

Convergence Isn't Just For Billing Anymore

By Bruce Christian

The postman delivers bill after bill, day after day. It's enough to make an adult cry. The answer is to simplify life. And isn't that the goal of converged billing?

"There are two real schools of thought I have on converged billing", says Randy Minervino, Vice President of Sales & Marketing at Profitec, Inc. (Booth 312) "Obviously as a biller, I am a big believer in convergent invoicing because of what I have seen my consumers do in terms of increasing client retention through bundling, packaging and promotion and other ways to incent multiple sales to the same customer. In that vein, Minervino says that with few exceptions, bringing disparate services onto a single invoice is a good concept.

Minervino joins Vickie Miles, CEO of VLM International (Booth 313) and Keith Nelson, senior vice president, sales and marketing for Abiliti Solutions today on the "Convergent Billing - There are Solutions" panel. Integrated Architectures Inc's president, John Reynolds, will be the moderator. Not everyone views convergent billing as the Holy Grail of customer service.

From a consumer's perspective, a convergent bill can be difficult to understand, but the day will come, when local, long distance, pager, cellular, Internet, cable TV, fax broadcast, conference calling, unified messaging, gas, water and electric may all be on one integrated invoice. Minervino says to gain greater acceptance, consumers need to be taught that a converged bill is nothing more than integrating several bills into one.

"So in my part of the discussion, I'm going to clearly identify what, in my mind, convergence means, what the advantages are that can be offered from a customer service perspective and how that translates into a gain at the bottom line", Minervino said. Bringing bundled services onto a single bill is a cost saver.

"The advantage I see is, invoicing in a convergent billing environment your additional cost to invoice an ancillary service is nothing or next to nothing for the additional revenue you are going to derive from that same client." "If I can add a \$20 revenue stream for an incremental 15 cents in my bill, a lot of people would think that's a home run," he said. But he prefers a grand slam.

That is why he believes that convergent invoicing can lead into the "obvious spin off," which is convergent customer service. This would give consumers the ability to dial one 800 number for all their troubles or inquiries relative to a wide variety of services.

"In some ways, invoicing is a way to facilitate the customer service on the back end," Minervino said. For Profitec, this concept is not new. "This is our specialty," Minervino said, adding that Profitec provides all the systems that let clients administer to their own customer base. This convergent - or integrated back office is not a unique concept. VLM International's Miles agrees that it is where things are moving.

"What I think is important, and even more since I've been working in the European market this year, the issue of convergent bills is even more important that it ever has been," she said. "The way the market is now, the way margins have contracted and the whole state of telecom industry, we have to have economical, efficient and accurate bills. Otherwise, the operators out there, the switchless or facilities based resellers and the small carriers can't afford to operate in this market."

This also is why she says that integrated customer service is a solution that will create more acceptance to integrated invoices.

"The demand is for efficiently integrated services with the billing system, so that the reseller does not have to go out and contract separately for every piece and part he needs to put his back office together," Miles explained. "In other words, he doesn't have to go out and buy provisioning, mediation software and customer care packages and everything else and pay separate license fees and then pay someone to integrate it."

Miles said that as the industry accepts the outsourcing model for converged billing or customer service more, the concept will become stronger because of the "horrendous upfront costs of acquiring" billing packages. A VLM International study shows the return on investment for purchasing a billing system is "years out," Miles said. "Frankly most guys don't anticipate owning these businesses that long, she added."