

# Supplier/Partner Settlement — WiFi Roaming

## The Need

### *Home Wireless Internet Service Provider's Perspective*

Companies have spent years establishing a national footprint for 2.5G/3G PCS services. Before they are able to garner an adequate return on their investment, a new technology is becoming available - WiFi. While this technology can be complementary to mobile voice and data service, a rollout strategy needs to be developed.

There's just one problem—companies can't go everywhere all at once and other companies are establishing a significant presence in their markets.

What is needed are business relationships that will allow a company's hard-won customer base to use its hotspots whenever they are in a market equipped by that company, while at the same time, have access to hotspots in areas it does not service (or may never service) without having to sign on to dozens of service agreements.

### *Service Wireless Internet Service Provider's Perspective*

Early movers into the WiFi hotspot service market have established nationwide partner agreements with retail outlets and airline clubs, as well as regional relationships.

It's clear that the market is developing along lines of the fast food model, namely one of chains of outlets in every market with several national franchisees. The critical difference is that sometimes companies do not own the hotspot location and not everyone offers the same base products.

What is needed are business relationships between national service provider networks that allow one company's hard-won customer base to use another company's hotspots as well as other service providers' customers to roam into hotspots not belonging to them which in turn will generate roaming revenues.

## Roaming Partner Relationships: The Basis for a Successful Business

Home Service Providers and Serving Service Providers have the opportunity to satisfy each other's complementary needs and profit considerably. The following Roaming Partner relationship provides an example:

Two Wireless ISPs (WISPs) have developed several relationships with various retail and corporate partners that provide convenience and value to your customers in many geographical areas, some in the same areas, some not. The WISPs agree to recognize each other's customers when they appear in each other's hotspots.

Each WISP's customers are aware of their roaming capability, and hotspot location literature and signage indicate that they are in a "friendly" roaming location. There is a premium rate for the roaming usage and the WISPs agree on how the revenues from such usage will be collected and "banked." Both parties will end up with more satisfied customers and new revenue streams if only they can resolve how to exchange usage records on an agreed financial cycle.

## Supplier/Partner Settlement

### Yesterday's Settlement Options

How does the Home WISP verify the amount due, with the delivery process in the hands of the Serving WISP? How should the detailed information about usage and payments flow reliably between parties? The partners might consider the following options:

**Blended Rate Estimation.** A simple approach is to use bulk estimation in place of accurate measurement. Commonly used before infrastructure is in place, this is an ideal way to launch a relationship quickly, but it invites an adversarial relationship and abuse over the long-term.

**One-to-One Transaction Processing.** Certainly, the partners can establish a bilateral agreement for the business relationship and the electronic data exchange. But the costs of such agreements rise in proportion to the number of partners, confounding such an approach.

**Clearing house.** Clearing houses promise to solve the problems of one-to-one communication by serving as the hub in a "wheel" of partners. They charge their own fees, but the net savings of common communication flows usually offsets that cost. Unfortunately, existing standards for settling telecommunications services assumes an existing service model, and change occurs through a slow-moving, centralized process. Those clearing house companies actively participating in the formulation of new approaches will be the ones to win this race.

If the opportunities for Roaming Partner relationships are to be realized, an approach that is simple, scalable, and flexible must be found.

### Today's Option: IPDR Supplier/Partner Settlement

IPDR introduces a new option -- One-to-Many Transaction Processing based on the **flexible** and **open** Supplier/Partner Settlement (S/PS) **specification**. Benefits include:

- **Instant-on.** IPDR Compliant™ packages reliably recognize each other and exchange information within hours or days. They can be configured simply and simultaneously along with Radius proxy authentication.
- **Do it once, use it many.** IPDR's NDM-U standard is now widespread and because S/PS builds upon NDM-U this ensures that the communication will work with most or all of the partners you might consider.
- **Completely free.** No maintenance or user fees to sap profits.
- **Flexible.** Advanced IPDR technology permits you to structure a complex and unique relationship with each partner, yet change it quickly as the relationship evolves.
- **Proven.** NDM-U has been tested by industrial use and is backed by the leaders of the industry.

IPDR.org comprises leaders from the Service Provider, Mediation, Billing, and Clearing House segments, who have crafted an open, flexible, and responsive technology to enable Supplier/Partner relationships to be practical and profitable.

Any vendor member of IPDR.org can tell you exactly how they can make this a reality in your operating environment, and you can visit the IPDR.org website at [www.ipdr.org](http://www.ipdr.org) for more information on IPDR Settlement and NDM-U.