

*"The best way to anticipate the future is by understanding the present"*  
*- John Naisbitt*

ISON CONSULTING



Business Modeling Case Study

# Outsourcing Business Model for OSS/BSS

A OSS/BSS Company used to sell products in India on a traditional Per-License Model. They wanted to explore the financial feasibility of a Long-Term Outsourcing Contract

## A Representation of the Client Situation

Traditional Sales Model on a License Fee basis

### ADVANTAGES

- Simple Business Model with Risk of Operations on SI partner like Ericsson/ IBM/ Wipro etc.
- Ensure Profitability during initial sale
- Annuity Business ensured through Level 2 support contracts & expansion possibilities

### DISADVANTAGES

- High Dependence on SI partners for sale
- No escape from annual re-negotiations & price reductions
- Not getting complete advantage of a growing market in overall sales figures
- Reducing Profitability
- No significant competition entry barrier

Exploring New Model for a Long-Term Contract

### ATTRACTION

- Create competition entry barrier by garden-walling customer
- Ensure long-term profitability fully capitalizing a growing market
- Have better control on SI partners' commitment to sales


### UNCERTAINTY


- Which model to follow: Revenue Share, Rate Contract, Per subscriber/ capacity utilization model etc.
- What is the best case scenario to provide maximum benefit to Client, SI partner & Operator

ISON to give a financial feasibility analysis of possible Long-Term contracting Options, Define Sales Strategy & Provide Sales Support

# Outsourcing Business Model for OSS/BSS

Building Long-Term Complex contracts is ISON's forte. Using our experience of structuring over 5BUS\$ of Revenue Share & Outsourcing contracts ISON helped the client sign a 5 Year Multi-Million US\$ contract

		PHASES OF A LONG-TERM COMPLEX SERVICES CONTRACT		
		Business Case Building & Vendor Finalization	Final Negotiations & Contracting	Governance & Successful Operations
SUPPORT SERVICES	Executive	<ul style="list-style-type: none"> <li>• Business Modeling – Duration, Key Parameters etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Contract Due Diligence</li> </ul>	<ul style="list-style-type: none"> <li>• Price Benchmarking in the Indian market</li> </ul>
	Strategic	<ul style="list-style-type: none"> <li>• Cost Case Building (Capex &amp; Opex)</li> <li>• Sensitivity Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Contract Building</li> <li>• Negotiation Levers &amp; Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Governance Architecture</li> <li>• Contract Governance</li> </ul>
	Operational	<ul style="list-style-type: none"> <li>• SLA Definition &amp; Framework linked to payment structure</li> </ul>	<ul style="list-style-type: none"> <li>• Governance Model</li> <li>• Deliverables &amp; Asset Tracking Framework</li> </ul>	<ul style="list-style-type: none"> <li>• Total Governance Support including Change Management</li> </ul>

 Support Provided

ISON helped Client bag a 5 Yr. Multi-Million Dollar deal with a Global IT Services Giant as the first model of its kind in the world, where the IT Co. has a Revenue Share agreement with the Customer (Telco Operator) & the client has a back-to-back revenue share % agreement with the IT Co.

# Thank You

*Feel free to Contact:*

ASHUTOSH JOHRI  
Vice President – Business Consulting  
ISON Consulting  
(M): +91 98103 32690  
(E): [ashutosh.johri@ison.in](mailto:ashutosh.johri@ison.in)