8 Tips to Keep Your Revenue Assurance Efforts on Track

As providers scramble to compete in a volatile market where service demands and overhead are going up, while prices are coming down, effective revenue assurance (RA) has become a business imperative.

Whether your ultimate responsibility is profitability, operations, marketing or customer care, RA has become an unavoidable subject, most likely crossing your desk with increasing frequency.

The numbers speak for themselves. According to Price-Waterhouse-Cooper (PWC), 2-5% of telco revenue is lost to leakage. Deloitte and Touche say 2-10%. By whichever source you choose to measure, in the world of shrinking ARPU, and growing competition, we're talking about money that can't be ignored. On the flip side, the number of class-action suits filed against telcos for overcharging has risen dramatically over the past several years, as has customer churn.

The real root of the problem? A highly dynamic market, a growing culture of value-added services usage and increasingly savvy consumers with no brand loyalty, who aren't afraid to jump ship to your competitor when the price and package of services are right. This market demands that provider Marketing departments innovate constantly, creating new offerings and pricing packages that keep back-end systems scrambling to keep up.

Keeping your organization's revenue assurance efforts on track is a full-time job best entrusted to professionals. However, as you encounter and review revenue assurance efforts, here are a number of tips that you should try to keep in mind

TIP #1 – DON'T TRY TO FIX EVERYTHING

The pragmatic RA professional accepts that not every problem is worth fixing. Don't be afraid to accept a certain level of leakage. Some problems – based on their impact across the board – you *can* live with. The challenge is to craft and adopt a methodology and RA tools that will help you quantify the impact of leakage or the exposure of overcharge – and prioritize corrective actions to maximize the ROI of your efforts.

TIP #2 - DON'T WASTE THE EXPERTISE OF YOUR PERSONNEL

There's absolutely no replacement for the experience and accumulated knowledge of your organization's auditors. They've probably seen every type of discrepancy, and are invaluable in the efficacy of your RA program. However, if your audit experts are busy *searching* for errors – when they could be spending their time *analyzing* problems – you may want to ask yourself if you could better leverage their expertise by adopting a tool to identify and prioritize the problems for them.

TIP #3 – THE SOURCE OF LEAKAGE IS NOT ALWAYS OBVIOUS

Your ultimate goal is, of course, to find and fix the source of invoice discrepancies. But keep in mind that revenue leakage is a slippery fellow. And, although your existing efforts may be able to consistently detect discrepancies, leakage symptoms may result from one or more sources, originating in any number of systems. Finding the problem is, of course, the first step. But adopting a tool that finds the source of the problem for you will ultimately allow your RA experts to spend more time analyzing and prioritizing corrective efforts based on actual impact potential.

TIP #4 – PRIORITIZATION: ALL LEAKAGE PROBLEMS ARE NOT EQUAL

All revenue leakage problems are not equal. Effective RA allows for prioritization of problems, and their corresponding corrective actions, according to both financial and broader business considerations. The challenge? Gaining enough of an in-depth understanding of scope of every problem to effectively prioritize. One error of 1 cent may be low priority – but if this error is repeated through every customer invoice, it becomes a top priority.

TIP #5 – MORE TOOLS TO ENHANCE PROCEDURES

Traditional RA relies on auditing procedures, which are mostly based on manual and random discrepancy audits. Today's dynamic IT environments simply demand a more comprehensive approach, which can only be achieved through the use of advanced, knowledge-based auditing tools.

TIP #6 – BEYOND AUDITORS (OR "EVERYBODY ASSURES")

The phrase "everybody sells" is relevant in its own way for Revenue Assurance, too. Just like sales, revenue assurance cannot be something that stops at the department door. Successful RA today requires cross-enterprise cooperation, inter-departmental coordination, and – especially – constant monitoring of IT systems integration to limit data drain. Make sure you involve the full scope of customer-facing and crucial back-end bodies – from Marketing through Finance, from Billing to IT. In other words: "everybody assures."

TIP #7 – ONE-TIME AUDITS VS. CONSTANT VIGILANCE

One-time, cross-enterprise audits are common, expensive, and often limited in their long-term efficiency. A more effective approach is to adopt software and procedures that allow constant, year-round vigilance, discrepancy source detection, and drill-down capabilities to allow problems to be rapidly corrected.

TIP #8 – LESS IS BETTER– HOW TO MEASURE AN RA TOOL

Keep in mind that over time, the goal of your RA program should be to catch *fewer* errors. This, is on the assumption that you are using a tool that assists you in identifying and correcting problems. New problems will of course always surface – but once you've eliminated large-scale legacy problems, the graph should at least level off, if not decline.

In a competitive and global market, companies must leverage every advantage to survive and prosper. With the right combination of organizational commitment, the right technological solution, and management know-how, effective RA efforts can significantly benefit your organization and positively impact your bottom line.

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