

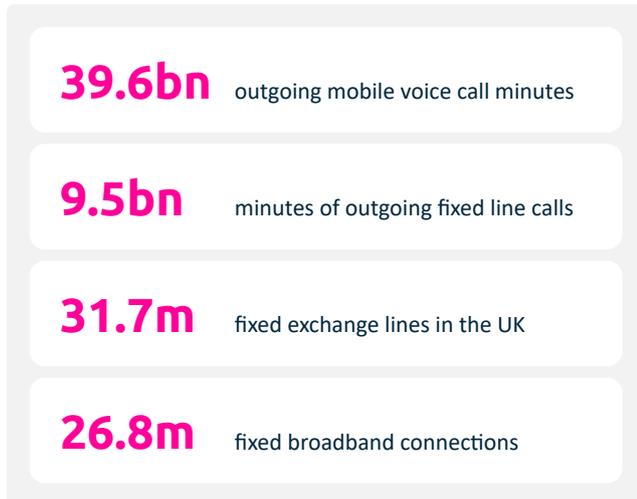
# CDR RECONCILIATION INSIGHTS

*RECONCILING YOUR REVENUES AND COSTS*



**The challenge of CDR Reconciliation for Telecommunications**

As our world continues to increase its demand to be mobile and digitally connected we can expect to see more competition across carriers and increased methods of connection and communication. At the start of 2020, <sup>1</sup>Ofcom reported:



Never has it been more imperative for Telecoms providers to have proactive, adaptive and accurate interconnect and reconciliation tools in place.

A significant and ongoing challenge for these providers is maintaining accuracy between their billing systems and switch data, which is crucial for performing effective CDR reconciliation and billing assurance. Without accuracy, a provider is at risk of:

- Significant financial losses
- Having less insight into revenue at risk
- Expending time and resources sourcing evidence for disputes

As well as the sheer volume of data to manage and reconcile, driving these challenges are:

- Ever-increasing pace of changes to billing and rating
- Complexity of agreements
- Ofcom compliance legislation for volume and rating accuracy

**Impacts of managing the challenge**

Accuracy is a huge challenge across the industry as there are no guarantees of accuracy between billing system and switch data. Although both systems are designed to manage the process, the sheer volume and complexity results in ongoing issues. These include the challenge of managing queries and disputes between operators.

Reconciliation activities and Billing Assurance often exists in some form within a Telecoms operation. However, it is usually embedded within other departments and systems.

When managed in this way, processes and pro-active, detailed analytical support can often be restrictive and undynamic.

**Factors that compromise accuracy**

Billing systems generally pull data from the switches but issues such as an outage are not usually accounted for. Therefore, without a reconciliation at CDR level, this process is not reliably guaranteed and as a result, companies often process this data with little or no oversight on how accurate their charges are.

Network inventory in the billing systems used to resolve the correct inbound or outbound carrier are often not updated in a timely manner, resulting in an incorrect carrier being allocated, impacting the accuracy of usage and billing.

Settlement scenarios and agreements complicate things further as organisations may challenge a charge but be counter challenged with another.

**The importance of reconciling at CDR level**

Reconciling at CDR level is vital to attain absolute accuracy of event volumes and to manage the challenge of discrepancies between two Carriers. To tackle the challenge successfully at CDR level, Telecoms Providers should be investing in:

- Powerful and meaningful analytics
- Processing effort
- Rich data sources
- Dedicated expertise

Using a range of data from client databases and multiple third party providers, Sagacity accurately reconciles call data to incoming and outgoing invoices at CDR level, thus providing real reassurance that can be relied upon.

**The Sagacity solution**

Since launching the solution, our clients have benefitted from meaningful insights and significant financial assurance benefits. Below demonstrates the savings made by a Telecoms Provider having implemented our solution...

**Back Billing**

**£575k**  
yearly average back billed due to inaccurate volume billing to other carriers

**Risk Management**



**£375k**

of average annual risk found due to inaccurate billing from other carriers which, if raised by the other carriers may require additional costs

**Countering Disputes**



**£259k**

saved from countering disputes raised by other carriers

- Validation of incoming claims from other carriers at CDR level producing better aggregation across the board

**Reconciliation at CDR level**

Billing system data and actual switch data need to work together but as these do not integrate seamlessly, it can be very complex to build a reliable system. However, our solution provides true validation in revenue and costs built on our flexible reconciliation capability. We aggregate the CDRs to deliver accuracy throughout the process.

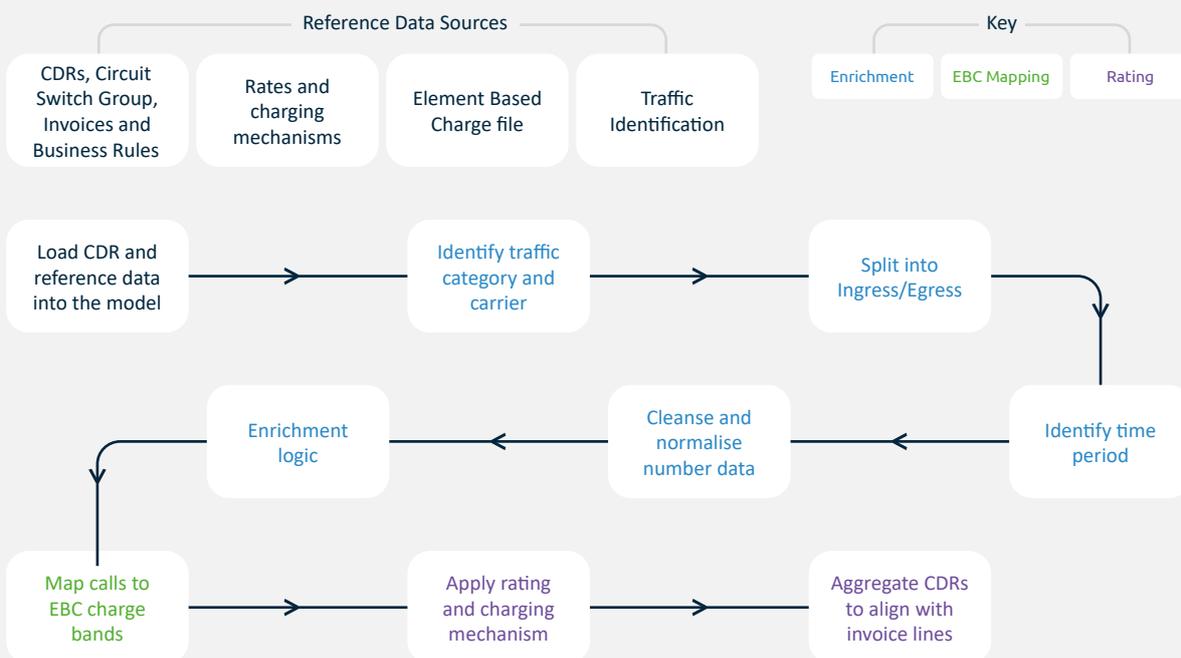
The process begins by loading CDR and reference data into our model. This includes the CDRs themselves as well as the business rules being applied. Throughout the enrichment stage, we normalise the data through various steps before mapping calls to the correct Element Based Charging (EBC) bands. EBC is a mechanism that measures BT network usage by Communication Providers. It is one of the factors that affect the final price of certain calls.

Our mechanism for rating and charging is then applied so that our solution can aggregate the CDRs to align fully with invoice lines and match up correctly with billing and business rules.

Tangible benefits include:

- An independent assurance of overall call and minute volumes being billed
- Assurance that the billing system rates are correct with calls charged at the correct rate in the correct time period, allowing for confident dispute handling with billing partners
- Clear visibility of the risk of credits as a result of overbilling and are well positioned to proactively deliver regular and timely identification of billing issues
- The ability to identify and flag your own disputes with carriers at CDR level with complete confidence as all outcomes are evidence based

**Sagacity CDR Reconciliation Run Model**



### **A flexible Managed Service solution**

Our reconciliation solution is not just a drop-in drop-out delivery, nor is it an 'off the shelf product'. We provide a fully managed service with permanent support throughout but can also offer flexibility with CDR reconciliation if only parts of our support or services are required.

Our solution allows for configuration based on client needs and continuous performance/outcome based developments of the model, supported by dashboard management information for strategic decision making. Our experts become a part of your team and are key to successful CDR reconciliation.

### **About Sagacity**

We pride ourselves on delivering high quality products and services that minimise risk and maximise rewards for our clients. From customer data solutions to revenue assurance and consulting, we successfully address complex business challenges across multiple industry sectors producing significant change and extensive financial improvements.

We are dedicated to delivering the highest quality business solutions for our clients and partners alike and are proud to work with some of the best-known and challenger brands.

Get in touch to find out how we can help your business address its current challenges.

**w** [sagacitysolutions.co.uk](https://sagacitysolutions.co.uk)

**e** [enquiries@sagacitysolutions.co.uk](mailto:enquiries@sagacitysolutions.co.uk)

<sup>1</sup>Telecoms data updates - Ofcom