FIN-112 - Telecom Cost Modeling: Methodologies & Applications

Description

A 5-day training course to provide participants with the knowledge, tools and techni

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 in-depth analysis FAC and LRIC models
- 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 environmentInterconnection regulation

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

Network overview: what to cost

- Introduction

- 2G configuration
- 3G configuration
- 4G configuration
- Next generation wireline configuration
- Real world example

Activity-Based Costing (ABC)

- Typical cost behaviour
- Cost nomenclature
- Types of costing analysis
- Accounting separation
- ABC, matching of $ with drivers
- Exercise
- Real world example

Economic concerns

- Discounting logic
- WACC optimization
- Pertinent costs
- Annuity
- Real world example

Cost allocation

- Definition
- Benefits
- Issues

Long Run Incremental Costs (LRIC)

- Regulatory concerns
- LRIC versus regulatory concerns
- Major assumptions of LRIC
- Definition of terms
- LRIC – methodology
- Top-down vs. bottom-up reconciliation
- From FAC to LRIC in numbers - Exercise
- Real world example

Workshops, exercises and case studies

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.