

Hello Tariff Optimization

Hello, I'm Peter McClelland, CEO of StreamFlex Solutions. Back in 2002 when I co-founded the company, I had no idea what tariff optimisation was, let alone that I would become closely involved with it. The idea behind the company was a general-purpose bulk processing software platform, which would transform the speed and flexibility for providing large-scale applications. So often I had seen business problems which could have been solved if only better software tools had been available. Systems were typically inflexible and closely encircled by a latter day Varangian guard of the IT citadel, whose main task seemed to be to prevent any real improvements ever being made. You probably know the score - death by a thousand review meetings.

So how did StreamFlex end up being tariff optimisation experts? And why does the world need yet another blog?

Well, once the flexible bulk processing platform - StreamFlex - had taken shape, the next task was to convince some telcos to use it. That proved somewhat harder than developing the software, because of course they all wanted direct solutions to specific problems. Any marketing neophyte could have told me that!

Actually, it was not all bleak. Quite a few telcos were interested and saw some potential. We wrote several pilot applications. After a while it became clear that the drive to keep existing customers, get more new customers and shape the most interesting offers was a key battleground for telecom providers. It was a market barely served by incumbent software vendors. Our pilot applications grew until they became three packaged software solutions.

In the course of working with large and small operators and their channel partners, we explored the topography of this interesting new field. It was not CRM, not billing, not marketing. It was, and is, a hybrid. A bit like making a pie, using a mixture which demands various inputs and adds an extra secret sauce to make it tasty.

At the same time as realising that software solutions to help providers get, keep and grow their customer base was a distinct and needy market, we also knew well that we could not address all of it. Niche suppliers usually build the best businesses, and despite having a general-purpose software tool, it was clear that we would be better off becoming specialists. At least until we had the strength to market the general-purpose tools on their own. Luckily, a clear market need emerged, for telecom providers to advise their customers and prospects of which of the available offers would best suit their current and future needs.

Software is hard to describe. That's the subject for a blog or two in its own right. A shared vocabulary is essential, if everyone involved with the business and software solution are to usefully describe what is needed and what should be provided. This new type of specialist solution needed a name. It is marketed for telecom providers, so we called it 'tariff optimization'. It finds the best (optimal) tariff (offer) for each customer, depending on its needs, in a wide range of situations.

In future posts I'll explore these areas in some detail, examining why tariff optimization should be of interest to telecom providers, how it works, what it must involve to be successful, and quite a lot of random stuff I just happen to feel is interesting!

And so on the final question, of why I can justify adding yet another quantum of noise to the clamour of the blogosphere. Partly because tariff optimisation is not yet mainstream and I would like to explain how I understand it in an informal and, hopefully, at least slightly entertaining way. Partly because it's inherently interesting. And partly because I want to sell more software because the benefits of tariff optimisation become more widely recognised!

But also a little bit because I find most software industry PR to be offensively turgid, dull and uninformative. We can do better at explaining what we do and why it's important and I hope to prove that, without ever making a sales pitch. Not even once. Promise.