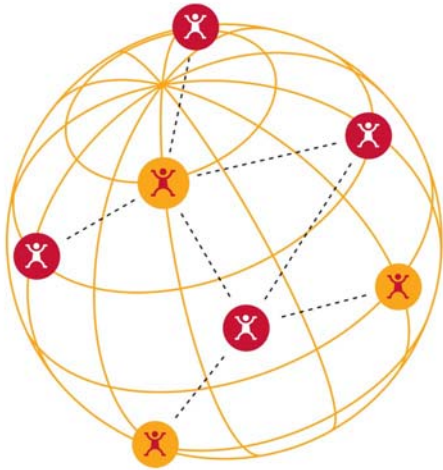


TRAINING PROGRAM OUTLINE



FIN-112E COST MODELING IN TELECOMMUNICATIONS

DESCRIPTION

A 5-day Training Program to provide participants with the fundamental concepts and principles of cost modeling methodologies in telecommunications.

OBJECTIVES

- Present an overview of interconnection regulation and the key concerns of regulators in evaluating the adequacy of cost modeling methodologies
- Present the drivers, benefits and issues of cost allocation and costing
- Examine what telecommunications costs must be evaluated
- Define key costing terms and concepts
- Provide an understanding of the most important cost models used in telecommunications, including FAC and LRIC
- Discuss the pros and cons of different costing methodologies
- Review some real world examples of the application of cost models in telecommunications



TOPICS

- Global and competitive telecommunications environment
 - Deregulation
 - Globalization
 - Market evolution and trends
 - New telecom players
 - New technologies and services
 - Falling telecommunication costs
 - Challenges, opportunities and impacts

- Interconnection regulation
 - Relevance of interconnection
 - Types of interconnection
 - Regulator's role
 - Interconnection best practices
 - RIOs and interconnection agreements
 - Interconnection trouble spots

- Cost allocation
 - Definition
 - Benefits
 - Issues

- Evolution of costing methodologies
 - Historical background
 - Economic methods versus cost-based methods
 - Principle of cost causality
 - Cost nomenclature
 - Accounting separation
 - Activity-based costing analysis

- What to cost
 - Characterization of various costs
 - Switching and service platforms
 - Access



- Transport
- Addition of data transfer services
- Incumbent operator versus new operators

- Costing methods
 - Review of economic methods
 - Cost-based methods
 - Cost-based method challenges
 - Tools

- Regulatory concerns

- Long Run Incremental Costs (LRIC)
 - Definition of terms
 - Definition of increment
 - LRIC versus regulatory concerns
 - Major assumptions of LRIC
 - LRIC – Methodology
 - Top down LRIC
 - Bottom up LRIC
 - Hybrid LRIC
 - LRIC – Summary
 - Shortcomings and pitfalls of LRIC

- Cost modeling issues
 - Challenges
 - Future trends

- Real world examples of the application of cost models

TARGET AUDIENCE

- Telecommunications managers and personnel responsible for evaluating costs and establishing prices/tariffs



- Managers looking to complement their skill-set by gaining a good understanding of cost modeling methodologies in telecommunications

METHODOLOGY

Our Training Programs combine expert presentations, workshops, case studies and discussions on real-life situations faced by participants. Complete training material is provided to all participants for future reference and follow-up action plans.

LOCATION

Our Training Programs are held at regular intervals in selected cities around the world. Upon request, our expert trainers can lead Training Programs at the location of your choice. If interested, please contact us at training@neotelis.com.

EXPERTISE

Neotelis provides consulting and training services to telecommunications organizations worldwide. Its team of experts has trained thousands of executives and managers working for operators, regulators, policy-makers and governments in over 100 countries around the world.

