

B2B

GET SET FOR DIGITAL NOW



Introduction

A fundamental change to the commercial model and relationship between CSPs (Communication Service Providers) and SMEs / Large Enterprises is needed if that business model is to sustainably grow during a period of intense competition and sustained operational / technological disruption.

Many CSPs are investing heavily in developing new 5G offers to attract new business customers and open new revenue streams from existing B2B customers. However, the experience for many customers when dealing with their CSP remains the same as it was 20 years ago, with sales, onboarding, care and marketing being handled by call centres. For many businesses, especially SMEs, time is money, and time spent dealing with a call centre is time they are not earning money. CSPs have successfully digitalised sales, onboarding, care and

marketing for consumers. The opportunity is to do the same for business customers.

Qvantel and MATRIX Software's 'Digital Now' solution is predicated on delivering a streamlined real-time digital marketplace solution, removing friction in the buying process by putting a rich digital channel at the heart of that relationship. That transformative approach to a customer driven, self-help and automated digital channel, delivers up to the second spend control and utilisation management, allowing customers to make informed business decisions.

For the CSP, it propels today's zero differentiated revenue collection model to one built on highly differentiated real-time revenue generation.

In October 2020 leading analyst firm McKinsey published the results of a survey¹⁾ called How COVID-19 has pushed companies over the technology tipping point—and transformed business forever.

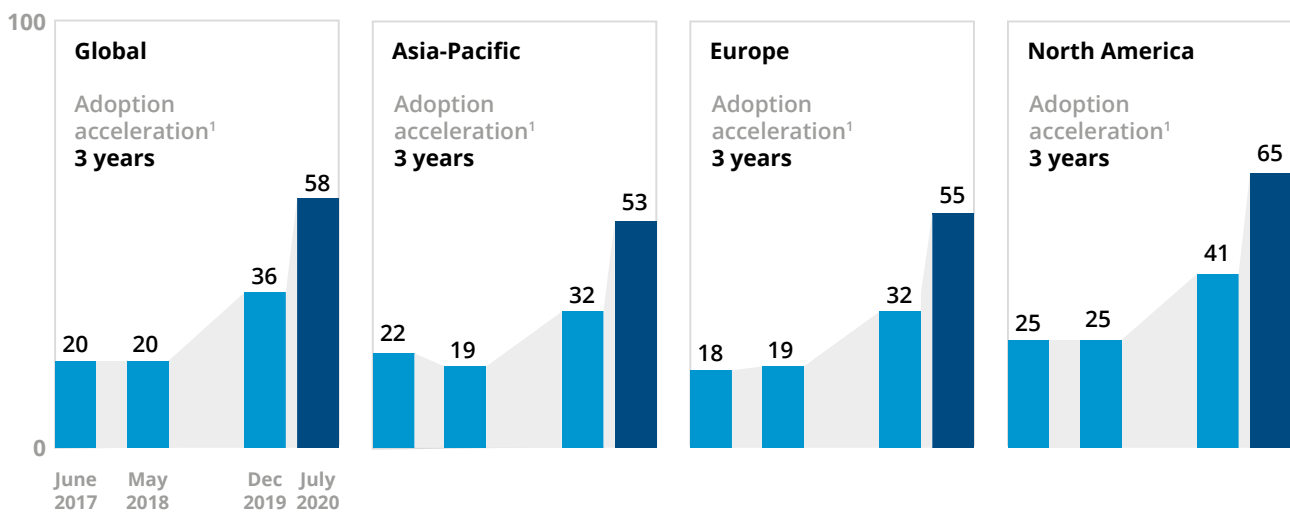
This survey discussed the effects on Covid-19 on the digital transformation on businesses. The results showed that the pandemic accelerated the rate of digital transformation of their customer and supply-chain interactions and of their internal operations by three to four years. And the share of digital or digitally enabled products in their portfolios has accelerated by seven years.

As can be seen from **figure 1**, most transactions carried out are now over digital channels.

The acceleration of digitalisation applies to all businesses. In telecoms it has become the number 1 priority of CSPs. In a survey of CSPs by TM Forum in 2021²⁾ digitalisation of the customer experience and digitalisation of operations are the top 2 priorities for CSPs.

Average share of customer interactions that are digital, %

■ Precrisis ■ COVID-19 crisis



¹⁾Years ahead of the average rate of adoption from 2017 to 2019

Fig 1: Evolution of digital transactions. Source: McKinsey & Company

1) [How COVID-19 has pushed companies over the technology tipping point—and transformed business forever](#)

2) [Digital Transformation Tracker 5](#)

B2C market – Good progress being made

Digitalisation of systems and processes for consumers is well underway and CSPs are seeing the rewards in taking a digital-first strategy. Increased net promoter scores, lower customer acquisition costs, reduced operating costs and increased agility to quickly develop and launch new offers are just some of the benefits that CSPs are enjoying.

B2B – Opportunities for improvement

But for many business customers when they want to engage with their service provider, they have to call a call centre. For new customer sales, for care enquiries the only choice for many business customers is to take the time to make a call to a call centre. This is costing business customers time and money, not to mention the costs of managing a call centre for the CSPs. Also businesses are used to working through digital channels with the vast majority of their suppliers – why should telecoms be any different?

This ‘analogue’ approach is changing. With CSPs’ B2B revenues forecast to grow and, in some cases, outperform the consumer segment leading CSPs are looking at how to digitalise operations and deliver a digital experience for business customers. They are starting to invest in digital systems to enable web and app-based sales, care and revenue management that will deliver many of the benefits accrued by B2C customers.





Drivers for change

As well as providing a digital experience, there are other reasons why CSP's are starting to focus and invest in digital solutions for B2B customers:

The rapid digitalisation of businesses – As can be seen from the McKinsey survey all businesses have accelerated digitalisation of customer engagement and operations. CSP's business customers interact with other suppliers over digital channels, so why do they still need to interact with a call centre when engaging with their CSPs?

Stand-Alone 5G B2B and B2B2C opportunities

- CSPs are getting ready to provide new Stand-Alone 5G services such as CaaS (communication as a service) and enable new B2B2C opportunities via Real-Time Digital Marketplaces. In addition, as reported in TM Forum's 2021 benchmark survey, CSPs are forecasting that 12.6% of B2B revenues will come from new services like IoT, security and cloud services by 2024. The opportunity is for CSPs to sell more services and have a 'one-stop-shop' approach and enter new vertical markets. This means that CSPs need to be able to quickly develop and launch new services supported by an agile digital monetisation platform.

Disintermediation – If CSPs don't provide a digital B2B service for their business customers then others will. The launch in November 2021 of AWS Private 5G along with other vendors rolling out Private 5G networks could cut CSPs out of the picture when selling to large enterprises.

Scale – The hyperconnectivity expansion happening in enterprise with IoT massively expanding the device footprint. Scaling to this distributed asset challenge in places such as SME without massively increasing per customer cost to serve is something that automated self-help and real-time service delivery and insights are crucial to solving.

Operational – legacy systems cannot deliver the changes required in the time needed or with the required level of commercial dynamism the market is beginning to demand.

Added to the above, user expectations have changed – accelerated by the pandemic, digital 'acceptance' is much higher and transcends both B2C and B2B environments.

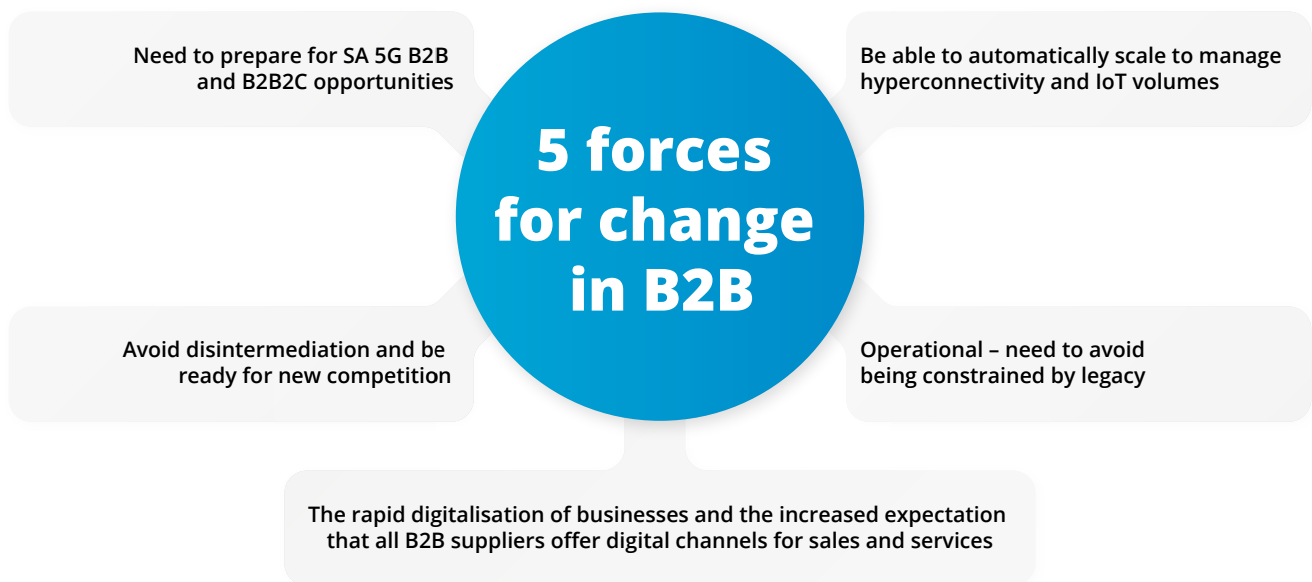


Fig 2: Forces for change in B2B

Moving from 'call now' to 'buy now': Digital inclusion for B2B - Starting with SMEs

SMEs often represent a middle ground for CSPs. They're not consumers and they're not large enterprises who often have their own account manager. So, they have to deal with call centres.

Visit the websites of most service providers and for consumers the sales and care processes are digital. For sales the consumer clicks on the 'buy now' button and they start a quick and easy process. For business customers they get a number to call to start a relatively slow and cumbersome process.

SMEs have information like company registration numbers that need to be collected at the on-boarding process. But adding a field to an on-boarding process is a straightforward process that can be done in hours. The other com-

plication that is often cited for SME accounts is hierarchies of users and multiple users. This is an out-dated argument, as digital BSS used in consumer sectors contain group and family accounts that can support hierarchies with numerous users assigned to one account and a nominated point of contact for payment. They also support a wide range of products, services and offers.

B2B customers can have access to an app and portal that provides them with up-to-date account information, personalised offers, SLA status and everything they need on a one-stop shop to manage their B2B account – without the need to call a call centre.



Fig 3: Difference in B2C and B2B calls to action

The fundamentals of digital BSS and digital commerce platforms can be applied to B2B as well as B2C. This will enable CSPs to provide web and app-based sales, care and revenue management to SMEs and save both the SMEs and the service providers significant amounts of time and money.

Convergence

B2B customers are typically supported by separate BSS and revenue management systems. For fixed and mobile services there's often separate product catalogs, offer management systems as well as sales and care. For billing

there's often consolidation from two separate billing systems (one for fixed, one for mobile) to produce a single bill. This isn't convergent billing as it's just electronic stapling to two separate invoices.

Convergence is a given for any new B2B platform – it needs to support a single view of the customer for all products and services used covering fixed, mobile and content services, as well as being able to cater for a wide range of partner services and offers.





A roadmap approach to digitalisation of B2B

Start small...

According to the European Commission over 99% of European businesses are classified as SMEs (small to medium enterprises). To fit in this sector, companies need to employ less than 250 staff. The vast majority of these companies are described as micro-businesses and employ less than 10 staff. In the UK alone there were 5.7 million micro-businesses in 2020, which ac-

counts for 96% of all businesses. These small businesses are often the backbone of national economies and in the UK they account for 33% of total employment and 21% of turnover. In Germany this figure is even higher with SMEs and family businesses making up more than 99% of all companies.

As well as being important to national economies SMEs are of key importance to service providers. They will increase in importance as service providers look to open and grow new 5G B2B revenues.

In their journey to digitalise the systems and processes for the B2B market, starting with SMEs may provide the quick win. In terms of size it represents the largest number of business customers for CSPs and in terms of complexity they are closest to the consumer market.

CSPs can have a roadmap for the digitalisation of the B2B market. Starting with a MVP (minimum viable product) for the SME market will involve implementing an agile solution that enables CSPs to drive dynamic and feature rich ICT offers across their fixed, mobile, cloud and content portfolio towards enterprises, rapidly. This is key to avoiding disintermediation and commoditisation. This will provide many of the features and functions that are already successfully used for consumer segments. It will also provide convergence across a range of services and business lines.

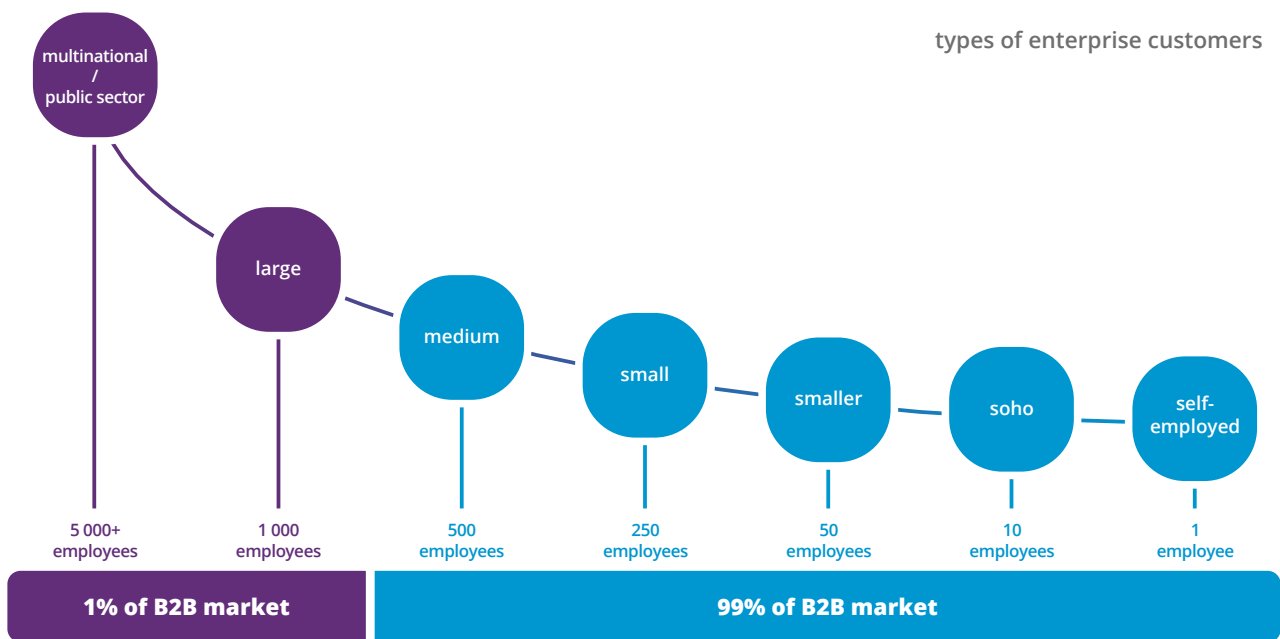


Fig 4: Types of enterprise customers. Source: TMF, adapted from Omdia

...think big

This can then be expanded to support new business models, new business segments (e.g. large enterprise) as well as enabling new 5G offers, business models and partnerships as illustrated in **figure 5** below.

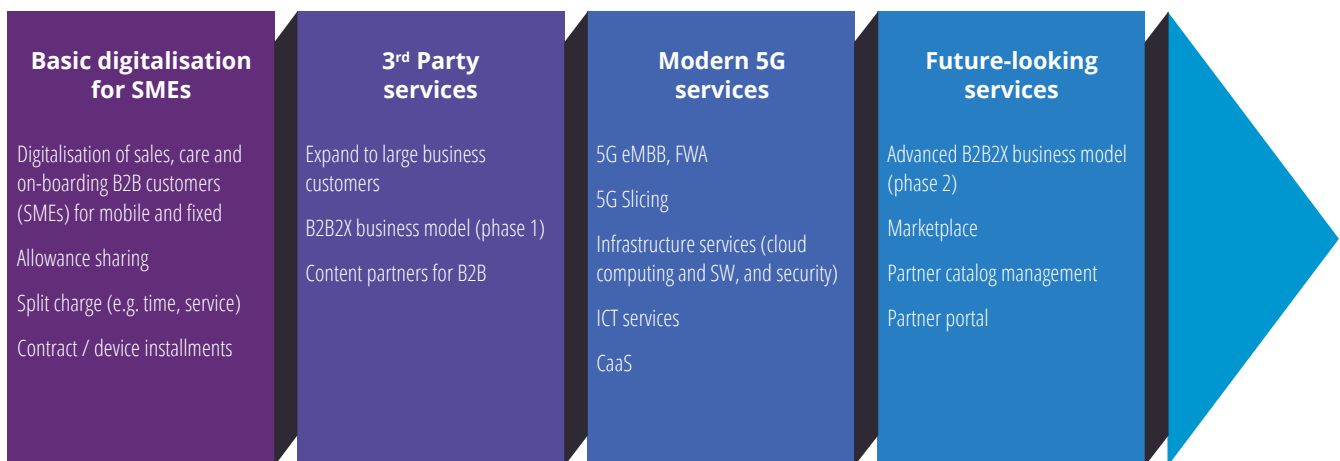


Fig 5: Stages of B2B Digitalisation

Building a platform ready for new opportunities

By taking a roadmap approach CSPs can start to deliver processes (such as sales, on-boarding, care marketing, etc) over digital channels and expand these processes to cater for new opportunities, such as new services and offers delivered by 5G.

One such offer could be SOHO (small office, home office) 5G solutions. This involves providing wireless based cloud office for small office and home office enterprise over the 5G network with guaranteed quality of service. This could include 5G FWA (fixed wireless access) for office-based broadband as well as 5G mobile services. As well as these connectivity ser-

vices it could also include partner services such as laptops, software such as MS Office 360, etc. Setting up a SOHO offer, or any other B2B 5G offer is easier to do on a modern digital BSS, than having to update the existing BSS that is used for B2B.

CSPs can extend the digital BSS and commerce platform to provide 5G marketplaces where they can provide a partner portal for easy partner on-boarding, sell on-demand CaaS (connectivity as a service) and provide flexible B2B2C services.

Using Digital Now to enable a digital-first approach for B2B

Digital second brands have been a major success for CSPs. In many cases they are built using new no-code digital BSS and Digital Commerce Platforms from Qvantel and MATRIXX that comprise the Digital Now solution. This approach provides a clean break from legacy systems and processes. This means that they are digital from day 1.

For B2B customers an option could be to start small and set up SME customers on the digital platform that supports the second brand or run a separate platform purely for B2B. There is also the option of launching a B2B brand which can be run on the existing platform as illustrated below in **figure 6**, or even have its

own digital BSS and commerce platform, such as Digital Now.

The point here is that CSPs are by-passing legacy systems. They have options to do a big-bang transformation for SMEs and migrate from legacy BSS in one go, or they can do an organic migration where they add new and upgrading SME customers to the digital platform. For example, if an SME customer upgrades to 5G mobile or fibre broadband they are added to the digital platform and 'switched off' from the legacy system.



Fig 6: Supporting multiple brands on a single digital platform

B2B: It's time for Digital Now

That operational agility when anchored on a real-time digital monetisation capability within the new BSS stack is at the heart of driving a 'new deal' with SME and Enterprise customers. For many of them, communication services represents the single largest budget item in the IT budget and their desire for greater commercial agility and flexibility from Telcos will only increase as competition increases and the lines between historical ICT silos continues to blur.

The real gamechanger for CSPs in the B2B space will be around the delivery of a real-time digital marketplace, a unique approach to the commercial relationship with enterprise customers based on its ability to deliver:

- Flexible payment terms of services, devices and applications. Pay now, part pay, pay hourly, daily or weekly are examples of that flexibility at work
 - In-house and 3rd party content and services on offer with real-time settlement between partners as an option.
- Real-time spend control and utilisation management. From utilisation insights to purchases to balance management and payments. Every aspect of the relationship dynamic between CSPs and enterprise should have a real-time foundation to it.
- Digital sales and service – enabling B2B customers to buy and manage services on apps and on-line (without the need to go via a call centre)
- And finally, delivering an automated self-help experience based on the end users terms, that puts them in control driving up the experience rating and removing unnecessary delivery costs

Summary

Digitalisation of the telecoms B2C market is well underway and CSPs are starting to reap the rewards. However, the B2B market is still reliant on call centres supported by multiple disparate systems. With many CSPs betting big that B2B will open up new 5G revenues, the opportunity is to provide a digital-first experience for sales, care, customer management and monetisation to B2B customers. There are different routes to digitising operations and processes for B2B. These could include a full migration and consolidation of existing systems, or CSPs could take a greenfield approach and provide new digital-first stacks for the B2B segment. This approach has been proven to work extremely well in the B2C market. Whatever approach is taken the opportunity for CSPs' B2B operations is to go Digital Now.

Qvantel and MATRIXX

The '1+1=3' value of the Digital Now solution is based on the pre-integration between the Qvantel Flex BSS and MATRIXX Software's Digital Commerce Platform. This provides an end-to-end BSS and monetisation platform that supports mobile, fixed, content and convergent services for B2C, B2B and B2B2x. The joint solution is in use in some of the most innovative digital first service providers where customers enjoy superior net promoter scores, reduced operational costs and the ability to deploy new services rapidly.

ABOUT QVANTEL

Qvantel is leading the evolution of Digital BSS. Qvantel Flex BSS is a no-code, cloud-native Digital BSS that is enabling communication service providers (CSPs) to quickly transform to digital-first companies. By pioneering the use of no-code technology in telecoms Qvantel Flex BSS enables CSPs to react quickly to new opportunities and develop new offers, processes and business models.

Headquartered in Finland, with over 20 offices world-wide, Qvantel is a global, product-based company. Our customers include leading CSPs, telecoms groups, MVNEs / MVNOs and digital-first sub-brands. Qvantel software delivers the best customer experience possible for over 230 million telecoms customers covering mobile, fixed and TV services.

ABOUT MATRIXX SOFTWARE

MATRIXX Software is a global leader in 5G monetization for the communications industry. Serving many of the world's largest operator groups, regional carriers, and emerging digital service providers, MATRIXX delivers a cloud native digital commerce solution that enables unmatched commercial and operational agility. Unifying IT & networks, MATRIXX delivers a network-grade converged charging system (CCS) enabling efficient hyper-scaling of infrastructure to support consumer services, wholesale and enterprise marketplaces. Through its relentless commitment to product excellence and customer success, MATRIXX empowers businesses to harness network assets and business agility to succeed at web scale.