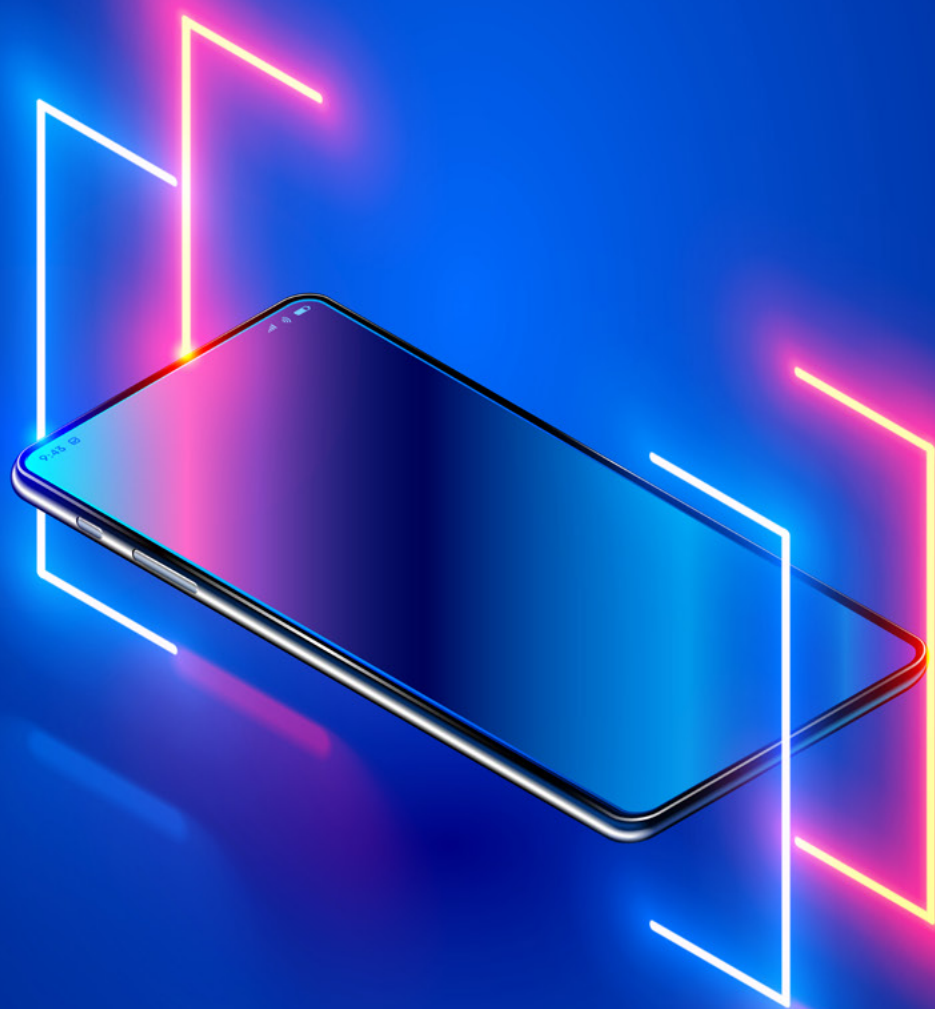




# Dial into Profit: How Telcos Can Boost Revenue Without the Risk

Harnessing Intelligent Decisioning  
to Elevate Subscriber Value  
and Reduce Losses





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You know the challenges in the telco industry, and even observers can see how fast the industry moves. So, in this environment how do you manage ever-evolving fraud tactics? How do you streamline credit assessment across diverse subscriber segments? How do you decrease your vulnerability to account defaults? How do you reduce the risk for subscriber churn in an increasingly competitive market?

You need AI-powered decisioning that enables you to make data-driven, real-time decisions across the entire subscriber lifecycle. Sounds difficult? It's not, if you have the right tech on hand.

Do you have a technology partner that can empower you to do all of the above and continue to execute on daily business goals? Did you know the right partner can **decrease credit losses by up to 40%**?

So why are most telcos still constrained by legacy solutions? Though the industry has made efforts to modernize, incorporating advanced decisioning solutions into existing systems is still a challenge, exposing companies to revenue risk.

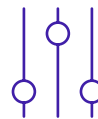
## Choosing the right decisioning solution will enable you to:



Streamline risk assessments to maximize activations and onboard subscribers efficiently without increasing risk



Reduce revenue losses and maintain customer trust with better fraud detection and prevention



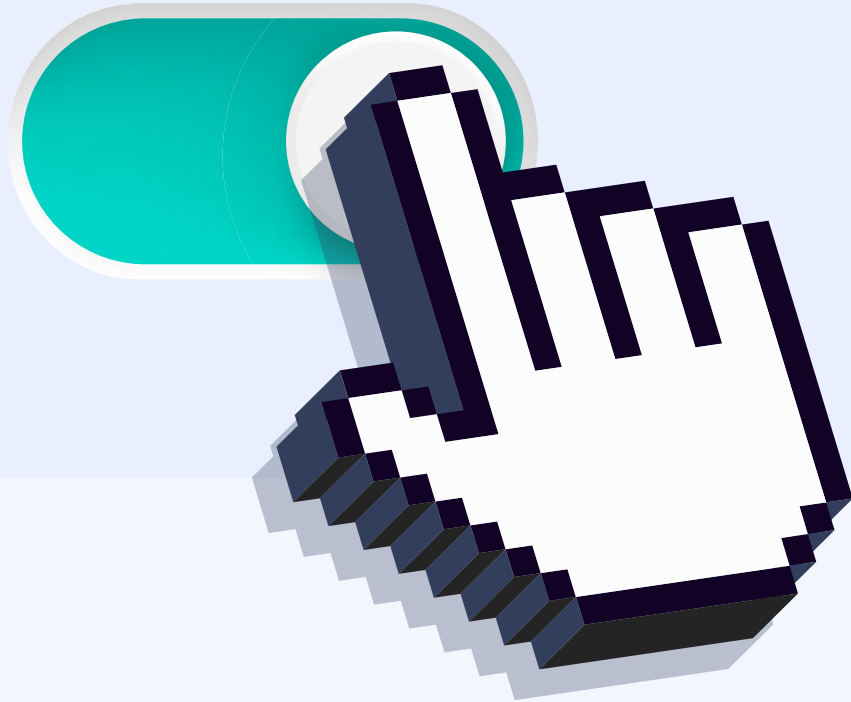
Personalize subscriber experiences and identify upsell opportunities to minimize churn and maximize customer lifetime value (CLV)



Optimize your collections process to minimize bad debt while preserving subscriber relationships

Transform your risk decisioning and strike the perfect balance between revenue and risk across the entire subscriber lifecycle.





## Streamline Risk Assessments and Maximize Activations: The power to say yes more

One click. Done. That's the experience your subscribers crave when it comes to signing up for a new phone plan or service. Much like any other service, they expect an easy, fast, safe, and fully digital onboarding service.

But quick and easy can often feel counterintuitive to maintaining a robust risk management strategy. To ensure fast, accurate risk assessments and maximize activations, you have to walk a fine line between streamlining the onboarding and activation of new subscribers and maintaining your risk parameters.

When creating subscriber-winning onboarding processes that maximize activations, there are two major areas of opportunity:



Actioning fraud  
risks faster



Expanding your  
lendable market



# Spotting Fraud

The old days of simple fraud schemes are long gone. Today's fraudsters are increasingly slick, sophisticated, and digitally-savvy, using complex tactics that take advanced skills and tech to uncover.

Fraud costs telcos nearly **\$40 billion each year**. The industry has seen an increase in fraud - up **12% from 2021 to 2023** - and with it, an increasing number of tactics employed by fraud rings, including synthetic ID fraud, subscription fraud, credit card fraud, and chargeback fraud. One study estimates that there are more than **200 types of telecom fraud**.

But how do you catch fraudsters without hindering your activation growth goals? With a legacy decision engine, your process may be limited to basic fraud checks, leaving you to only automatically approve low-risk profiles who you can be sure are real. More complex cases are handled manually, which slows down approvals and can give your activation numbers a significant hit - more than **65% of applications get abandoned** due to a review process that took too long.

To recapture those lost applications, invest in technology that can:



Run complex KYC and fraud checks as part of your decisioning processes



Increase the speed of checks to offer real-time decisions



Use alternative data to create more robust views of risk



Stay ahead of emerging fraud tactics with continuously evolving AI models



Gain deeper insights into fraud patterns and tactics with advanced analytics



# Expand Your Lendable Market

A traditional approach to decisioning relies on using credit scores as the primary method of determining creditworthiness. Why? Because it's reliable, the processes are already in place, and legacy technology can make it a challenge to try anything new! Credit scores are an effective predictor of risk, yes. But when it comes to expanding your lendable market, using only credit scores means you often end up filtering out the low-risk applicants that could be valuable subscribers.

There are millions of unbanked and thin-file customers across the globe that usually include new to credit, immigrants, and other underserved communities. There are nearly 30 million "credit invisibles" in the US and close to another 10 million in Canada, joined by 70% of Latin America's population, 70% of Southeast Asia's, and almost one quarter of the entire world. Globally, there are nearly 1.4 billion people without banking or credit history. So, what's the alternative?

To engage the low-risk population of this potential market for both wireless service and handset financing you need to expand beyond the traditional credit score as an indicator of creditworthiness. Instead, integrate alternative data sources into your decisioning processes to look at alternative indicators of credit risk such as utility and rent bills, spending habits, and employment history. When combined with AI/ML capabilities this aggregation of data types can empower you to confidently assess risk of those who may be credit invisible or thin-filed.

To enter the unbanked/thin-filed markets and activate low-risk subscribers, choose solutions that can:



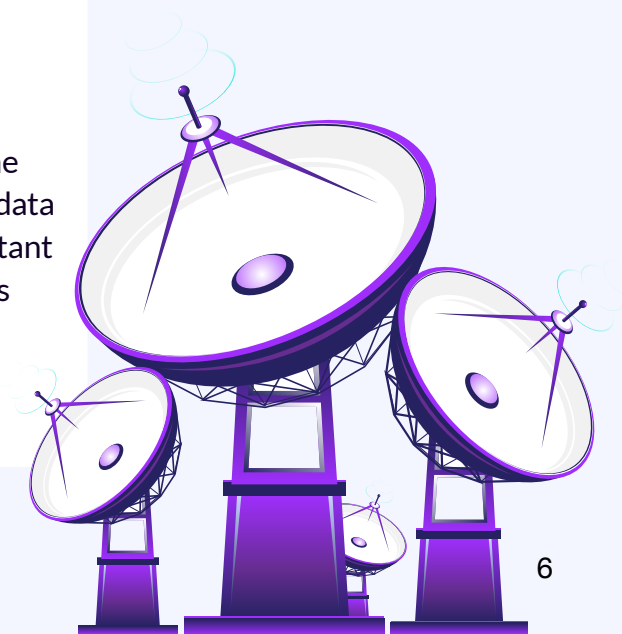
Access  
alternative data  
sources



Analyze  
alternative data  
with predictive  
machine  
learning models  
to create risk  
scores



Action the  
alternative data  
to make instant  
decisions



# Unlocking Insights and Personalization With Better Data

Having the right data at your fingertips is like having x-ray vision: you can see deep beneath the surface to discover what others can't.

From the first point of contact, data unlocks insights into a potential subscriber's risk and authenticity. The more data points your technology can gather, the easier it is to verify legitimate applications and flag bad actors. The same goes for engaging the unbanked - new sources of data allow telcos to create scorecards from alternative credit signals, including:



## Social Media Presence

It's a red flag if social accounts are new, don't exist, or don't have activity



## Rent Payment History

If the applicant has paid on time consistently, it could indicate creditworthiness

Better data also enables you to deliver personalized offers and experiences to your subscribers, reducing churn while increasing customer lifetime value. Tailor-made offers originate with data like:



## Clean Customer Data

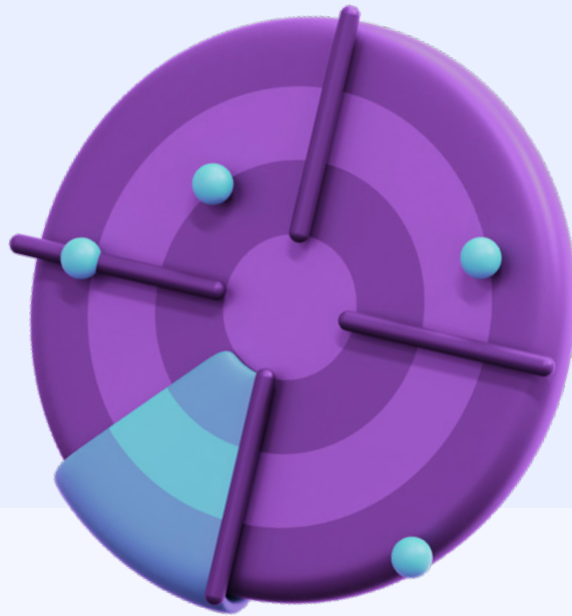
Integrate normalized subscriber data into your models to provide insight into entirely new segments and optimize pricing



## Wireless Usage

How someone uses their device can speak volumes about what services and products they're interested in, their readiness to transact, and illuminates optimal cross-sell/upsell opportunities





## Minimize Losses: Better predict defaults and prevent bad debt

Wouldn't it be great if your risk management team could sense payment delinquency before it occurs? Bad debt can leech up to **2% of your revenue**. While that may seem like a drop in the bucket, for a company like **AT&T, which produced over \$168 billion in 2023**, 2% is over \$3.5 billion lost. Even with so much at stake, many traditional risk management models only monitor payment status.

If a subscriber's creditworthiness changes in between billing cycles, you don't get alerted until after they miss a payment.

So, what's the alternative? Along with using robust credit risk analysis at onboarding, as mentioned above, risk monitoring should continue across the full customer lifecycle. Implementing early warning signs enables you to take action faster and reduce credit exposure and defaults.

There are two highly effective tactics that will optimize your proactive risk management strategy:



Incorporating behavioral data and insights into your models



Regularly monitoring account health regardless of payment status





# Analyze Behavior Before the Point of No Return

Humans are creatures of habit. We have patterns we like to stick to, and the better you know someone, the more patterns you pick up on. Instead of managing delinquency risk by analyzing known patterns that offer early warning signals for default risk, a more typical approach is a reactive one, **focusing on subscribers who have already missed payments**. However, this reactive approach doesn't kick in until your business suffers losses.

One opportunity for improvement is to take advantage of behavioral scoring that alerts you to early warning signs of risk and in turn triggers pre-delinquency processes to help minimize losses. This can be powered through in-depth behavioral analysis, which provides deeper insights into the financial health of a subscriber than payment history alone, and helps you evaluate the most effective intervention process you can take to minimize losses.



## Behavioral Insights For Proactive Risk Mitigation

Collect behavioral data from onboarding through the duration of the customer lifecycle and analyze it to watch accounts more likely to default. Revealing behavioral data might include:



### Purchase Patterns

Using RFM analysis, note the recency, frequency, and monetary spend of purchases to assess risk - has it changed?



### Geolocation

If a subscriber once lived in a downtown high rise, but has downsized in the suburbs, it could indicate financial hardship

The best behavioral insights to flag potential future defaults come from systems that can:



Pull data from a wide breadth of sources for more accurate assessment

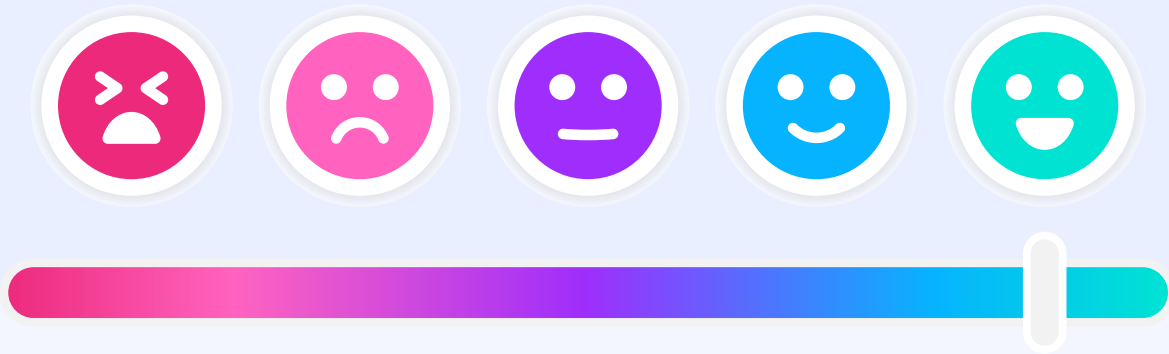


Provide flexible risk modeling that is easily adjustable



Synthesize behavioral data to derive credit signals





## Boost Customer Lifetime Value: Delight customers with personalized offers

Telcos, like most businesses, rely on popularity to operate. Unfortunately, many telcos have a retention problem—[average churn rates in the industry are at least 30%](#), often because of factors like negative customer experience and intense industry competition. Between the abandoned revenue and high acquisition costs that can hit over [\\$500 per subscriber](#), maintaining current churn rates is an outcome that will hit your revenue numbers hard. So, what can you do if, like most telcos, you suffer from high churn rates?

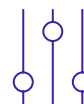
Develop industry leading retention strategies. When weighing retention strategies, you have a unique opportunity to increase the lifetime customer value of your portfolio, not only through longer relationships with subscribers, but by optimizing and personalizing plans, products, and financing options.



For the most impactful subscriber retention plan, include the following elements:



Data-driven analytics to optimize pricing, upsells, and cross-sells



More personalization to improve the customer experience

## Stake Your Claim: Improving Competitive Advantage

Telcos know that too much market saturation is bad for business. It's never been easier to shop around for the best deal, especially with multi-year-long contracts falling by the wayside, mobile number portability (MNP) that allows you to keep your number when switching networks, and providers willing to undercut each other to gain business. This translates to an **average churn rate of 30% for European telcos**.

On top of that, people are upgrading handsets at increasingly slower rates (**33% of iPhone users and 22% of Android users are keeping their phones for 3+ years**), and unlimited mobile and internet access doesn't leave much room for service expansion. Despite this, **almost 20% of wireless shoppers** sign up for telco service to get the latest handset. Offering the most competitive service rates and financing options is the key to keeping your customers by your side.

Optimize easily for a competitive advantage using solutions that can:



Mine data to determine optimal pricing for each subscriber segment



Learn as it decisions with AI to stay competitive



Pre-approve upsell and cross-sell opportunities for qualified subscribers



Enhance future product development with deeper insight into subscriber preferences and behaviors



# Your Customer Experience Superpower: Personalization

McKinsey found that companies which excel at personalization, driven by data analytics, generate 40% more revenue than those that don't. Only 5% of telcos are using analytics to its full potential to power personalization and in turn competitive advantage. Forty-six percent of operators recently surveyed don't even use their subscriber's names in communications - no wonder consumers in the UK rated the personalization efforts of their telcos unsatisfactory, with an average score of 2.8 out of 5.

Personalization should start at onboarding and continue through the full lifecycle, from determining pricing and finance eligibility at application, to determining Next Best Offer (NBO) for cross-sells and upsells. But why would you use a decisioning engine to power personalization? Your decisioning solution integrates with an immense amount of data sources and uses advanced analytics such as AI/ML to optimize decisions for a wide range of use cases such as fraud, KYC, credit risk, offer eligibility, and more. With its ability to access, analyze, and action data in real-time it can ensure you respond to NBO triggers in real time.

Meet customers where they are with personalized, retention-promoting offers, using software that can:



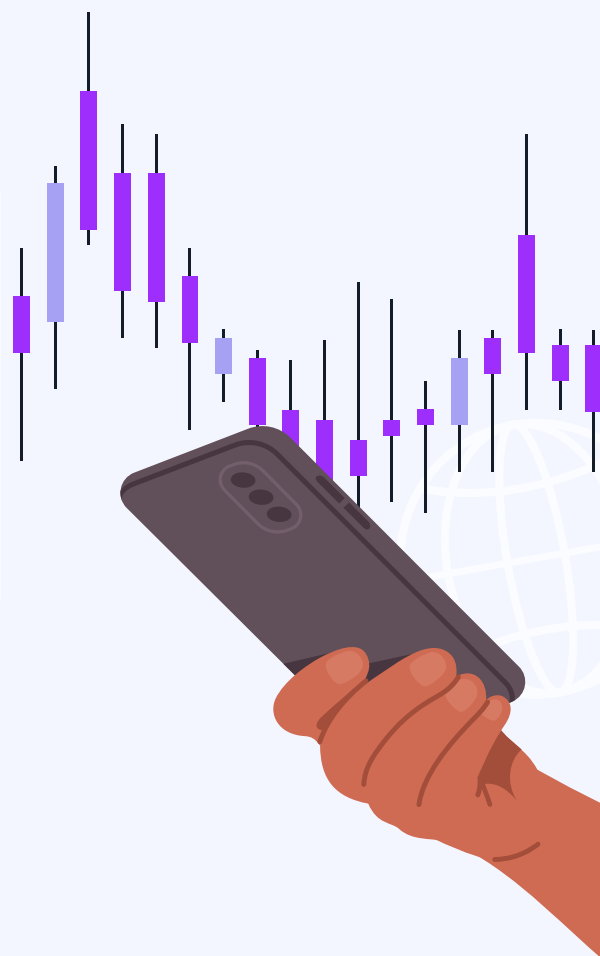
Make real-time decisions for improved customer experience



Perform data-driven analyses and generate AI-driven NBO recommendations to maximize CLV



Produce customized offers to subscribers based on activity and usage



# Advanced Decisioning for Hyper-Personalization

Advanced, automated decisioning technologies can give you the power of super speed: processes that were once manual now happen in a fraction of the time. And faster processes improve the overall experience of your customers.

An advanced decisioning platform can offer you:



## Real-time decisions

Go from activation to onboarding in real-time with automated processes that can make decisions in milliseconds



## Flexible control

With low-code tech, you can adjust processes without relying on vendors to reflect changes in the market, business goals, or evolving regulations while keeping the experience seamless for your subscribers



## Improved accuracy

Easily launch and test decisioning workflows to optimize accuracy across the entire lifecycle



## Automatic offers

Automations can push the personalized offers to qualified subscribers the instant they qualify, letting telcos bypass lengthy batch decisioning processes



The right decisioning tech can also help you identify opportunities to improve CLV - operators that personalize services generate **40% more revenue than those that don't**. Accurately determining the likelihood of payment default at the activation stage is also a critical moment for telco operators. One wrong assessment can cost thousands of dollars, on top of the hundreds already spent on acquisition. Two crucial areas next-level decisioning software should consistently perform include:



### Automated decisioning

Powerful automation can push applications straight through compliance, KYC, predictive modeling and pricing processes, making it easier and faster to identify potential fraud and defaults, as well as new subscriber bases



### Scaling operations

Decisioning can help increase subscriber volume, but it must be able to scale alongside a business while maintaining the accuracy of the increased volume of decisions



## Supercharge your Decisioning: See into the Future with Artificial Intelligence and Machine Learning

Life would be a lot easier if we had the power to see the future. We'd know the winning lottery numbers ahead of the draw and be able to avoid the traffic jam on the way to work. Advanced analytics like artificial intelligence and machine learning (AI/ML) provide that foresight: you can make accurate predictions about tomorrow that help you take the best course of action today and integrating AI/ML into your decisioning processes can increase efficiency by up to 40%.

AI/ML makes it easy for you to proactively manage your portfolios by seeing patterns in your data that traditional decisioning can miss. It also enables you to improve the customer experience, with the ability to customize offers for current subscribers to improve retention, and it continually improves accuracy by learning with each decision it makes.

Look for AI/ML solutions that offer:



### Auto-optimization

Automatically detect drift and let users know to retrain models, ensuring continuous improvement in model accuracy



### Champion/Challenger testing

Pit two models against one another to identify the most accurate option and then deploy quickly with autoML



### Pre-approvals

Pre-approve qualified subscriber segments for enticing cross-sell and upsell opportunities, so you don't have to wait for subscribers to come to you asking for faster internet, more wireless data, or a handset upgrade





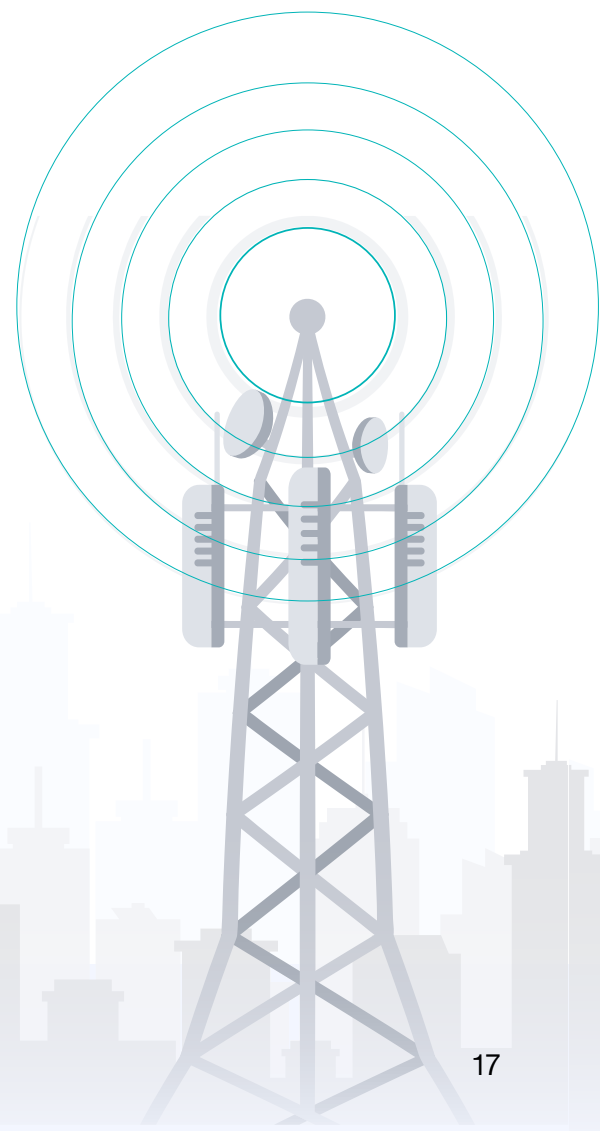
## Maximize Recovery Efforts: Optimize your collections strategies with proactivity

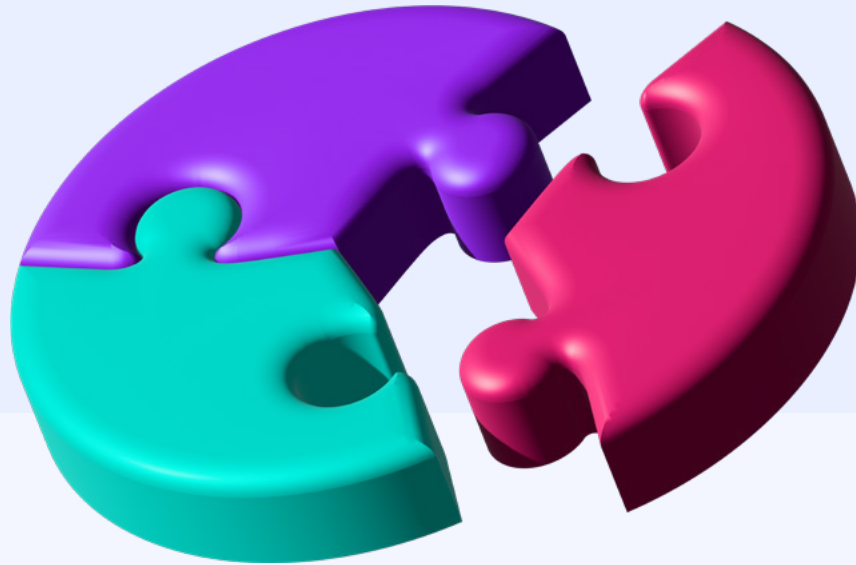
Times are tough and sometimes, despite your best efforts, your subscribers will default. So how can you optimize your collections process while still preserving relationships with your customers? Anticipating payment behavior can be a challenge, but using predictive analytics and automated workflows can enable you to create personalized, proactive collections strategies that balance debt recovery with customer retention.

Make sure you can effectively:

- Gain actionable insights to continuously refine and improve collections strategies
- Tailor your recovery approaches based on individual subscriber profiles and payment histories
- Improve recovery rates with AI-powered prioritization and strategy recommendations

Even better, implement proactive strategies (pre-delinquency!) to prevent accounts from becoming overdue in the first place.





## Extreme Agility: Adapt, respond, and grow with ease

It's not easy being a telco: you have to overcome substantial barriers throughout the subscriber lifecycle, and without the right tech at your disposal, it can be hard to address them. But why only address obstacles when you can eliminate them? A holistic decisioning solution enables you to level the playing field using three key, complementary components:



An extensive data ecosystem that lets you access and integrate both traditional and alternative data



Intelligent, AI-powered capabilities that maximizes decisioning performance and powers continuous improvement



Advanced, user-friendly decisioning that improves the speed and accuracy of your credit and fraud decisions

Together, we make it easier for you to capture high-profitability opportunities while minimizing your risk.



## A single, end-to-end decisioning platform

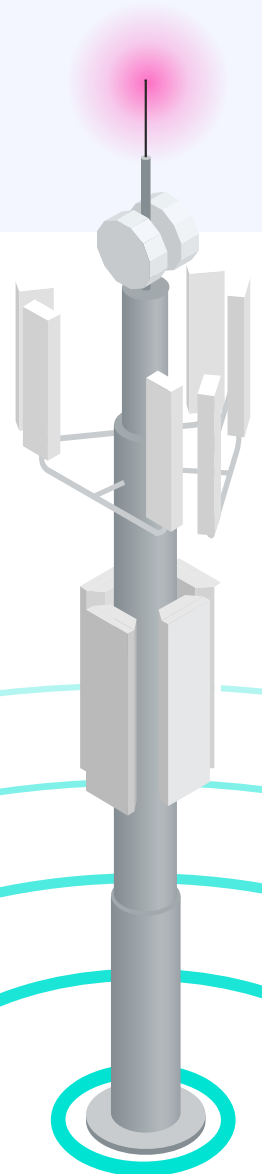
To transform your telco business, you need an all-in-one decisioning platform that can access robust data and use embedded intelligence to optimize decisions, allowing you to accurately assess identity, fraud, and credit risks in an instant.

Intuitive low-code UI puts control in your hands and automations deploy on their own to knock down any barrier that comes your way: maximize subscriber activations without sacrificing risk or fraud protections, reduce loss to defaults and collections, and minimize churn while increasing the lifetime value of your customers. You no longer have to decide between risk and reward - let a single decisioning solution take on the risk, while you reap the reward.

## Better Decisions

Automated decisioning processes in a single, scalable solution allow you to take the manual intervention and guesswork out of your decisions, with the ability to integrate a variety of data sources more easily. Look for solutions that:

- Offer the ability to rapidly integrate new data sources and provide drag-and-drop functionality to easily modify existing workflows
- Provide visual testing and analytics so you can rapidly build, deploy, test, and iterate your workflows



# Deploy in as Little as Three Months with Provenir.

Provenir's industry-leading AI Decisioning Platform is a scalable solution that brings together the key capabilities you need to ensure faster, more accurate fraud and credit risk decisions across the subscriber lifecycle.



## Data Marketplace

Seamlessly access and integrate credit, fraud, and identity data sources to enhance your risk assessment processes.



## AI Decisioning

Automate and accelerate credit and fraud risk decisioning to optimize subscriber experiences and make intelligent decisions across the lifecycle.



## Case Management

Integrated with decisioning for streamlined case creation, investigations, and referral handling.



## Decision Intelligence

Transform data into actionable insights with advanced analytics, reporting, and visualization tools that ensure continuous improvement.

Combined, Provenir's risk decisioning solutions enable frictionless call center, in-store, and online experiences, with dynamic decisioning and robust analytics for improved decisioning accuracy across the entire subscriber lifecycle. So you can maximize customer lifetime value and minimize risk, faster than your competition.





Discover how Provenir's dynamic decisioning solutions reduce losses and increase revenue across the subscriber lifecycle.

[Make The Call](#)