

FON Billing & Settlement

Real-Time Access Management Solution



FON selected Bluetab in early 2006 to help solve key operational challenges in bringing its revolutionary WiFi offering to market - principally, to build a billing & settlement solution capable of supporting the operator's complex business model.

Background

FON, a highly innovative WiFi community, is the brainchild of serial entrepreneur Martin Varsavsky. Varsavsky has previously built three separate billion-dollar ISP businesses but he believes FON is his best yet. The FON concept is to 'democratise' WiFi roaming with the creation of a low cost network, based on enabling its members to publicly share the spare capacity of their broadband connections using a special 'Social Router'.

The business was devised in late 2005 and almost immediately attracted investment from some of the biggest names in the Internet landscape, including Google, Skype and Index Ventures. Only months after launch, FON is already the largest WiFi community in the world with over 200,000 users signed up and some 125,000 FON compatible routers sold.

A complex business model

FON's network consists of registered users (Foneros) running one of FON's specially designed and manufactured WiFi routers (a Fonera), which has two separate WiFi signals - one private and encrypted for the Fonero's personal use, the other one public for use by anyone else. These Fonera access points (or 'Social Routers') make up the global FON Community.

There are two types of Fonero - a Linus (Torvalds) or a Bill (Gates). Linuses have broadband connections with a FON Social Router at home and can roam all other WiFi access points within the FON network for free, in return allowing others to use their access point. Instead of roaming, Bills choose to make money from their broadband connections. They receive 50% of the net revenues from users connecting through their FON access point.

'Aliens' using laptop computers or other mobile devices are permitted to use any FON access point by purchasing daily FON passes (i.e. prepaid roaming Internet access credits) at low cost. Aliens purchase these FON passes and then use them to connect to the Internet anywhere on the FON network, worldwide.

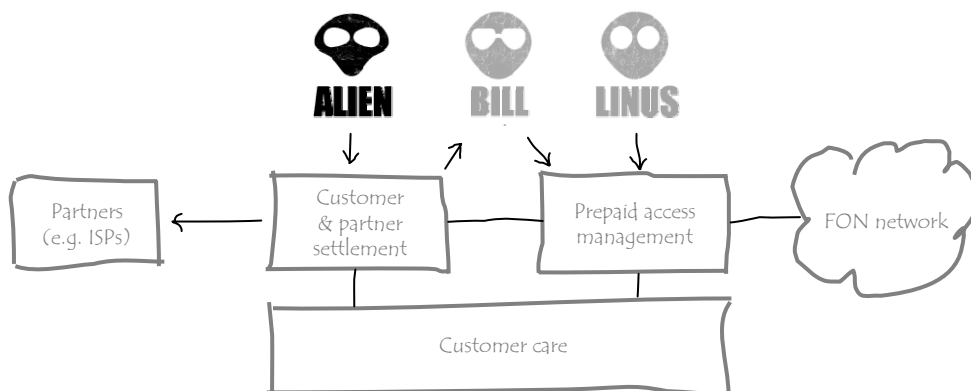
A formidable challenge

Bringing the FON concept to market presented a host of complex functional and technical challenges. Many of these were related to the network itself but key to enabling FON's business model was the development of solutions to manage prepaid access to the network and accurately share revenue streams. Key specifications included:

- Ability to provision new services rapidly and easily.
- Access to up-to-the-minute information about the current charge status of every subscriber on the network.
- A comprehensive contact management and trouble ticketing system (where technical complaints are sent to a centralised department for resolution).
- Fully open system architecture to enable integration of additional functionality (call centre, network management tools, etc).
- Low upfront costs.

Our solution

Bluetab deployed a tailor-made IT solution to manage customer service usage and purchasing, and to compute the revenue-sharing rules that apply between FON and its partners. The solution is fully real-time and features three core modules:



- Real-time prepaid access management.
- Real-time flexible settlement with Bills and other partners (mainly ISPs).
- Customer care.

The system runs on commodity hardware and open source platforms, consistent with FON's philosophy and enabling a highly cost-effective rollout. Time from project startup to deployed solution was just under three months, enabling FON to maintain its Web 2.0-speed startup.

Key benefits

Deploying Bluetab's unique object-oriented billing & settlement approach, FON benefited from rapid time-to-market and revenue growth potential:

- **Flexibility:** FON can continue to innovate with new product offers, value propositions or promotions.
- **Efficiency:** FON's billing, settlement and customer management systems have been designed to run on commodity hardware and open source software, keeping costs down.
- **Scalability:** FON's systems have been designed to scale with the business. More access points, Linuses, Bills and Aliens will be supported with more hardware over time.
- **Control:** FON did not want to give up control of mission-critical functions - so we offered them our in-sourcing model, building the solution alongside their technical team and identifying, hiring and training new FON staff to manage the systems in-house.

"The solution we developed with FON offers much more than simply sharing money amongst companies and individuals. Our unique 'Value Chain' settlement module enables complex, real-time multi-party cascading settlement flows which are totally configurable to meet the precise commercial needs of FON's business relationships. This enables FON to continue rapidly rolling out innovative partnerships, giving the company a key competitive edge".

Jose-Luis López, Co-founder & Director, Bluetab

Rapid rollout

Quotes from **Diego Cabezudo**, Chief Operating Officer, FON

“The speed with which FON turned from concept to reality was breathtaking. Investors of the calibre of Google and Skype had seen the value in our original network rollout and revenue model. The challenge was to get systems to support this novel vision up and running in under three months. In Bluetab, we found a dynamic and focused technology partner capable of delivering an innovative, carrier-class solution on time and on budget”.

Choosing a billing & settlement partner

“We needed an experienced billing partner who could deliver a platform tailored to our needs. We were wary of vendor lock-in and in Bluetab we immediately recognised a company we could work with. They have vast experience in delivering support systems to telecoms businesses but more importantly, they were able to adapt to our specific needs and culture. The quality of the people they bring to the table is second to none”.

Prepared for the future

“Not only did Bluetab deliver our entire billing & settlement software solution in under three months, they have also trained our in-house developers who are now able to manage maintenance and most evolutionary upgrades autonomously”.

Could your business benefit from Bluetab’s bespoke solutions?

About Bluetab

Bluetab is a technical and business consulting company with particular expertise in building state-of-the-art solutions for billing & settlement, e-commerce and business intelligence applications.

With operations in London and Madrid, we offer bespoke software, technical support and consultancy services to help our clients automate complex business processes in a wide range of industry sectors including mobile telecoms, Internet services, consumer goods and finance.

Contact

Unit G.07, 31 Clerkenwell Close
London EC1R 0AT

+44 (0)20 7014 3425

Maiquez, 18
Madrid 28009

+34 91 400 89 72

info@bluetab.net | www.bluetab.net