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S O L U T I O N S

UC WITH FIXED OR MOBILE VOICE

SEIZE THE OPPORTUNITY WITH A LAUNCH
STRATEGY FOR YOUR TELECOMS
BUSINESS

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White paper

Netaxis Solutions bv

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Unified Communications (UC) services are becoming increasingly popular as businesses look for ways to improve collaboration and communication among their employees. As such, many service operators have launched UC services to meet the growing demand. **Combining UC with fixed voice is a strong differentiator and right up the alley of the network operator.**

However, there are several scenarios to consider when launching a UC service, each with its own advantages and disadvantages. In this whitepaper, we will compare and contrast two scenarios for launching a UC service and provide insights into the benefits and drawbacks of each.

Scenario 1:

Manual Activation and Life Cycle Management of UC and voice

In the manual activation and life cycle management (LCM) scenario, a service operator launches a UC service with a fixed voice breakout to the market. The preparation from a go-to-market and operational point of view takes 12 months, and the activation of the service is done manually via an administrator at the telco on customer demand. One disadvantage of this scenario is that service activation requires technical expertise, which can be a challenge for some customers.

The big advantage here is that there is no risk involved. The break-even point of this scenario is approximately 4 years, with profit margins after 5 years being in the region of 15% according to service roll-outs seen in the market.
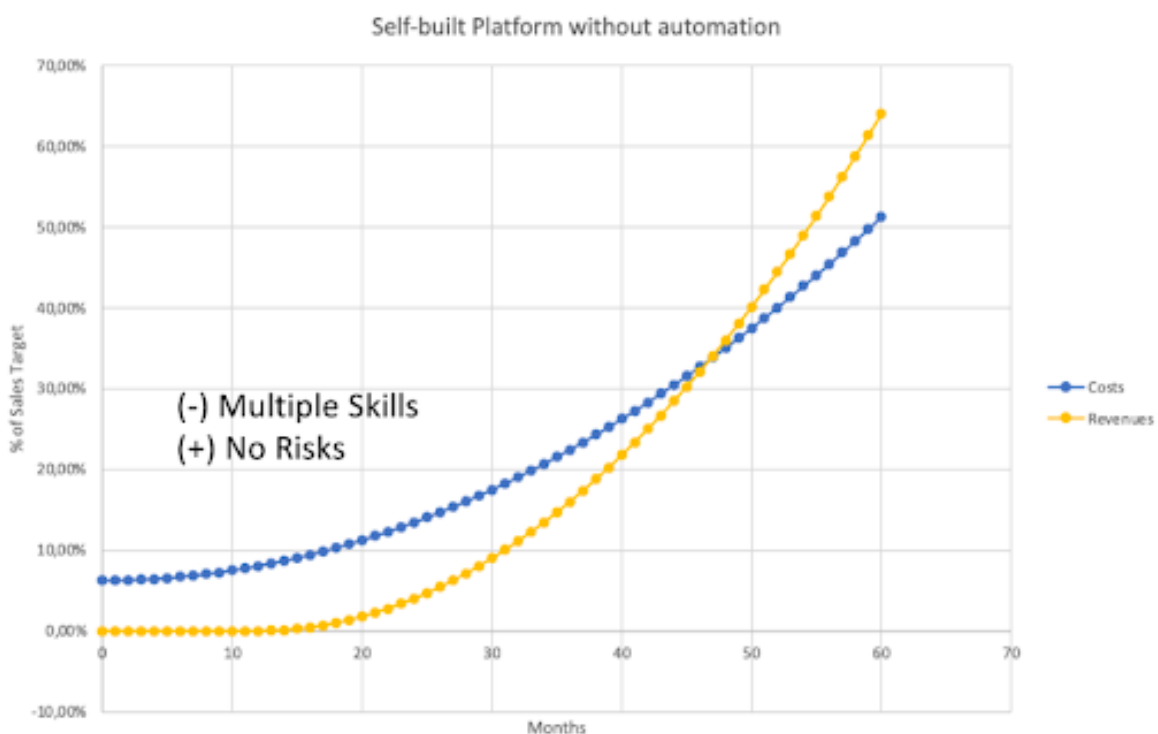
Advantages:

1. **Low risk:** The manual activation scenario offers a low-risk approach to launching a UC service. Operators can test the market without making significant investments.
2. **Fixed voice breakout:** The fixed voice breakout in the manual activation scenario can offer better quality of service and reliability.
3. **Low investment:** This scenario requires lower investment compared to other scenarios, which can reduce the financial risk for the operator.

Disadvantages:

1. **Slow activation:** The activation process is slow and requires manual intervention, which can lead to delays and customer dissatisfaction.
2. **Technical expertise required:** The activation of the service requires technical expertise, which can be a challenge for some customers and lead to higher customer churn rates.
3. **Limited scalability**: The manual activation scenario has limited scalability and may not be suitable for operators looking to grow their customer base quickly.
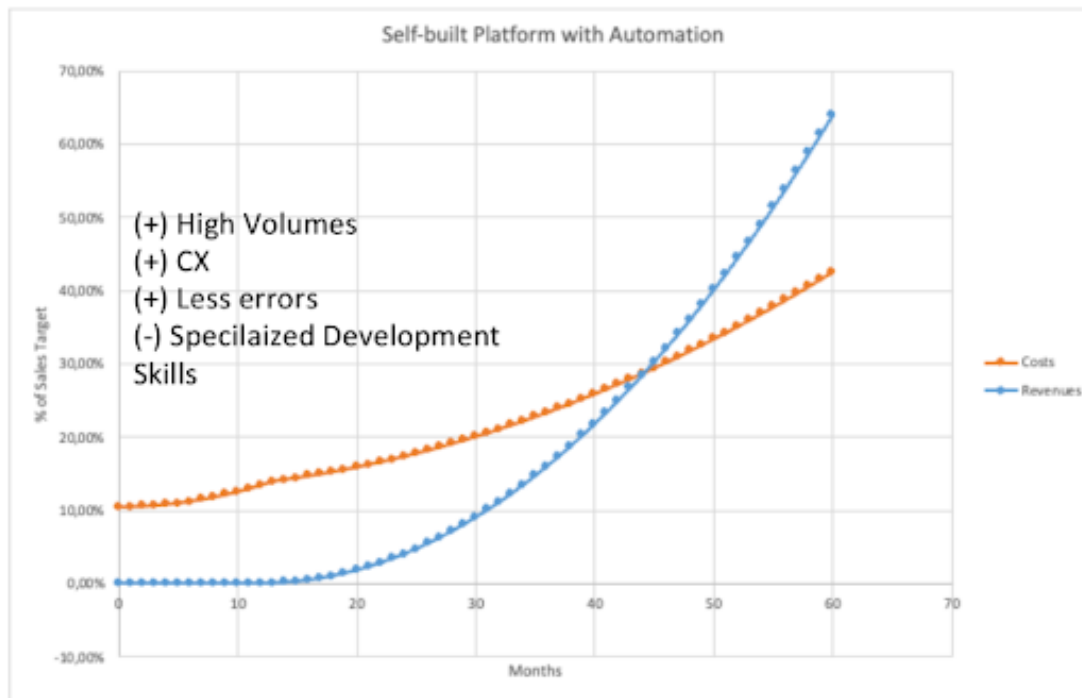
Scenario 2:

Automated Provisioning and Life Cycle Management with a "DIY" development

In the automated provisioning scenario, an investment is made in a platform that the operator builds itself, which automates the provisioning process.

One big advantage of this scenario is faster activation, fewer errors and a better customer experience. However, it requires specialised developer skills and is riskier compared to the manual activation scenario.

The break-even point for this scenario is approximately 4 years with profit margins after 5 years likely to be around 20%. Margins in this scenario can be increased as volumes accelerate.

Our experience is that often development cycles are longer than expected and as UC platforms evolve rapidly maintenance costs are higher than expected. Launching an own developed platform requires focus as that time to market is very important in this rapidly evolving market. The UC market with voice break-out is to grow X3 in the coming 4 years to 100 Million subscribers globally by 2027.

Self-built Platform with Automation

(+) High Volumes
(+) CX
(+) Less errors
(-) Specilaized Development Skills

Advantages:

1. **Faster activation:** The automated provisioning scenario offers faster activation, which can lead to a better customer experience and reduced churn rates.
2. **Fewer errors:** The automated provisioning scenario can reduce errors during activation, which can improve the quality of service and reduce customer complaints.
3. **Better customer experience:** The automated provisioning scenario can offer a better customer experience by streamlining the activation & LCM process.

Disadvantages:

1. **Specialised developer skills** required: The automated provisioning scenario requires specialised developer skills, which can be costly and difficult to find.
2. **Higher risk:** The automated provisioning scenario involves more risk compared to the manual activation scenario due to the investment required in building the platform.
3. **Limited control:** The operator may have limited control over the service due to the automation process, which can limit the ability to differentiate the service.

The value of a better customer experience is considerable: According to a survey conducted by Salesforce, 76% of customers expect companies to understand their needs and expectations. By automating the provisioning process, the operator can meet these expectations and deliver a more personalised experience to its customers.

However, Scenario 2 also has its drawbacks. The development of the platform requires specialised developer skills, which can be expensive and time-consuming. Moreover, there may be a learning curve for employees to adapt to the new system, which can result in temporary productivity losses. Additionally, the break-even point is still approximately 4 years, which means that the operator will have to make a significant initial investment before seeing any return.

In conclusion, both Scenario 1 and Scenario 2 have their advantages and disadvantages. Scenario 1 offers a low-risk approach to launching a new service, but it requires a longer time to activate and technical expertise. Scenario 2, on the other hand, provides a faster and more automated activation process, but it requires specialised developer skills and a significant initial investment. It is important for operators to carefully consider their goals and resources before deciding which scenario to pursue.

While both Scenario 1 and Scenario 2 have their merits, there is a third scenario to consider: working together with a partner specialised in automation and voice services for operators.

Scenario 3:

Advanced Automation with a specialised partner

One of the biggest advantages of this third scenario is the speed to market. By partnering with a specialised provider, operators can leverage their experience and knowledge to launch a new service quickly and efficiently. This reduces the time it takes to generate revenue and allows operators to seize market opportunities before their competitors.
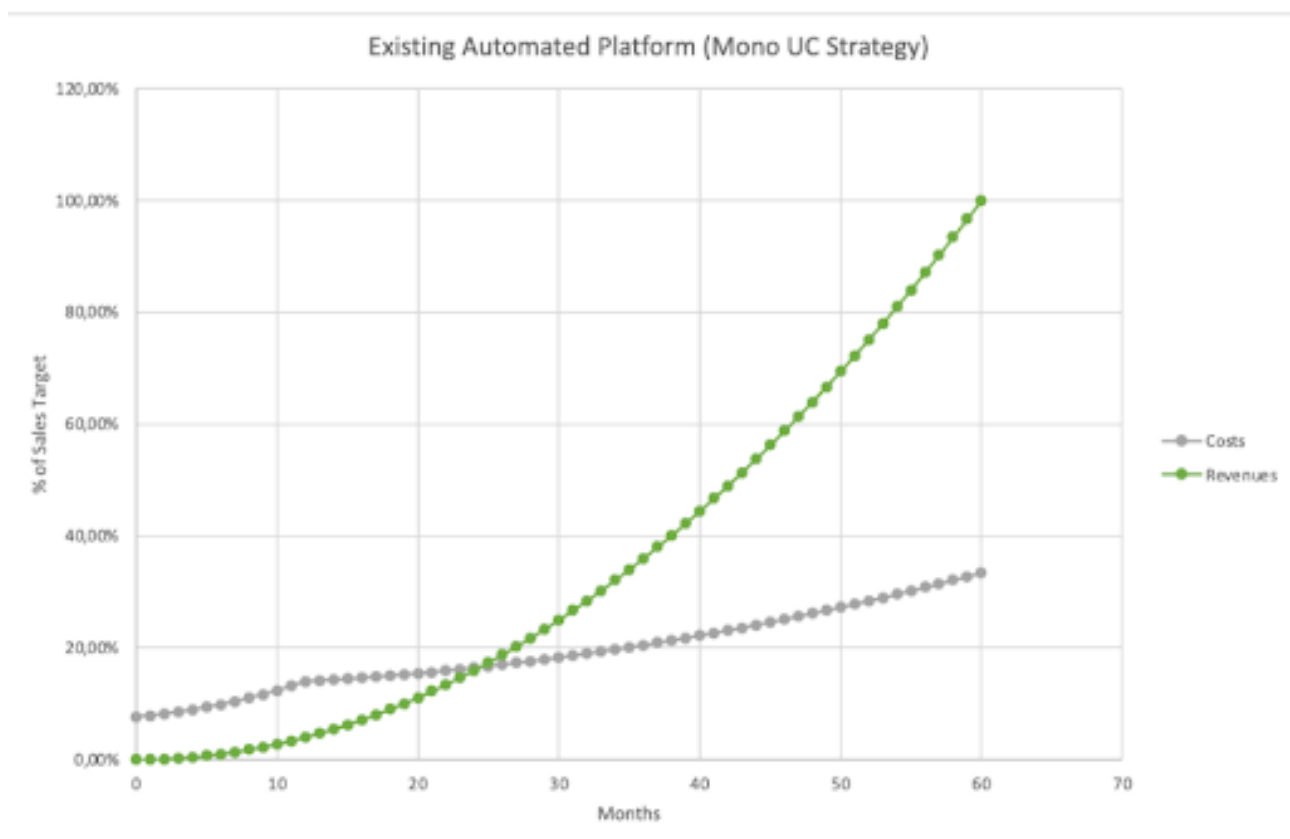
Advantages:

1. **Ability to benefit from the experiences** of the partner. A specialised provider can share their knowledge and expertise in launching and operating Unified Communications services. This can help operators avoid common pitfalls and make better decisions when it comes to pricing, marketing, and product development.
2. **Ensures that the platform remains up to date.** The UC industry is constantly evolving, and operators need to adapt to stay ahead of the curve. By working with a partner, operators can ensure that their solution remains up to date and offers the latest features and functionality to their customers.

Disadvantages:

1. **Requires the operator to relinquish some control over the platform.** The partner may have their own agenda and priorities, which may not align with those of the operator. This can result in conflicts and disagreements, which can be detrimental to the success of the partnership.
2. **The risk of dependency on the partner.** If the partner goes out of business or discontinues their services, the operator may be left without a platform and have to start from scratch. This can be costly and time-consuming and can have a negative impact on the operator's reputation and market position.

Despite these potential drawbacks, working with a specialised partner can unlock significant benefits for operators. By moving faster to the market, a bigger opportunity can be unleashed, growing the potential versus Scenario 2 of the previous blog post by 40%. in revenue The margin after 5 years also improves to nearly 60% as higher volumes are reached. Payback time is drastically reduced due to time-to-market acceleration.

Scenario 4:

One that should not be forgotten

This opens up a fourth scenario: working with an external partner that provides a platform that allows rolling out multiple UC services and applications. By expanding their portfolio, operators can tap into a larger market opportunity than rolling out a single UC solution.

The resultant revenues can grow by 160% compared to the base scenario and doubling the margin compared to Scenario 3.

Not only does Scenario 4 open up the opportunity to greatly increase returns but it also reduces risk by facilitating the straightforward introduction of new applications and services in a UC industry that is rapidly evolving. As the popularity of one UC platform wanes the next "big thing" will be an easy train to jump on board.

Working with a partner with a flexible platform reduces the risk of betting on the wrong UC solution tomorrow and the day after tomorrow.

Existing Automated Platform (Multi UC Strategy)
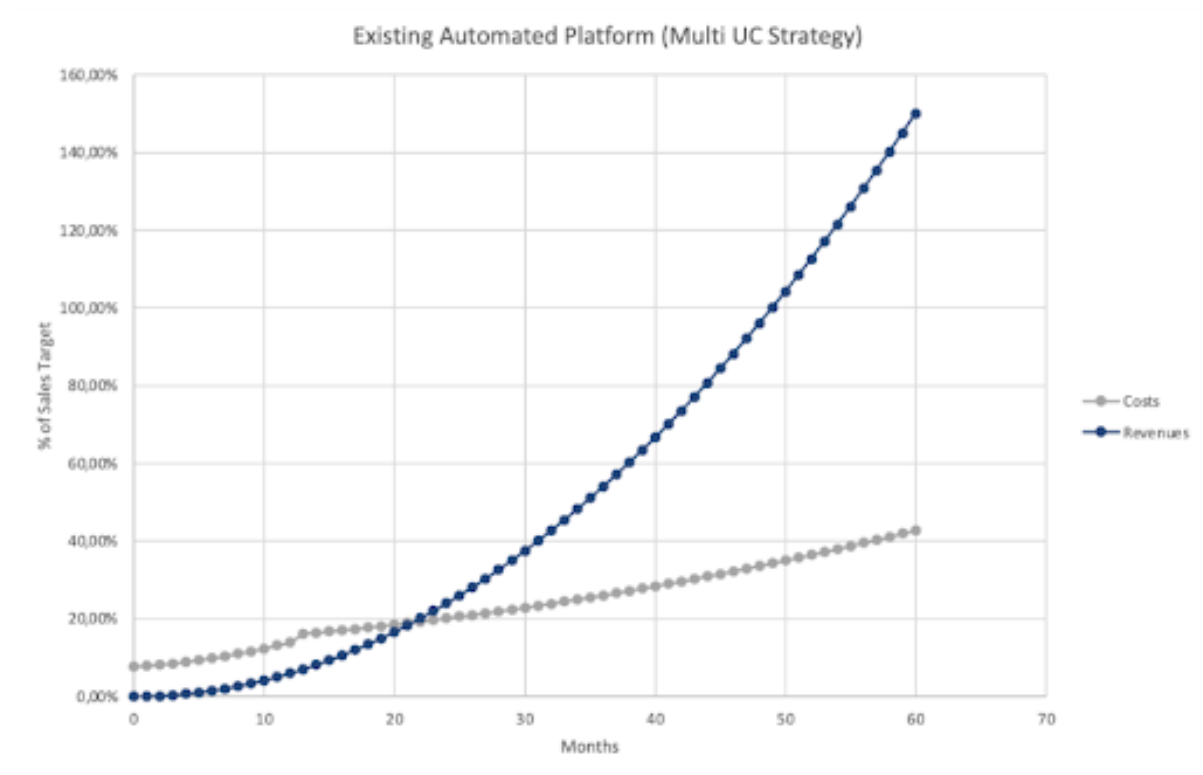
In conclusion, partnering with a specialised provider can be a highly effective way to launch and operate a new unified communications service. By leveraging their expertise, operators can reduce time to market, benefit from their experiences, and ensure that their platform remains up to date. While there are some potential drawbacks to consider, the benefits can far outweigh them.

Netaxis FUSION

At Netaxis, we have been working with telecoms operators for over 15 years, helping them embrace the opportunities they seek. Our mission is to provide the best possible solutions and support to help operators succeed in the highly competitive telecoms industry. If you are interested in learning more about Netaxis Fusion and how it can help you launch and operate a new unified communications service, please do reach out for more information.

Unleashing the UC opportunity
in 1 platform for Service Providers