The lessons learned from those deployments to millions of customers are the lasting benefits of self-help simplicity and consistency, real-time commercial transparency, accuracy and putting the customer in control of the experience — all salient and directly applicable to the SME.

Delivering a Game-Changing Digital Experience

The current postpaid, monthly billed commercial model for SME-managed services offers limited to zero differentiation for telco. Lacking dynamism and flexibility, it's a model born of a different era, not suited to today's on-demand digital world. According to a survey of over 250 SMEs conducted by Analysys Mason in February 2022 on behalf of MATRIXX Software, the top two factors rated highest in the commercial engagement with telcos were access to "transparent and commercial engagement where spending and usage can be tracked in real-time" (61%) and "the ability to configure new products or services and spending limits" (45%).

SMEs are looking for a new model of digital engagement that delivers the operational benefits outlined earlier. If delivered on their terms, they are highly likely to push a significant percentage of their managed ICT service spend via that channel.

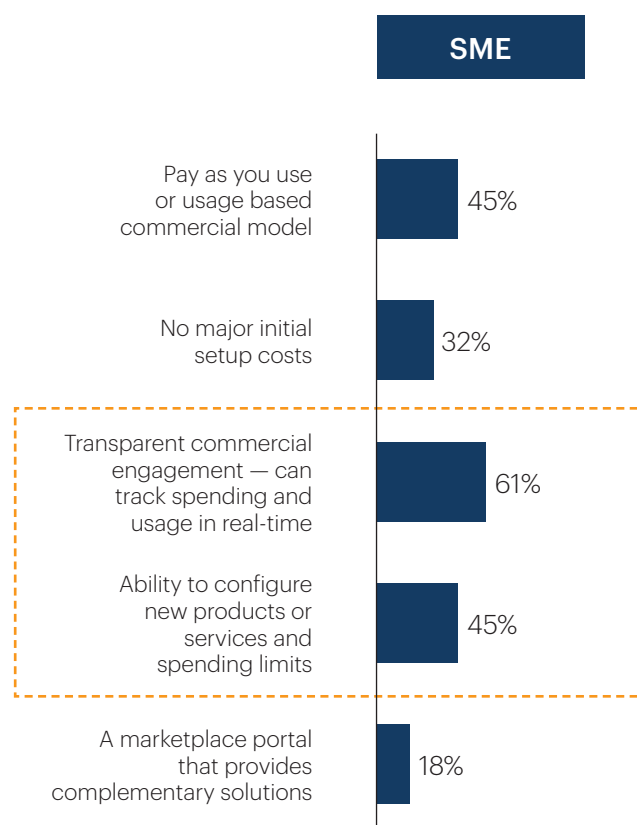
A digital marketplace approach, where real-time spend control and utilization management of all portfolio elements (fixed, mobile, cloud and applications) combined with in-house and third-party offers where flexible payment options are served, is ideally suited to fill the experience gap.

Not only does it move today's semi-manual experience to one anchored around a rich digital self-help delivery model, but it future-proofs the model through a digital service delivery channel equipped for new developments in 5G, edge, cloud and network-as-a-service (NaaS).

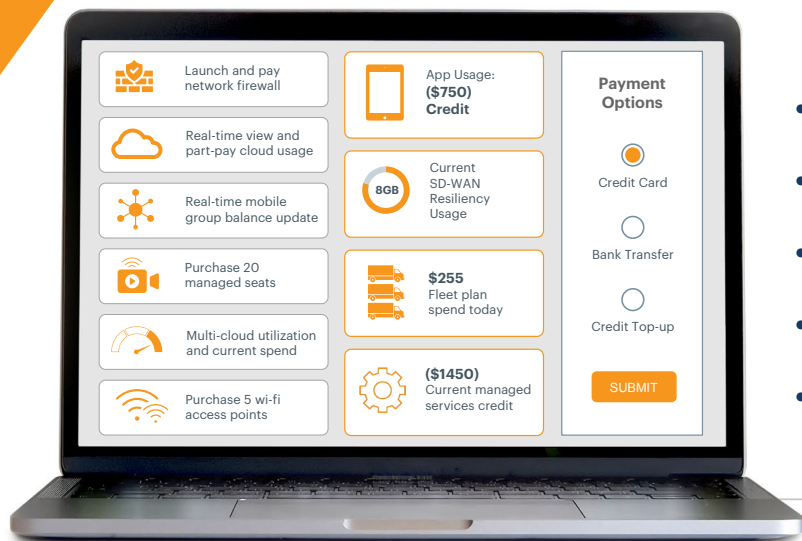
Crucially, it puts the customer in control of the experience. Evidence shows that trust, advocacy and increased lifecycle spend across the portfolio are the results of getting it right.

A **McKinsey report** shared several interesting insights into the increasing digitization of customer interactions, observing that the pandemic has driven a seven-year acceleration of digital adoption into three years. That serving model is now responsible for over half of all commercial transactions across a broad ecosystem and growing rapidly. Step-changes like this and the need for an increasingly digital engagement approach cannot be ignored, nor can it be met by "faux-digital" approaches such as delivering static portals or simple mobile apps.

What are the main factors you would rate highest in the commercial relationship between you and a telco supplier?



Source: Analysys Mason



- **Real-Time Spend Control**
- **Flexible Payments**
- **Partnered Content**
- **Transparency and Accuracy**
- **Real-Time Utilization Management**

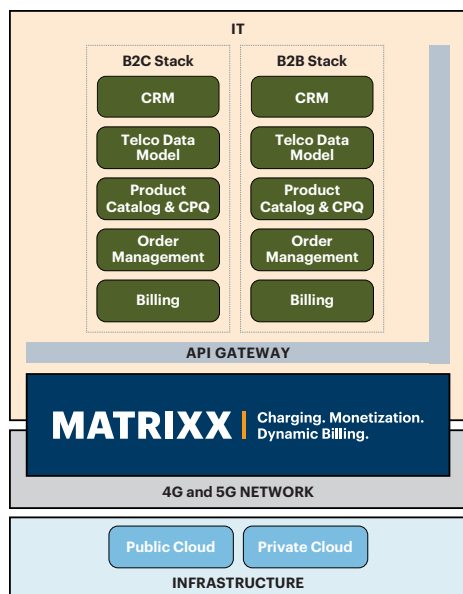
A New Monetization Solution

Powering the digital marketplace requires a scalable real-time monetization solution that sits between the network and other elements in the BSS stack. Its function is to provide up-to-the-second insights on real-time network/cloud/application usage, spend levels across the portfolio and feed the digital marketplace with actionable intelligence from which informed real-time business decisions can be made.

The ability to gather real-time network/cloud and application spend and utilization levels also enables the delivery of an expanded range of digital business models covering existing service offerings and introduces new models such as multi-cloud brokerage, SLA or outcome-

based pricing, dynamic rating and charging and group sharing, as examples.

That real-time monetization solution complements the existing billing systems and can be considered as value expansion of the existing BSS stack, not a rip-and-replace addition. As the need for an increasingly dynamic monetization model grows, features that are best suited to being delivered from a real-time monetization solution can be migrated there, leaving more static revenue management functions such as invoicing, dunning and accounts receivable processing to be managed by the billing system, simplifying pricing and catalog synchronization.



Real-Time Digital Business Models

Application Utilization	Outcome/SLA
Location ID	API Calls
QoS	Slice Utilization
Time of Day	Revenue Sharing & Settlement
Sessions	Private Slice SLA
Group Sharing	Speed Tiering
Data Volume	NHN Revenue Share
B2B2x	Fixed/Mobile Convergence
Network Loading	Wholesale/MVNO Factories
Infrastructure Utilization	Dynamic Rating & Charging
Sponsored Data	Cloud Brokerage
Device Capacity	Edge Utilization
Roaming	Block List / Allow List

Think Big, Start Small, Act Quickly

The SME segment represents a great growth opportunity unlocked through a progressive approach to digital service delivery. Increased market competition, technology disruptions such as 5G, edge computing, NaaS and commercial experience demands from the SMEs make this a hotly contested segment, with hyperscalers, value-added resellers, systems integrators, vendors and telcos all vying for position.

The winners are those who rapidly transform the current semi-manual experience to one anchored around rich, real-time digital service delivery experience, providing SMEs with the instantaneous, actionable insights and self-help service control they need.

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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