TELECOM COSTING WORKSHOP

A four day workshop with a focus on Bottom Up and Top Down costing methods

10-13th March 2014 Sharm El Sheik, Egypt

Understanding the costs of telecoms services and analysing the profits are central issues to many managers involved in Telecom Regulation, Accounting, Price Setting, Business Management, Planning and Strategy. The workshop provides the opportunity to develop skills and knowledge that will cover the latest business and regulatory costing issues related to Next Generation Networks, fibre in the loop and broadband.
Telecoms costing workshop 10th to 13th March 2014 in Sharm El Sheikh

The National Telecommunication Institute (NTI) of Egypt, with Telzed Limited and Incyte Consulting from the UK, are pleased to invite you to attend the "Telecoms costing" workshop to be held in Sharm El Sheikh, Egypt. The workshop will feature a guest presentation from CostPerform who will demonstrate what is possible with the latest Activity Based Costing systems for complex telecoms service analysis.

Description

The four-day training program will be led by the internationally experienced presenters Roger Steele and Harm Aben. The programme will cover cost and profit analysis techniques from basic principles through to the latest advanced ideas for Next Generation Network and Next Generation Access analysis. Regulatory accounting will be included. The workshop will address concepts that are relevant for both commercial and regulatory pricing purposes.

Telecom operators, investors, controllers, business managers and pricing managers’ need to understand and control costs to set value-enhancing prices. This is increasingly difficult as technologies change and the already complex telecoms business moves into more broadband centred services with products increasingly sold in price-bundles. Telecoms regulators need to understand costs in order to set prices and encourage investment, competition and low consumer prices.

The workshop provides an opportunity for both those new to telecoms financial analysis and for experienced managers to develop their understanding and to discuss the current issues facing the telecoms industry. Anyone in the telecoms industry who needs to understand operator’s costs, Bottom Up and Top down methods, LRIC techniques and regulatory accounting will benefit from attending.

Topics

- Basic economic and financial principles
- Bottom up cost models
- Top down cost models
- Costs and telecoms regulation
- Next generation networks (NGN) and Next Generation fibre and wireless access (NGA)
- Fixed and mobile network technologies including LTE (4G)
- Service pricing
- Regulatory accounts

The workshop provides insights and understanding from the basics to advanced concepts. Examples of current approaches from the Middle East and Europe will be discussed and demonstrated.
Objectives

The workshop will cover principles and techniques that are relevant to all markets – emerging economies and countries with higher income and more competition. There will be a focus on the Middle East & North Africa (MENA) region, which has huge economic development opportunities from the deployment of NGN/A and broadband. To encourage investment, regulation and national strategies must be linked and key inputs to decisions are cost insights. Regulators therefore can benefit from understanding how to measure costs and how this can be used in regulation. Operators need to understand costs and prices to help with their business planning decisions. The MENA region has its own economic and regulatory issues, but the workshop will use the presenters’ global experience such as EU examples and lessons that will emphasize that the economics and techniques are universal: attendees from all parts of the world can benefit equally.

By attending this workshop attendees will be able to learn about:

- Cost definitions and measures
- Service cost modelling
- Infrastructure and wholesale service access
- Pricing
- Regulation and competition policy

Four day agenda

Basics of costs and profits
- Why important
- Economists & accounting views
- Discounted cash flow and net present value basics
- Regulatory economics
- Business managers’ thinking
- Essentials of pricing

The types of cost model
- LRIC, FAC, pure LRIC, marginal cost bases definitions and principles
- Regulatory accounting and transfer charging

Top down (TD) costing
- What is it?
- When to use it and when not to use it
- Activity Based Costing (ABC): how to do it
- Customers, dealer channels and bundled price-plans: cost and profits
- Routing tables and product costing

This TD module will feature an in-depth demonstration and talk about the ABC platform “CostPerform” and techniques from our guest presenter Max Kelsey from QPR CostControl.

Bottom up (BU) costing
- What is it?
- When to use it and when not to use it
- Economic depreciation, annuities
- Pure LRIC
- Look in detail at some real BU models

Bringing cost models together: BU, TD and hybrid models and the various costs bases – when to use and pros & cons of each.

NGN and NGA costing
- No new economics
- The problems are now no longer new and can be solved
- Multi service delivery and FTTx analysis
- LTE, Fibre, Broadband costing issues
- NGN core and using partial products for calculations and transfer charges
- Linking the analysis to regulatory and commercial pricing decisions

Strategies and investment
- Macroeconomics of broadband
- Politics and funding
- Emerging economies and more developed ones: different approaches
- Define and link policies to regulation
- How does this link to cost/profit analysis and to NGA models?

Examples to study
- Example countries’ regulatory accounting Instructions: requirements and implementations
- EU thinking. Recent NGA regulation problems will be examined to show the difficulties
- A real BU model – work through some of the details (with the BU material above)
- A TD ABC system demonstration.

**Methodology**

The Training Program combines expert presentations, workshops, case studies and discussions on real-life situations faced by participants. Complete training materials are provided to all participants for future reference and follow-up action plans.

There are no pre-requisites for attendees. Some knowledge of telecoms services, networks, finance or regulation is expected. A grounding in basic financial principles will be given but the accent will be on leading edge issues. English will be used throughout.

The workshop will begin at 09:00 each day and last until 14.30 with two breaks each of ~20 Mins.

**Target Audience**

- Telecommunications and business managers, financial experts and regulatory specialists.
- Managers looking to complement their skill-set by gaining a good understanding of the regulation and costing of telecoms networks and services. The workshop is not aimed at technical experts or network designers.

**Price and Payment**

- Training Program: **$1700 (US Dollars) per participant** *
- Discount Scheme: 2–3 participants, 5% discount
4-5 participants, 10% discount
6 or more participants, 15% discount.

* The price includes the Training Program, the training material in paper format and coffee breaks.

Logistical and Venue Information

Participants are responsible for their own accommodation, transportation from their home country to Sharm El Sheikh and for the meals that are not included in the program.

The Training Program will take place at the Royal Grand Sharm Hotel in Sharm El Sheikh.

Participants may book their rooms at the same hotel or else at one that is nearby to suit individual’s own requirements. Please also notify your booking with NTI.

Settlement of your account will be your responsibility with the hotel before departure.

How to register

To register, please fill the Registration Form located at the end of this document and return it to:

Engineer/ Osama Saleh G.M of Training & Capacity building Programs from NTI by E-mail at: osaleh@mcit.gov.eg; Cell phone: +20 (0) 100-3996364.

Speaker profiles

Dr Roger Steele, CEO Telzed

Roger has worked for 30 years in telecoms. Roger leads consulting and client teams in complex financial analysis projects across the world. He is a regular speaker at conferences on regulatory, pricing and costing issues. He has led many interconnection cost analysis jobs for regulators and fixed or mobile operators. These have used top down, bottom up, fully allocated and LRIC techniques. Recent solutions have included NGN based network service costing tools for operators. He has worked extensively with both regulators and operators.

His work has included: regulatory accounts reviews and definitions (including a recent public consultation); dealing with pure LRIC; retail price approvals; a workshop on market and competition analysis; dispute resolutions; legal dispute advice and investigations on possible telco-vendor over charging; dispute expert witness statements on mobile termination prices and interconnection history; SMS spoofing; mobile termination rates; tariff asymmetry; use of SIMboxes; MVNOs; drafting a RIO; econometrics analysis of operators costs; NGN pricing; unbundling local loop; defining the cost of capital. Roger has recently developed a broadband strategy paper for the ITU that has been presented in Mexico, Egypt and Japan (available on the Telzed and ITU web sites).

His recent work has focused on NGN costing and pricing and he has delivered working solutions for product-costing of NGN core and access services. His economic and regulatory accounting work is supplemented by an engineering background. He has worked in Qatar, Egypt, Jordan, Palestine, UAE, Bahrain, Oman, South Africa and the Kingdom of Saudi Arabia, as well as extensively across Europe and Asia. He is a regular speaker at international regulation costing and pricing conferences.

Roger has a BSc in Engineering and a PhD in optical fibre communications. He is a Chartered Engineer.
Harm Aben, Director at Incyte Consulting.

Harm is an economist and an experienced telecommunications executive and management consultant with a strong background in telecommunications policy, regulation, strategy, business development and pricing. Before joining Incyte, Harm was an executive board member of Romtelecom (part of T-Com), the incumbent carrier of Romania, where he had responsibility for regulatory affairs, carrier services and company transformation. At Romtelecom Harm had P&L responsibility for the EUR 150 million carrier services department, which provided voice and data services to both domestic and regional carriers.

Harm has been active in telecommunications for over 18 years through positions with KPN Telecom, PricewaterhouseCoopers and Ovum Consulting. At Ovum, Harm was Director and Leader of the Global Telecoms Regulatory Practice, based in the UK. Harm has a deep understanding of regulatory strategy and policy, interconnection frameworks, NGN and NGA access, service costing, retail pricing, universal service and competition law issues. Specifically on cost modelling Harm has developed and reviewed many top-down and bottom-up cost models around the world covering both fixed and mobile services and based on all major costing methodologies including Long-Run-Incremental-Costs (LRIC) in its various guises, Fully-Allocated-Costs (FAC) and stand-alone costs (SAC). Incyte Consulting regularly provides costing experts to the International Telecom Union (ITU) to run regional costing workshops, Harm recently organised such a workshop in Cairo.

Harm has an MSc in Business Economics and an MSc in Transport Economics, both from Erasmus University of Rotterdam.

National Telecommunication Institute (NTI)

The NTI was founded in 1984 to be a centre of excellence for telecommunications systems, technologies, policies and management. NTI is a scientific, training and research institution affiliated to the Egyptian Ministry of Communications & Information Technology (MCIT) has the following objectives:

- Providing high quality, advanced post graduate engineering education and training in the field of telecommunications in order to meet the demand for professional engineers in modern telecommunication technology.
- Conducting and sponsoring researches in the telecommunications field with the aim of solving technical problems which confront telecommunication companies, promoting local telecommunication industry and formulating a version for the future.
- Providing technical and policy expertise in the form of consultation services, feasibility studies, network planning, standardization, technology assessment studies and field measurements and testing.
- Organizing seminars, workshops and conferences in the various fields of telecommunication technology, policy and management.
- Cooperating with regional and international organizations working in information and communications technology field.
- For more information: www.nti.sci.eg
For information on Telzed, Incyte and QPR CostControl, please see the relevant web sites:

www.telzed.com
http://www.incyteconsulting.com/
http://www.qprcostcontrol.com/

For contact with the venue hotel:

http://www.royalgrandsharm.com/
Tel: +20-69-3663800 Fax: +20-69-3663819
Registration Form

To register

- Please complete this form and send it by e-mail to osaleh@mcit.gov.eg cc: Ms. Eman Salem: e_salem@mcit.gov.eg or by fax to +20 22 264 0187
- Registration and payment deadline: 27th February 2014

Personal Details

Mr/Mrs/Ms: _____ First Name: __________________________ Last Name: __________________________
Organization: ____________________________________________________________
Job Title: ____________________________________________ Department: ____________________________
Address: ____________________________________________
City: ______________ Postcode: ______________ Country: ____________________________
Tel: __________________________ Fax: __________________________ E-mail: ____________________________
HR/Training Contact Name: ____________________________________________________________
Email: ___________________________ Tel : (Land line) ___________ (Cell phone) ___________
Number of attendees: ___________
Attendees’ names: ______________________________________________________________________

Price and Payment

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- Discount Scheme: 2-3 participants, 5% discount
  4-5 participants, 10% discount
  6 or more participants, 15% discount.

* The price includes the Training Program, the training material in paper format and the coffee breaks.

Terms & Conditions

*This Registration Form is a contractual agreement between the registrant and “Telzed”.
*All registrations carry a 25% liability immediately after receipt of the Registration Form. However, if unable to attend, substitutions can be made. Failure to notify of non-attendance, prior to the start of the Training Program, carries a liability for the full price of the program.
*We will strive to promptly notify participants of any necessary changes, reschedule or relocate the training program.
*Payment to be made by cash or bank transfer to: Telzed Limited UK.

Bank transfer and payment details will be sent on receipt of the registration form.

Please note that payment is due within 2 weeks of the registration date or the payment deadline (whichever is the earlier).

I hereby confirm my acceptance of the terms and conditions indicated above.

Signature: ____________________________________________ Date: ____________________________