

Thirdware streamlines Planning process for a leading Telecom major

COMPANY

Hutch, with about 35 million customers (2007), is one of the most reputed telecom companies in India. Over the years, it has been named the 'Most Respected Telecom Company', the 'Best Mobile Service in the country', and the 'Most Creative and Most Effective Advertiser of the Year'. It now has operations in 16 circles accounting for 18% of India's mobile customer base.

BUSINESS CHARTER

Key requirements by Hutch were in the following areas:

- Planning & Budgeting
- Financial Consolidation
- Management Information System

The financial consolidation and the Management reporting at Hutch was done with the help of excel templates. Once the corporate receives the final data from the operating circles, the same are consolidated in excel sheets and loaded on to Hong Kong Oracle financials accounting System.

This involved a number of iterations of excel Sheets going to and fro. Moreover this does not ensure standardization of the activities done at each of the circles. The KPI definitions of ARPU, Minutes of Usage, Churn was done differently at each circle. Moreover since the bill cycle date of each of the circle is different, the base data used for reporting was for different periods with no linkages to the transaction processing system. The non financial information of Subscribers (Additions, Disconnections, Migrations), Usage (Minutes, SMS, MMS) was sourced from desktop MIS of

different departments with no ownership associated with it. Since all the activities are done in excel sheets, there was lack of audit trail and controls of changes made.

The planning process was entirely based on excel templates which as it is provided a huge challenge of managing the logistics of collating the information from all the circles and checking excel based models of each of the circles to ensure that the linkages & formulae have been established properly. Thus more time was wasted validating the model than analyzing the numbers which the planning exercise generated.

The fallacy of actual reporting used to get passed on to planning while computing the revised estimates thus mitigating the entire process of planning. This resulted in

- Misleading KPI's of ARPU, Churn, Break up of revenue & cost based on products (prepaid and postpaid), Usage, revenue per minute, cost of acquisition which actually indicate the performance of segments of business.
- Multiple desktop MIS resulting in monthly review meetings being more of a data validating exercise than a forward looking one
- Sub optimal decision making based on erroneous KPI's
- Lack of accountability as there were multiple versions of numbers doing rounds in the organization



Company
Hutchison Essar Limited

Location
India

Industry
Telecommunications

Solution
Collaborative Planning
Monthly Profitability Statement
Web Analysis

Products Implemented
Hyperion System 9 Planning
Analytics Reporting
Hyperion Enterprise
Smart View

Number of Operating Circles
Sixteen

Environment
HPux / Windows

Implementation Time
6 months



Customer Success Story continued



Hutch in its effort to minimize the above sought to implement Hyperion which would provide it with :

- an enterprise wide reporting tool
- Tool which would be flexible enough to take care of various tiers of reporting
- a standard drivers and assumptions based planning application. The planning application should also be able to incorporate the complexities and dynamism of the Telecom industry like introduction of new business lines e.g. WI MAX, 3G etc.

SOLUTION

Reporting

- Thirdware as a part of the Hyperion solution created a multidimensional cube with all the parameters needed for reporting in the telecom industries (products, sales channel, cost center etc).
- The Financial data gets loaded in this cube by a seamless integration with Hutch's Transaction Process System (Oracle Financials).
- This process of loading data is done post two stages of validation, ensuring that the accounting error is minimized and reporting is not mitigated. This is done through a mapping process in a staging environment.
- The non-financial data of Usage (Voice, data, SMS, MMS, and VAS), Customers (Additions Disconnections, Migrations) is loaded to the same multidimensional cube through a staging process.
- The KPI's ARPU, Revenue per minute (RPM) are computed by a process which run by the individual circles by the application. The entire process done by the circles is an automated one and has checks and balances which provide the circles and corporate with exception reports so that rectification becomes easy. The corporate has to only run a consolidation process and retrieve the reports in pre formatted templates.

Planning

- Thirdware has developed a multidimensional planning cube which has pre built logic formulae and linkages as required in a telecom model.
- The model is a comprehensive one which starts with the census population and based on the assumptions computes the target population.
- Based on this the circles provide ratio of the bifurcation of the products (Prepaid or postpaid).
- This along with the call pattern (Mobile to mobile, Mobile to landline, national, international) and the rates associated with the same calculates the revenue and the cost of sales.
- Based on the subscribers and additions of subscribers (based on promotions & introduction of new products) and the roll out plan of sites the network CAPEX gets computed.
- Further the planning is seamlessly interfaced to the actual reporting cube which facilitates
- Actual v/s Budget Reporting
- Accurate computation of revised estimates, etc.

RESULTS

- Integrated planning processes in one centralized Web-based application.
- Align individual, department and business unit plans with company objectives.
- Plan and reallocate budgets and resources continuously, based on material events.
- Drive accountability by increased user participation.
- Reduce planning cycles by weeks and cut total cost of the process.
- MIS data available across functions on the reported date

ABOUT THIRDWARE

Thirdware is a global IT services and outsourcing firm committed to helping clients utilize best of breed technologies to achieve sustainable competitive advantage. Utilizing leading edge collaboration software, Thirdware delivers an integrated suite of world class enterprise applications that are affordable, scalable and manageable.

THIRDWARE HYPERION PRACTICE

- » Hyperion Partner since 2001
- » Successful Hyperion projects: 100+
- » 50+ certified Hyperion professionals
- » Best Implementation partner of the year in APAC since last 3 consecutive years

Study prepared by Thirdware in cooperation with Hutchison Essar Limited

