Embracing Digital Ecosystems with Partner Management

How to maximize the benefits of an effective partner management strategy

The Changing Face of Partnerships

Partnerships have been at the heart of the communications industry from the start. For decades, communications service providers (CSPs) have partnered with other CSPs in areas like interconnect, wholesale trading and roaming.

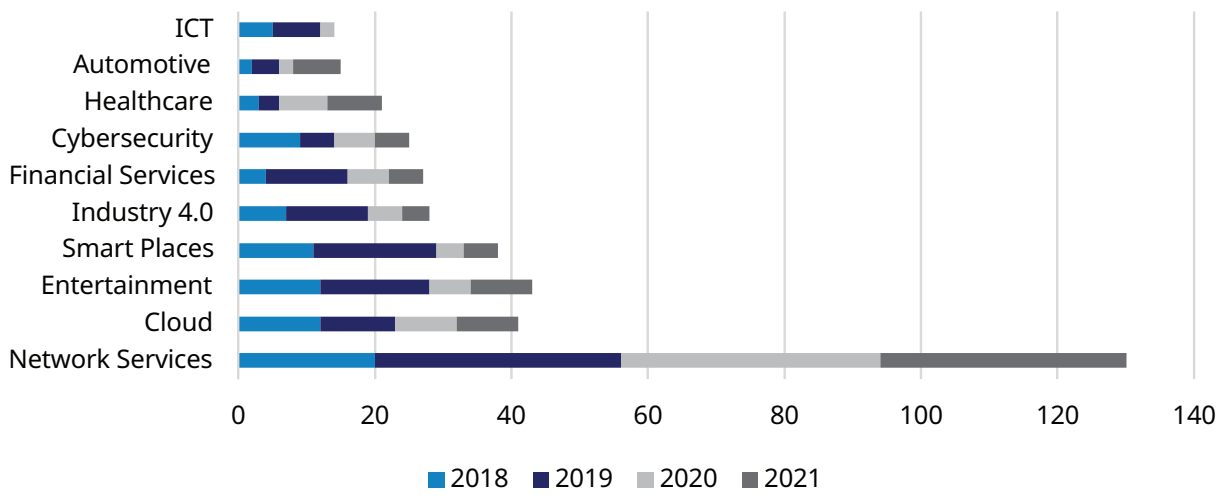
More recently, we have seen an increasing number of partnerships between CSPs and Over The Top (OTT) players through reseller agreements, where CSPs bundle OTT content with their own offerings. Often, the CSP incentivizes the offering with bundled data, and also carries out billing on behalf of the OTT partner.

The Mobile Virtual Network Operator (MVNO) space is another example of CSPs successfully partnering with a range of organizations. MVNO partnerships range from large retailers getting into mobile to providers of fixed, broadband and TV services wanting to complete their quad play offerings.

With the advent of 5G and Internet of Things (IoT), we are now entering a new era of partnerships. CSPs are working with a new and diverse range of organizations not only to strengthen their core network capabilities, but also to extend their footprint into new markets, as can be seen in the partnership activity graph below.

However, managing more partners and the complexities that come with new relationships will be challenging. Many new requirements will need to be supported from onboarding through to catalog-driven orchestration and complex multi-party settlement for B2B2X business models.

Telco partnership activity by top 10 primary markets, 2018-21



Source: "Hyperscale and Telc Partnerships Tracker, 2022," Omdia

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The Shift from Telco to Techco

As the new wave of partnerships approaches, CSPs are changing their partner relationships and go-to-market models in response. Traditional reselling and sell-through opportunities are becoming saturated, and associated revenues are static at best and most likely already in decline.

The most lucrative opportunity with the highest margins for CSPs going forward will be in enterprise and B2B2X. Omdia forecasts that the total enterprise services market will exceed $2 trillion in 2022 and pass $3 trillion in 2026.

In order to maximize the opportunity, CSPs will need to move from a telco mindset and mode of operating to become “techcos” or super-integrators. To achieve this, telcos will need to unite the best of their capabilities with partner capabilities to co-create compelling offers and services for new use cases and market sectors. CSPs will need to be integrators as well as connectivity and Operational Support Systems (OSS)/Business Support Systems (BSS) stack providers. New capabilities will be needed, not least in partner management and settlements, but also catalog-driven orchestration and open standards API integration.

Resell

Focused on trading and routing. You buy a partner's products, and you resell to your customers with margin.

1.5%-3% MARGIN TRADING AND ROUTING FOR VOICE AND SMS

- Cost and margin management
- Automation
- Rate accuracy

Sell-Through

Involves bundling connectivity with a partner service or content. Partner often owns the customers.

10%-15% MARGIN OTT, SME, B2B2C/B2B SERVICES

- Revenue management
- Dispute and reconciliation management
- Billing on behalf of and revenue sharing

Co-Create

Typically used for 5G services and involves multiple partners. You co-create products with various partners (e.g., video surveillance or VR games).

30%-50% MARGIN MULTI-PARTNER SOLUTIONS WITH AN ENTERPRISE/B2B2X FOCUS

- Partner self-service
- Catalog-driven orchestration
- Complex, multi-party settlement
- Integration and interoperability

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New Partners, New Expectations

The days of being able to manage partners with manual tools and processes are over. As the number and complexity of partner relationships increases, so do the partners' expectations for great experiences. The CSPs that succeed will be those that build in capabilities like zero-touch onboarding and seamless self-care to make signing up and joining CSP partner ecosystems as easy as possible.

Partner Management Expectations

- Zero-touch onboarding
- Rich and intuitive self-care
- Automated catalog ingestion
- Contract, catalog and reference data management
- Configurable, catalog-driven orchestration
- Document management
- Near real-time visibility of service usage and revenue
- Efficient and accurate settlement processing

It Takes More Than Effective Partner Management to Differentiate Your Partner Experience

To make their partner experiences stand out, CSPs will need a platform that offers end-to-end capabilities, from onboarding and partner management to orchestration and revenue management. Additionally, CSPs should leverage the cost and scalability benefits of cloud-hosted platforms and adhere to an open standards-based architecture and APIs to ensure ease of integration and coexistence with their other IT systems.

CSPs will need to effectively manage and monetize the entire concept to cash cycle for partners and ensure a differentiated partner experience is delivered. As well as partner management, catalog-driven orchestration, monetization and settlements will also be critical to CSPs succeeding in new partner ecosystems.

Differentiating Your End-to-End Partner Experience With Catalog-Driven Orchestration, Monetization and Settlements

Orchestration

- Catalog-driven Configure Price Quote (CPQ)
- Live management of physical and virtual inventory
- Seamless flow-through to order management and activation
- Faster creation and delivery of partner services

Monetization and Settlements

- End user billing & charging as well as partner settlements in one platform
- Support for complex B2B2X charging and settlement models
- Proven track record and technology to handle the complexities of B2B2X and enterprise services

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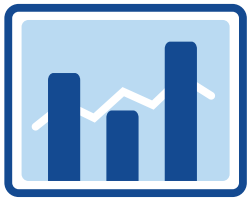
Staying In Control

CSPs also need partner platforms that allow them to stay in control and have the visibility of partner activity required to manage and resolve any issues. As the number and complexity of partner relationships grows, the management overhead will also increase, as will the likelihood of partner issues and disputes. Manual processes will no longer be sustainable—at best, they will lead to cost overruns and errors—but at worst, they could result in serious unrecoverable revenue loss and fracturing of key partner relationships.

What is Needed To Stay In Control Of Your Partner Ecosystems?

Security & Auditability

- Role-based security and access to partner management
- Full audit trail of partner activity and changes to data



Visibility

- Reporting and dashboards across the platform for monitoring and spotting issues
- KPI insights and analytics

Financials & Dispute Resolution

- Flexible invoice capture and generation
- Automated invoice reconciliation
- Configurable usage matching
- Online dispute management

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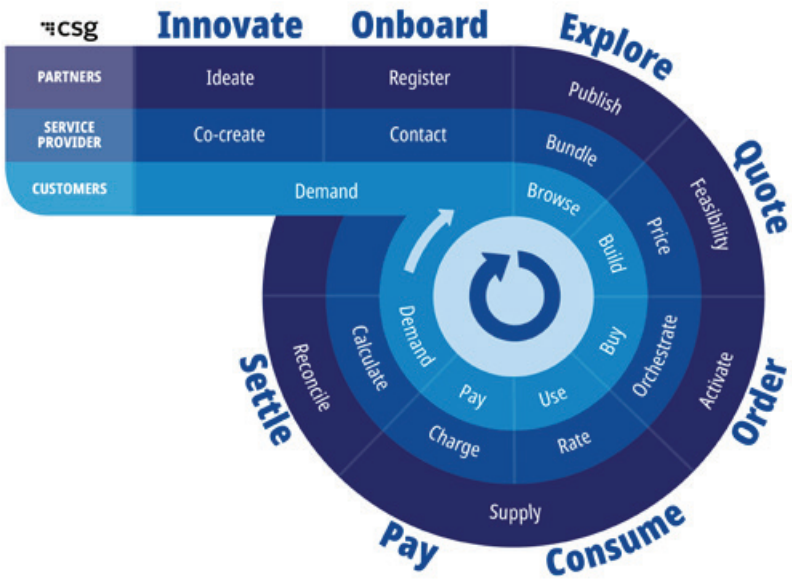
The CSG Advantage

CSG knows the settlements and partner management space. We know the processes and functionality required to sustain successful and mutually beneficial partnerships. Our flagship CSG Encompass platform enables CSPs to take advantage of our many years of experience and successful deployments with tried and trusted technology and unrivalled functionality.

CSG Encompass is the only solution designed and built to manage multi-sided business models for the communications industry, unifying the commerce journeys of CSPs, their partners and their customers. The platform reduces the complexity of B2B2X ecosystems, expanding CSPs portfolios with a multitude of partners. No matter where you're starting from, CSG Encompass has your commercialization requirements covered.

Your software shouldn't limit your potential. CSG Encompass scales to a limitless number of partners and services, leveraging cloud, open interfaces, microservices and zero-touch practices to securely scale alongside your business.

Talk to CSG today to see how we are uniquely placed to help you maximize the B2B2X opportunity and become the CSP partner that everyone wants to work with.



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