

## ROC credit risk management

### Introduction

ROC® Credit Risk Management empowers operators to continuously assess and mitigate risk presented by subscribers throughout their lifecycle. ROC Credit Risk Management tracks risk in near-real time during:

- subscriber acquisition
- ongoing usage
- collections and recovery

ROC Credit Risk Management provides the operator with a holistic view that helps in understanding subscriber risk profile and thereby aids its management. Further, ROC Credit Risk Management can quickly and seamlessly, accommodate new service information to provide an accurate picture of the exposure at any point in time.

Allowing the operator to easily, and quickly, define various risk indicators and controls, enables ROC Credit Risk Management to adapt to local cultural and regulatory requirements. This also enables the operator to stay agile in changing socio-economic conditions that affect the overall level of risk in a region.

### Business benefits

#### Slash bad debt

With diminishing ARPU, it becomes critical to minimize bad debt. ROC Credit Risk Management enables the operator to proactively identify subscribers with escalating exposure and help minimize, if not eliminate, a possible delinquency.

ROC Credit Risk Management monitors subscriber behaviour and usage patterns within the billing cycle. This helps in alerting the operator of any situation indicative of escalating risk well before invoicing and subsequent default.

ROC Credit Risk Management's advanced unbilled usage management workflow provides the operator with an accurate view of the exposure against each subscriber in a near-real time. ROC Credit Risk Management, thus, helps the operator to take steps to



minimize the exposure and thus proactively minimize bad debt.

#### Improve debtor turnover ratio

A key strategy in lowering bad debt is reducing the time to recover the invoiced amounts. ROC Credit Risk Management's advanced payment monitoring capabilities help identify subscribers failing to make their payments in time. Further, ROC Credit Risk Management tracks subscriber promises of payment to fulfillment and identifies payment realization problems like card chargeback, cheque bounce, etc. Operators always stay on top of the debtor situation and thus make better decisions to expedite recovery.

ROC Credit Risk Management also enables sharing of strategic information about the customer across teams, thereby leveraging on previous experience while handling the customer in the current situation.

#### Improve subscriber experience

An important contributor to churn is subscriber annoyance and dissatisfaction. A mistaken perception of risk that results in disrupted service or intrusive contact will adversely affect the subscriber's experience. The key to avoiding this pitfall is in being able to better assess risk of each subscriber and monitor him as part of a small group of subscribers with similar risk profile.

Using ROC Credit Risk Management's multi-level segmentation scheme, the operator can finely segment the entire subscriber base, based on expected risk, demographics, usage and payment characteristics. Operators can set up fine-grained controls for each group that can then help track individual subscriber's risk more closely. Operators now get alerts that are truly indicative of escalating risk, reducing false alarms and helping in avoiding customer annoyance and dissatisfaction.

### Trim operational expenses

ROC Credit Risk Management's automating repeated tasks, ready availability of a subscriber's relevant transactional information

together with the case history and tools to investigate the nature and impact of risk, provided by ROC Credit Risk Management, enable the operator to undertake rapid investigations. This directly translates into a lowered cost of operations and allows the team to handle more issues, and handle them efficiently.

ROC Credit Risk Management provides a configurable dashboard to enhance the view into existing process efficiency and team performance, thereby enabling the team to adapt and evolve the process to keep pace with the market dynamics.

## About Subex

Subex Limited is a leading global provider of Business Support Systems (BSS) that empowers communications service providers (CSPs) to achieve competitive advantage through Business Optimization - thereby enabling them to improve their operational efficiency to deliver enhanced service experiences to subscribers.

The company pioneered the concept of a Revenue Operations Center (ROC®) – a centralized approach that sustains profitable growth and financial health through coordinated operational control. Subex's product portfolio powers the ROC and its best-in-class solutions such as revenue assurance, fraud management, credit risk management, cost management, route optimization, data integrity management and interconnect / inter-party settlement.

Subex also offers a scalable Managed Services program and has been the market leader in Business optimization for four consecutive years according to Analysys Mason (2007, 2008, 2009 & 2010). Business optimisation includes fraud, revenue assurance, analytics, cost management and credit risk management. Subex has been awarded the Global Telecoms Business Innovation Award 2011 along with Swisscom for the industry's first successful Risk Reward Sharing model for Fraud Management.

Subex's customers include 16 of top 20 wireless operators worldwide\* and 26 of the world's 50 biggest# telecommunications service providers. The company has more than 300 installations across 70 countries.

\*RCR Wireless list, 2010

#Forbes' Global 2000 list, 2010



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