



FIN-112 - Telecom Cost Modeling: Methodologies & Applications

Target Audience

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 courses 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 public training courses are held at regular intervals in selected cities around the world. Upon request, our expert trainers can lead private training courses at the location of your choice or using a virtual classroom (distance training using a web-conferencing platform). For more information, or if interested in a private session, please contact us at training@neotelis.com.

About Neotelis

Neotelis provides training, consulting, conferences and publications to the telecommunications industry 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.

4802 de Verdun St, Office #1, Montreal, QC, H4G 1N1 Canada
Tel: +1 514 281 1211 Fax: +1 514 281 2005
info@neotelis.com