

Case Study: Saving millions in billing inaccuracies

Overview

As a Fortune 200 telecommunications provider, this Precisely customer is one of the largest providers of global communications services. The company has thousands of employees servicing tens of millions of customers.

The telecommunications industry has been in a state of flux for some time, impacting already complex infrastructures. No longer just for fixed line phone services, communications services providers (CSPs) now have broad offerings that include mobile and data services for residential as well as commercial customers.

Billing processes are equally as complicated. Numerous billing systems span multiple computing platforms, from mainframe to distributed, with each service running often on a unique billing infrastructure. Mergers and acquisitions often incorporate a variety of legacy systems. Ad hoc service offerings are often brought on line with ad hoc systems. Expanded geographic service regions may involve complicated billing calculations for unique licensing and taxing jurisdictions. Pricing changes and promotions require continual system reconfiguring. Compliance oversight is now a constant concern.

Business challenge

The Fortune 200 CSP came to Precisely with a laundry list of challenges. Residential phone bills and billing processes in particular were becoming increasingly complex. Adding to this were individual state and federal regulations, inter-carrier rate changes, and taxing jurisdictions for inbound and outbound calls.

Systemic and recurring over-billing and under-billing errors were costing the company well into the millions of dollars, but there was no clear way of identifying exactly how much damage was actually being done. In addition, customer satisfaction, potential litigation and a Fortune 200 brand image were also at stake if errors continued.

For timely and accurate billing, retail residential billing processes required monitoring and control during processing cycles. The Fortune 200 CSP's goal was to detect and address issues as close to the source as possible, thereby preventing errors from spreading downstream. There was a growing number of lost, improperly billed and incomplete customer bills ramping up customer dissatisfaction and triggering higher call volumes to customer call centers.

Client

Fortune 200 Telecommunications Provider

Industry

Telecommunications

Challenges

- Monitor and control billing processes during billing cycles
- Simplify the impact of multiple jurisdiction rates and regulations
- Detect and address billing issues close to the source
- Improve customer satisfaction and reduce call center volumes

Solution

Precisely Data360

Results

- Savings of \$11.3 million in under-billing and \$4.9 million in over-billing in the first year
- Dramatic improvement in billing accuracy
- Streamlined and more timely billing processes
- Higher level of customer confidence
- Virtual elimination of billing process re-runs
- Prevention of incorrect or missing information on customer bills

Systemic and recurring over-billing and underbilling errors were costing the company well into the millions, but there was no clear way of identifying exactly how much damage was actually being done. In addition, customer satisfaction, potential litigation and a Fortune 200 brand image were also at stake if errors continued.

Solution

In order to mitigate risk and resolve their complex set of challenges, the Fortune 200 CSP chose Precisely Data360 for the automated detection and prevention of billing errors. What was needed was an automated and independent means that would validate billing transactions with a verifiable audit trail. When errors were detected, analysis was needed to stop processes, then immediately alert appropriate team members for mitigation.

As errors were discovered, patterns quickly emerged that identified problematic processing areas upstream from billing. Since the Precisely solution was so robust and flexible, more controls were deployed upstream from billing to help detect and eliminate errors even before they reached billing. Similarly, the Precisely solution was deployed downstream from billing to assure that financial ledgers were reconciled with billing.

Results were immediate. Automation performed validation checks as information was processed, eliminating the need for human intervention. Errors were detected before they propagated downstream to customers, improving customer satisfaction and reducing call center volumes.

Additional areas of benefit:

- Tracking and balancing 100% of the billing records throughout billing processes
- Independent validation of complex information extraction from source systems
- Independent validation of complex fee rates and tax computations with audit trails

Results

Precisely Data360 prevented \$11.3 million in under-billing and \$4.9 million in over-billing during the first year of implementation. As proof of the benefits, on one occasion, team members were alerted to a missing cash file that held more than \$90,000 in customer payments. Without Precisely, the payment would have been processed with erroneous late payment charges plus interest. Precisely prevented a potentially damaging event that would have resulted in many dissatisfied customers and an impact on the company's reputation.

The solution produced the following results:

- Dramatic improvement in billing accuracy
- Streamlined and more timely billing processes
- Higher level of customer confidence
- Virtual elimination of billing process re-runs
- Prevention of incorrect or missing information on customer bills
- Detection and prevention of millions of dollars in billing errors
- Restores billing confidence, compliance and brand image

Without Precisely Data360 the payment would have been processed with erroneous late payment charges, plus interest. The platform prevented a potentially damaging event that would have resulted in many dissatisfied customers and an impact on the company's reputation.