

Service Provider vs. MVNO vs. Reseller vs. Dealer explained, and why you ignore their differences at your own risk



Like the sound of immediate cost savings, better service and access to all the right contacts whenever you need them, day or night? Of course – why wouldn't you.

Then how about “we have a five day SLA for all queries,” “it was the engineer's fault,” and “sorry I had my phone off at 9pm on Friday, but you could have called the network directly on this number...”? Not so much, I'm sure.

All too often, the real understanding of a supply chain relationship only comes to light when executive level or business-critical users feel its pinch points. When it's generally too late. Instead, you need to understand your comms partner's own supply chain before you sign on the dotted line. Consider the following scenarios:

- *The CEO is in Peru on business and has lost their mobile – they need a replacement now, but there isn't a program to support 24hr cover.*
- *The Managing Partner is negotiating a settlement in the US and the UK office comms have gone down – she can't communicate securely with colleagues in the office and can't reach support due to her current time zone.*
- *The Transportation Manager needs to track his freight day and night and a container has gone missing – there are no 24/7 multi-network solutions and support in place.*
- *The Chief Surveyor can't access drawings on an International site visit because his data has been throttled – and there is no way of resetting it until month end.*

While these are hypothetical examples, each one is plausible, and they all demonstrate how the size, quality and capability of your comms supply chain can have a real, tangible impact on your own

business. Yet it is still easy to fall into the trap of making decisions on a sales person's ability or brand promise, rather than a thorough understanding of the provider's supply chain agility – and how that mirrors your own requirements.

Few businesses can afford to find the pain points of a service after the decision-making unit has done its job. And therefore, understanding the structure of the telecommunications industry and its relative supply chain relationships is something for now, not later.

So, using mobile as an example, can anyone hold their hands up and say they really understand the hierarchy of communications partners, virtual service providers, MVNOs or distribution partners? And, is a platinum partner more highly regarded by a network operator than a service provider – and what's the difference anyway?!

So, here it is, the simple explanation of the relationships on offer to you, listed in order of direct relationship (top of the chain) to those further removed (and further down the chain):

- **Network Operators**
The big brands that stand at the forefront of the recognition queue when it comes to a 'direct' relationship. These are EE, Vodafone, O2 and 3. One bill comes directly from the network.
- **MVNO (Mobile Virtual Network Operator)**
Providers that use the mobile networks of the big brands but under their own brand, such as Tesco, giffgaff or Lycamobile. They are considered a direct offering, and predominantly consumer focused. Again, one bill comes from the MVNO.

“Is a platinum partner more highly regarded by a network operator than a service provider – and what's the difference anyway?!”

- **Service Provider (SP)**
Another of the 'direct' breed. A Service Provider has the same controls as the network operators themselves, but without the obligation of operator level regulation, network engineering and investment. Bamboo is an example of an SP – and the customer receives one bill directly from the SP.
- **Reseller**
A third party arrangement selling the services of a provider/operator and piggy backing a standard service SLA. One bill is issued through the overall SP or operator.
- **Dealer**
Also selling the services of a reseller, selling the services of a provider/network – often this scenario is piggy backing two, if not three service SLAs. Either one bill arrives via the SP or from a Reseller/SP.

Whilst the ICT industry continues to open its sales channels up to more and more diluted service offerings, it remains true that there are only four network operators and around 25 or so active mobile SPs in the UK. There is plenty of choice when it comes to resellers and dealers, with hundreds to choose from. The important thing though is to base your decision on what is most important to you and your users.

Why a Service Provider can offer the best of both worlds

It is my belief that SPs can offer the best of both worlds – to customers and partners too. They hold many of the cards that appeal to SME procurement teams; they have history, infrastructure, security and are also comfortable covering a broad spectrum of company industries, sizes and structures.

The number of SPs also remains low as network operators only partner with those businesses that can truly demonstrate the levels of operational capability, service, stability and growth in the market place they insist on, so you are assured of quality. They have the flexibility, agility, internal infrastructure and resource to support varying customer demands. They also have direct access into the networks to fully control and build their own SLAs – this is crucial to their differentiation, and something resellers and dealers generally cannot offer. They can also provide 24/7 network-level support, highly customised monitoring and automated network controls, and additional bundled services such as fixed line internet connectivity, M2M, telephony and Wi-Fi.

When a 'better deal' is not always the best deal

A reseller, dealer or even network operator might offer a 'better deal' when it comes to pence per minute, but you sometimes lose value in support and service since they have less control and access to the network.

A small reseller or dealer for example may provide a very personal service but only have third party access to support and third hand information. A big brand network operator on the other hand might have scale and direct access to the network, but you could get lost in the mire of red tape, call centre operating hours and incoming call queuing.

Whilst neither of these options should be discounted at the outset, you simply need to ask yourself, will that slight discount in pence per minute make up for the service path challenges when there is a problem? If the answer is yes, then you have the right partner for you.

What questions should you ask?

If you know that having a solution with the right SLAs comes before 'the best deal', then there are three specific questions you should ask any potential communications partner to avoid post-contract difficulties:

- What is your relationship with the network you are offering?
- How many steps are there in your service cycle?
- Does the SLA on offer match my 'worst case scenario' requirements?

If you can answer these three questions you will have a good understanding of how a provider's supply chain might impact the service you receive, and where responsibility for your service ultimately lies. You will be in a strong position to choose the right partner for you and avoid any of the scenarios discussed earlier in the article. Good luck in your search!

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If you'd like to understand how Bamboo can work with you on your ICT strategy, please visit www.bamboo.tech or call our team on 0800 804 4040

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