Spark New Zealand

Spark increases speed to market and reduces costs with CSG

Client Overview

Spark is New Zealand's largest telecommunications operator, providing mobile, broadband, fixed line and digital services to consumers and businesses. Spark leads the market in broadband with 695,000 retail subscribers and 2.51 million total mobile subscribers.

Executive Summary

In the last six years, Spark has undergone intense transformation. The company rebranded and changed its name, reengineered its internal IT systems, restructured into an Agile organization, and reinforced its commitment to lead with wireless services.

2013 saw Spark embark on a three-year journey to rebuild its internal IT systems, with the goals of improving time to market and reducing opex. In 2018, Spark embraced a company-wide agile methodology to improve market responsiveness and increase employee engagement.

Leveraging CSG's industry expertise and convergent charging and billing solution to improve time to market, Spark delivers on its core purpose to help all of New Zealand win big in a digital world.

A History of Innovation

Before deploying CSG Encompass, Spark had to rearchitect its billing function whenever it wanted to offer a new product. Turning to CSG for a convergent charging and billing system, Encompass allowed Spark to quickly offer new products, configuring offers without needing new code.

Spark uses Encompass to manage different products, such as supporting prepaid and postpaid plans from one solution. This convergent solution allowed Spark to respond to the demands of the fast-maturing New Zealand mobile market. With Encompass, complex scenarios are simplified, like sharing data across mobile devices in an account or free calling circles for otherwise unrelated customers. This allows Spark to tap into lucrative market segments.

"Whether you use prepaid or postpaid plans is just a payment choice," says Paul Adamson, Domain Chapter Lead for Billing. "You should be able to get the same products and the same features on both, and that's what we've achieved."

Converging prepaid and postpaid means Spark doesn't have to build the solution twice—or more—each time the company has a new offer. With a convergent solution, Spark can reduce opex with fewer systems to operate and maintain. And the billing and customer service teams only needs to know how to manage one system, reducing the skill sets required, training time, and optimizing resource utilization.

Expert Collaboration

Spark values having the independence to operate its systems on its terms, and has the capabilities to configure and develop its billing solutions in-house. Still, the company knows it can count on CSG to help with implementation, troubleshooting, or any other project. Spark leverages the global experience CSG has working with other companies, and incorporates best practices into its billing operations.

This close relationship was key when Spark began its three-year endeavor to overhaul its internal IT systems, including its business support systems (BSS). Prior to the reengineering program, customer service representatives (CSRs) had a disjointed view of the customer, using different products and tools to manage the customer experience. Operating disparate systems drove up costs and prevented Spark from quickly launching new services.

> **THE CSG SUITE OF BILLING PRODUCTS WAS KEY TO THAT REENGINEERING [PROGRAM].**
>
> Niall Fitzgerald
> General Manager of IT Application
> Architecture & Design

Spark had already implemented Encompass, Digital Partner Management and Mediation in the years before. The strong working relationship with CSG, coupled with the functionality of the solutions, made it an easy choice for Spark to incorporate CSG solutions into its future IT state.

"The CSG suite of billing products was key to that reengineering," says Niall Fitzgerald, General Manager of IT Application Architecture & Design. "Participating in the migration to the new stack and the overall success of that migration is probably the most significant achievement for both of us."

Spark and CSG continue to work closely together, and one of the reasons the teams collaborate well is because both use an Agile approach.

Spark Succeeds with SMS Offer

When Spark decided to shake up the SMS business, there was a catch: the company didn't have many texting customers. Using Encompass, Spark built an unlimited texting offer for $10 a month— and it took off. The offer attracted a brand new base of young customers who Spark wouldn't have otherwise captured. Its closest competitor would have had to cannibalize its revenue to offer lower-priced texting, letting Spark grow its market share.

When Spark management saw the results of the texting offer, they reworked Encompass configuration to support $10 voice as well in a generic product model. Today, Spark uses a generic product model in Encompass to make the same offers across different products.

"It doesn't matter what service we're offering," says Adamson. "We can deliver the pricing and billing features we need to differentiate in the marketplace."

Increasing Agility

In July 2018, Spark transitioned to to an agile methodology, retooling its organizational structure to run in smaller, cross-functional teams. Every "tribe" is made up of members of different departments, so they can bring new products to market faster and provide better customer experiences. The Encompass developers can collaborate with other departments to brainstorm about which products customers want and get new offers to market faster.

Because CSG also uses agile methodology in development of its billing solutions, the two companies can coordinate on the features and functionality Spark needs built out and incorporate it into the CSG roadmap. Instead of waiting for quarterly releases with a traditional waterfall methodology, Spark benefits from changes to Encompass as soon as they're ready.

"When we ask for features to go into CSG's product roadmap, by nature of CSG's agile release strategy, we stay closely aligned," says Fitzgerald. "Companies that aren't agile may actually hinder us at times because of the way they're architected."

The agile approach has also allowed Spark to get to market much faster at a much lower cost. In the past, if it wanted to upgrade a system, it would have had been a year-long project running into the millions of dollars. But working with a company that has an agile approach decreased time and cost significantly. And if Spark asks for a new feature or function, CSG can deploy it in a matter of weeks, not months.

The Business Benefits

Spark initially used Encompass for its broadband and prepaid offerings, but today, all the consumer and corporate wireless and fiber offerings now go through Encompass. And it continues to innovate in the mobile space, recently launching its Unplan for fixed wireless and fiber.

Using Encompass and Mediation, the plan adjusts in real time as subscribers' usage changes. If customers are on holiday and using less data, they pay less. If they're streaming video on Netflix, they pay more. By making a few minor adjustments to Encompass, Spark was able to quickly launch fixed wireless with different activation scenarios. Offering these personalization options can also help increase customer retention and loyalty.

One of Spark's strategic pillars is to reduce cost while improving customer experience. Managing prepaid and postpaid from Encompass helps Spark reduce opex. The convergent charging functionality also means Spark can provide prepaid features to postpaid customers, and vice versa. Adamson gives the example of sending roaming alerts to reduce bill shock, something the company had done for prepaid customers but switched on for postpaid customers.

GOOD CUSTOMER EXPERIENCES, LOWER COSTS, GETTING TO MARKET FASTER—WHERE DOES SPARK GO NEXT WITH CSG?

THE COMPANY HAS A FEW IDEAS.

What's Next

Spark has started to bundle its offerings with third-party services like Netflix and Spotify to provide more value to its customers. Using Encompass to quickly launch and bundle these services has been a key part of that.

5G and the Internet of Things is also on the agenda. Spark plans to turn on new Encompass capabilities, like collections, that it hasn't used before. The company is also working with CSG teams on its business models to determine what charging implications IoT and 5G will have.

But even though the product offerings may evolve, the close collaboration will stay the same.

"We have a strong working relationship and we always have," says Fitzgerald. "Our billing systems and our rating systems are core to our business and our IT state, and we see it as a very important relationship."

About CSG

CSG empowers companies to build unforgettable experiences, making it easier for people and businesses to connect with, use and pay for the services they value most. Our customer experience, billing and payments solutions help companies of any size make money and make a difference. With our SaaS solutions, company leaders can take control of their future, and tap into guidance along the way from our more than 5k-strong experienced global team.

Want to learn more about how to be a change maker and industry shaper like our 1,000-plus clients? Visit **csgi.com** to learn more.