

**MVNO**

## **Business Model & Process Overview**

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# Agenda

- MVNO: Basic concept and challenges
- ITIL based supplier management
- Product Development Tasks:
  - Topics for general product service description
  - Customer oriented business processes for post-paid
  - Pre-Paid offering
  - Other topics

# MVNO benefits & challenges

## Strengths

- Different position from regulations perspective (comp. to SP model)
- Extended coverage of value chain
- Allows to differentiate from competition in terms of product features & pricing

## Opportunities

- Allows to fulfill customer demand for more individual products
- A suitable approach to achieve a convergent product portfolio for fixed network and Internet SPs

clear  
commitment  
required to  
realize oppor-  
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## Weaknesses

- Higher level of technical and commercial responsibility (compared to SP model)
- Development of USP requires active control of all major suppliers (intermediary role, also technically)

## Threats

- Higher market entry barrier (technical- and financial), compared to traditional SP model
- Competitors are evaluating this business as well - need for quick start and reliable risk management

# Actors and Roles (1)

- **Mobile Network Operator (MNO) :**

The Mobile Network Operator delivers core Mobile Network Services. The MNO provides the MVNO with a MVNO contract. The MVNO is a customer of the MNO.

- **Mobile Virtual Network Operator Enabler (MVNE):**

The Mobile Virtual Network Operator Enabler is usually used by the MVNO to operate the Core Telecommunications Service Platform. This platform includes an IN System (SCP) and other Service Elements like a SMSC, an MMSC etc. From the Value Chain Perspective the MVNE adds value to the services provided by the MNO. The MVNE provides the MVNO with services. The MVNO is his customer. The MVNE has no contractual relation to the MNO.

- **Mobile Virtual Network Operator(MVNO) :**

The Mobile Virtual Network Operator has the key role in this setup. The end customers belong to him, also in the domain of Pre-Paid services. He is the MVNO contract partner of the MNO. He uses several other service suppliers to implement the complete value chain. Important ones are the MVNE (described above) and the Business Process Provider (described below). Additional service suppliers will provide him with services like Call Center, Web Shop, Logistics etc. From the contractual perspective the MVNO has the “man in the middle position”. Supplier management must be a core competence of the MVNO.

## Actors and Roles (2)

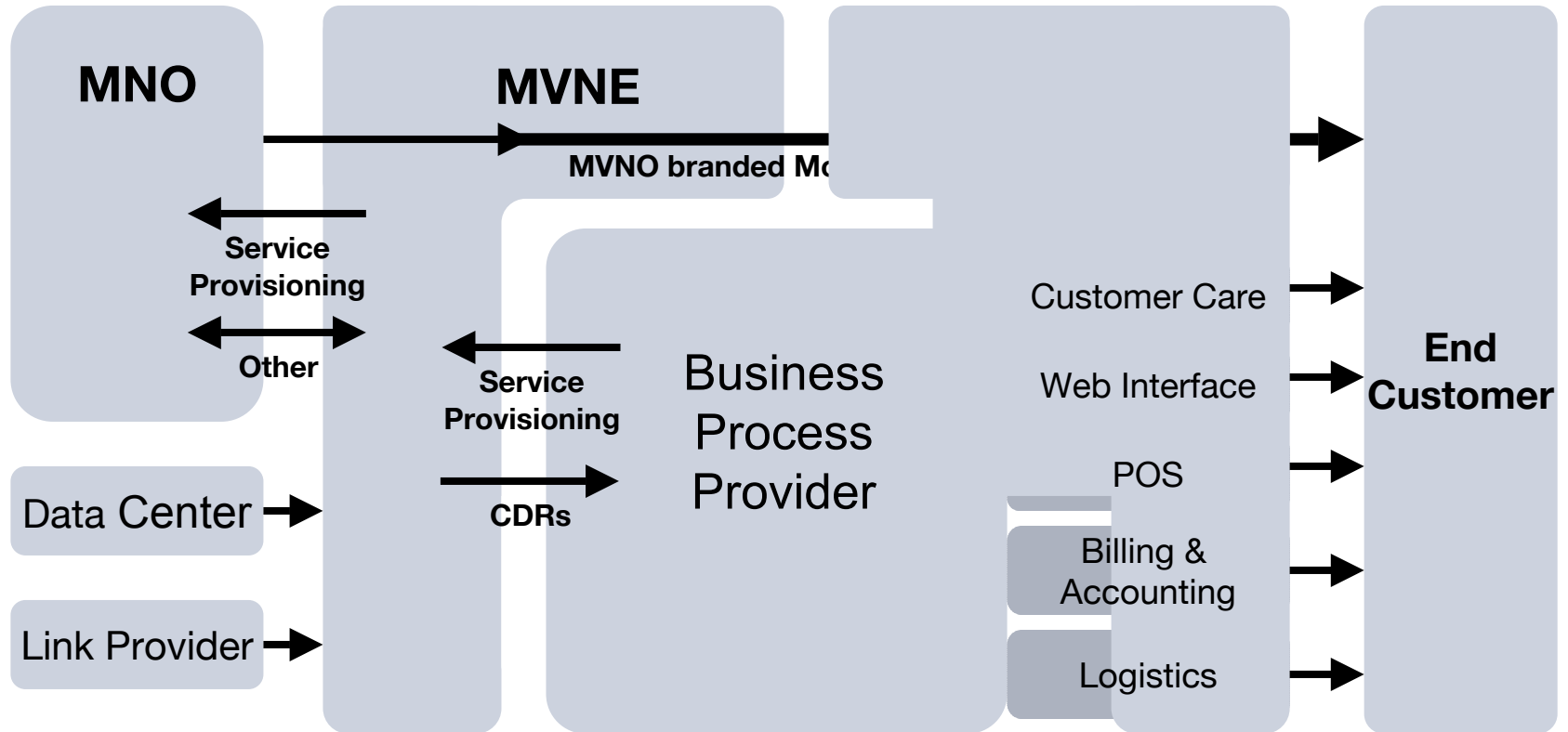
- **Business Process Provider:**

The Business Process Provider provides the management of business processes to the complete offer. His main business is to provide business systems and services necessary to roll out the business to the end customer. Typical services include accounting, bookkeeping, and invoicing and processes related to this, e.g. credit assessment, debit entry management, dunning etc. He also serves as “glue” between the “technological” oriented view of the MVNE and the strictly business oriented view of the MVNO by handling processes like MNP and finally provides technical systems for e.g. call center staff to interact with the platform. For a post paid services oriented MVNO, the Business Process Provider will most probably hold comprehensive customer data in his database systems. For some of the functionality provided through the Business Provider other suppliers will contribute additional services (e.g. call center, web based customer care, POS applications etc.).

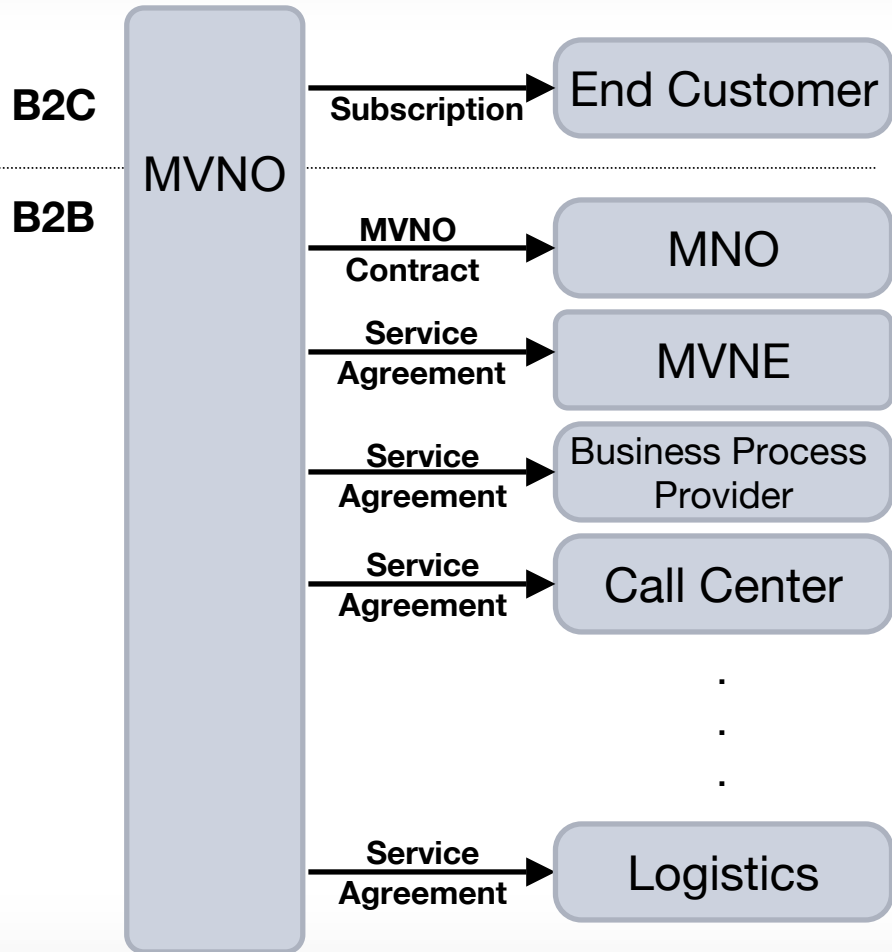
- **End Customer:**

The end customer is the mobile subscriber using the services of the MVNO. He has a direct contract with the MVNO. All services provided to him by the MVNO (either directly or indirectly) will carry the brand of the MVNO.

# How does it work - the value chain

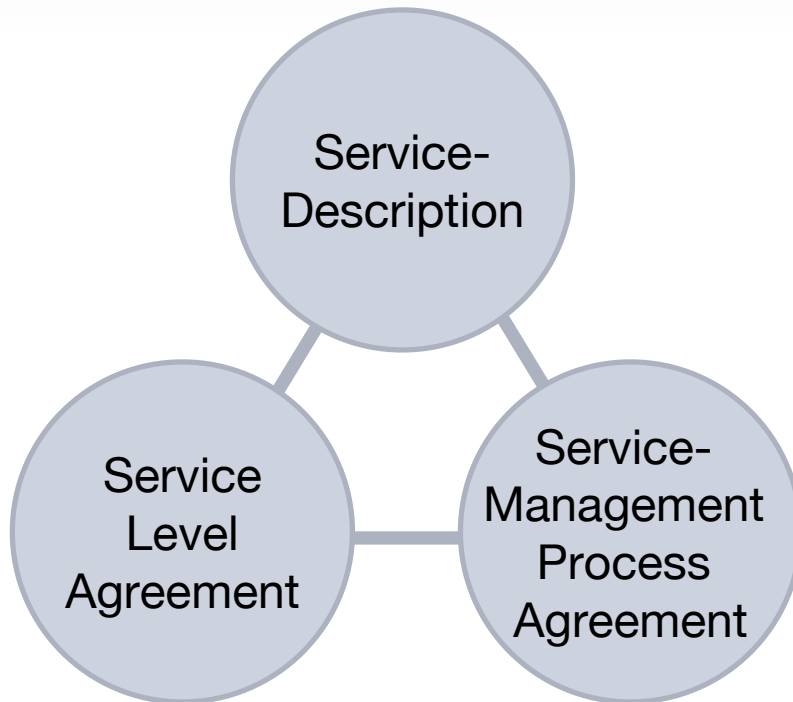


# How does it work - contractual relationship (principle)



- The MVNO deals with a serious number of suppliers. None of them have contracts between them.
- If they would have, the business model would change and USP options would vanish.
- The MVNO has the “man in the middle position” and should really aim to maintain it.
- Supplier management must be a core competence of the MVNO

# How to apply ITIL?



- The contractual co-operation framework with each customer and supplier includes
  - Service Description (SD)
  - Service Level Agreement (SLA)
  - Service Management Process Agreement (SMP)
- While Service Descriptions and Service Level Agreements vary, the Service Management Process Agreement is almost the same with all co-operation partners.

# General part of Product service description

- **Voice Services:**  
Multi Party Service, Call Forwarding Services, Call Barring Services, Number Presentation Services, Enhanced Call Management Services, Premium Voice Services, Voice Services when Roaming, Switching Lines, Summary for Voice Services and HLR Profile
- **Data and GSM Bearer Services:**  
Circuit Switched Data Services, Packet Switched Data Services (bearer service), Data Services when Roaming, Summary Data Services for Offers and HLR Profiles, Advanced Data Services and Portal Services,
- **Messaging Services:**  
Voice Mail Service (VM), Short Message Service (SMS), Multi Media Messaging Service (MMS)
- **SIM-Cards and SIM-Card Services**
- **Mobile Number Portability:**  
MNP outbound, MNP inbound

# Business processes for post-paid

## – Customer related (1)

- Registration new customers (Post-Paid, Secure Authentication)
- Changing customer inventory data
- Rate plan change / Rate plan options / Invoice type (online/paper)
- Provisioning SIM card replacement
- SIM card barring in case of loss
- Contract transfer
- Secondary SIM card / Partner SIM card
- Defect cell phone / Reparation
- Service degradation in case of exceeding credit line

# Business processes for postpaid

## – Customer related (2)

- Service barring in case of nonpayment
- Contract cancellation (only per) post-In
- Exceptional contract cancellation
- New password
- Account balance query (online, quick dialing, hotline/call-center)
- Rating / billing / accounting
- MNP
- Mobile telephone number change
- Cash payment / top up

# Pre-Paid Service Offering

- Pre-Paid product portfolio
- Voice and SMS Services
- Live Cycle Model for Pre-Paid Subscribers
- Sign up and Activation
- Refill Mechanisms for Pre-Paid Subscribers
- Account Characteristics
- CRM for Pre-Paid Subscribers
- Tariff Plan for Pre-Paid Subscribers (Charging Characteristics)
- Voucher Specification and Processes
- Roaming

## Other Topics

- Mobile Number Portability
- SIM Card Management
- MSISDN Management
- SMS Service
- MMS Service
- Packet Switched Data Service (GPRS/UMTS)
- Legal Interception
- Roaming
- MVNO/MVNE Platform Interconnection with MNO
- Service Management

# Questions?

**Please do not hesitate to contact us:**

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**Thank you for your attention!**