

# Charging and Billing in Next Generation Networks

Why the combination of attractive content, flexible service delivery and charging options is crucial for success

**T**HE LAUNCH OF Next Generation Networks (NGN) has brought about a paradigm change in the telecommunications market. New business models and services pose a particular challenge for charging and billing systems. They require a balance between customers' desire for simple tariffs and the growing complexity of products. A combination of attractive content and flexible service delivery and charging options is crucial for success.

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The charging and billing system is a critical link between technological innovation and new business models. A key role for Africa is real time charging for prepaid services, as well as offline charging for postpaid billing. Also needed is the capacity to adjust swiftly to changing market conditions, services, products and network platforms. It is essential to map flexible pricing models that enable both simple mass-market-oriented services and specialised complex value-added services.

NGN operators must differentiate between content and services as they actively participate in the content creation and distribution value chain. As the operator controls access to the NGN, it owns both the charging relationship and the metering point where chargeable service units can be measured and priced.

So far, online charging for

real time balance management of a prepaid account has been implemented primarily on proprietary platforms. The fragmentation in dedicated systems for offline and online charging is a root cause of poor business agility. Supporting multiple business models simultaneously, including for retail and for wholesale, is challenging next generation charging and billing systems as well as covering both content and transport service delivery in an integrated, quality-differentiated way.

Innovative charging and billing systems offer more flexibility, scalability and increased business agility. Convergent billing systems, for example, can support both prepaid and postpaid in one system or cover previously disparate domains, such as fixed and mobile. Further innovation will eventually enable charging for quality-differentiated service delivery of content access and transport services in a way that users can understand.

### **New business models and services**

Classic flat rate offers often include only a basic offer without value-added services such as special call numbers or international connections which are still charged on the basis of use. In the next step new mash-up products using Web 2.0 can be put together flexibly from existing services. Another option is that a content

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provider pays for quality-assured delivery or the network and content services are run advertising-financed.

Flexibility and business agility play a dominant role for speedy implementation of these new business models which open up new types of cooperation along the value chain. A further challenge is that as African subscriber numbers continue to grow and new technologies and services are introduced, revenue

leakage is likely to keep growing. African operators need to develop a proactive and holistic revenue approach in order to protect and boost their revenue. Process-related standards are already taking holistic end-to-end approach with great success. The Global Billing Association (GBA) for example, which recently merged with TeleManagement Forum (TMF), is following this trend. ©

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