**Why an Online Charging System Is Needed to Support Real-Time Charging Requirements?**

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With customers’ requirements changing rapidly, business models employed by telecom operators are in a transitory phase. To stay competitive, telcos are launching new services rapidly that need to be accounted for. Convergence in billing is deemed as a necessary requirement for **satisfying the needs of subscribers**; hence, operators are busy trying to find an appropriate solution.

**Why Traditional Offline Charging and IN-Based Systems Fail?**

As a traditional [offline charging system](https://www.onlinechargingsystem.com/) applies charges only after a service is imparted, it can cause revenue leakage. Due to this reason alone, it is not considered as a good solution for **handling today’s complex requirements**. On the other hand, an IN-based (Intelligent Network) system that works in real-time, cannot offer the service packages that modern-day subscribers want, hence it also cannot be utilized for addressing telecom operators’ requirements.

**A Case for Modernized Online Charging System**

Considering the challenges faced by the telecom operators of today, an OCS (Online Charging System) **seems like a good option**. It allows for comprehensive online charging functions that are not dependent on NE (Network Elements). Some of the advantages of an OCS over the traditional charging systems mentioned above are:

1. **Development of prepaid services**: An [online charging system](https://www.quora.com/What-is-an-online-charging-system-OCS-What-are-some-important-features-of-an-OCS) facilitates the development of prepaid services. Unlike IN-based charging systems that cannot offer packages **as per the requirement** of the prepaid users, an OCS allows for flexible tariff plans and packages.
2. **Lower operational costs**: With an IN-based charging system, it was required to upgrade the SCP every time a **new bundle of services** was launched. However, an OCS does not incur such costs on a telecom operator and hence, reduces the overall operational expenditure.
3. **No risk of revenue leakage**: Compared with fixed line services there is a higher chance of revenue leakage in mobile services. To counter this, an OCS enables real-time traffic monitoring, **which helps operators** minimize the possibility of revenue loss due to delayed charging.
4. **Postpaid-level services for prepaid customers**: For a long time, prepaid customers were not able to receive packages similar to that of postpaid customers (and they also used to have a lower credit limit). But with the formulation of modern OCS, it is **possible to offer prepaid** customers postpaid-level services and a high credit at the same time.
5. **Adherence to industry requirements**: An OCS meets the requirements set by 3GPP (Third-Generation Partnership Program). As it adheres to **industry-specific guidelines**, it becomes the automatic choice of most telecom operators.
6. **Better network optimization**: An IN-based charging system is not well-optimized and requires huge investments. It is also not **the fastest medium** to impart services to the subscribers. Moreover, if there is any problem in SCP (Service Control Point), it may prevent calls from connecting. OCS does not have any such problems and it is very well-optimized, which makes it quite attractive to a telecom operator.

**Conclusion**

As prepaid customers continue to grow, it becomes imperative for telecom operators to create plans that can attract them to their services. However, it is not possible when using legacy systems like IN-based prepaid systems. This is why; telcos should look towards OCS for addressing the requirements of their prepaid customer base. Not only an OCS can help them with prepaid customers, it is also a lot faster, reliable and better **optimized for handling** modern-day requirements.