

Innovative Product Management Driving Enhanced Customer Experience Management (CEM)

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ABSTRACT

Customer Experience Management (CEM) has been a buzzword in both 'demand' and 'supply' side dynamics of the Telecom value chain. However emphasis is being given around CEM, it never feels just enough! Telecom ISP's are looking to generate more awareness of revenue generation and realization, so that it not only is about the increase of top line but also about consolidation of various products and services, almost being an aggregator at one stage to deliver with the help of a single service delivery platform. In other words, what is commonly known as 'VAS-Value added services' in the industry. The key to this is real 'innovation', of newer ideas and productizing these concepts to market. For innovative product management, Telcos are opting to look for 'value added' services, 'value added' delivery as well as enhanced business models and operational frameworks. This is primarily done to carve out an innovation which leads to a differentiator non-existent in the market. A very common, yet unique one such concept can be the 'Balanced Scorecard' perspective and mapping these different perspectives into various domains of a Telecom business. These are obviously very common in present days and widely used by all Telcos to arrive at a definitive decision for any strategic cause. It can be mapped to perspectives ranging from 'financial', 'customer-centricity and 'orientation', internal process management, functionality & delivery, lastly 'internal learning & growth'.

We need to understand the context of 'innovation' of 'products & services' under all of these above perspectives. This will give us immense clarity in creating such a differentiated offering to render enhanced Customer experience for better sustainability and thus thriving on market competition. Each layer of a Telco enterprise set up follows specific blueprint, whether it's the business or operations or technology. This will ensure that all company strategies which are focused towards creating and delivering differentiated offerings and delivery are being realized appropriately hence the delta of perception versus reality is minimized to a great extent. This would definitely increase 'customer experience' in all possible forms. Product life cycle management which forms the heart of CEM, should be certainly driven by 'cost of sale' as well as 'price of product'. Both of these parameters should be populated through a Balanced scorecard from a financial perspective to decide on a 'go-no go' decision for concepts to be marketed in a Telco. These need to be realized through specific derivatives of business processes following best practices to ensure enhanced customer experience and better delivery of services to the end customer. Perhaps, the most important perspective of creating a balanced scorecard matrix will be the 'customer centricity' perspective. Two fundamental aspects which drive this would be 'price' and 'quality'. Both of these should be focused on to deliver 'value augmentation'. The difference between what becomes a product or a service 'asset' with regards to what transforms into a 'liability' is this value differentiation through the process described. This leads to customer 'delight' or a differentiated customer 'experience' thus enhanced CEM.

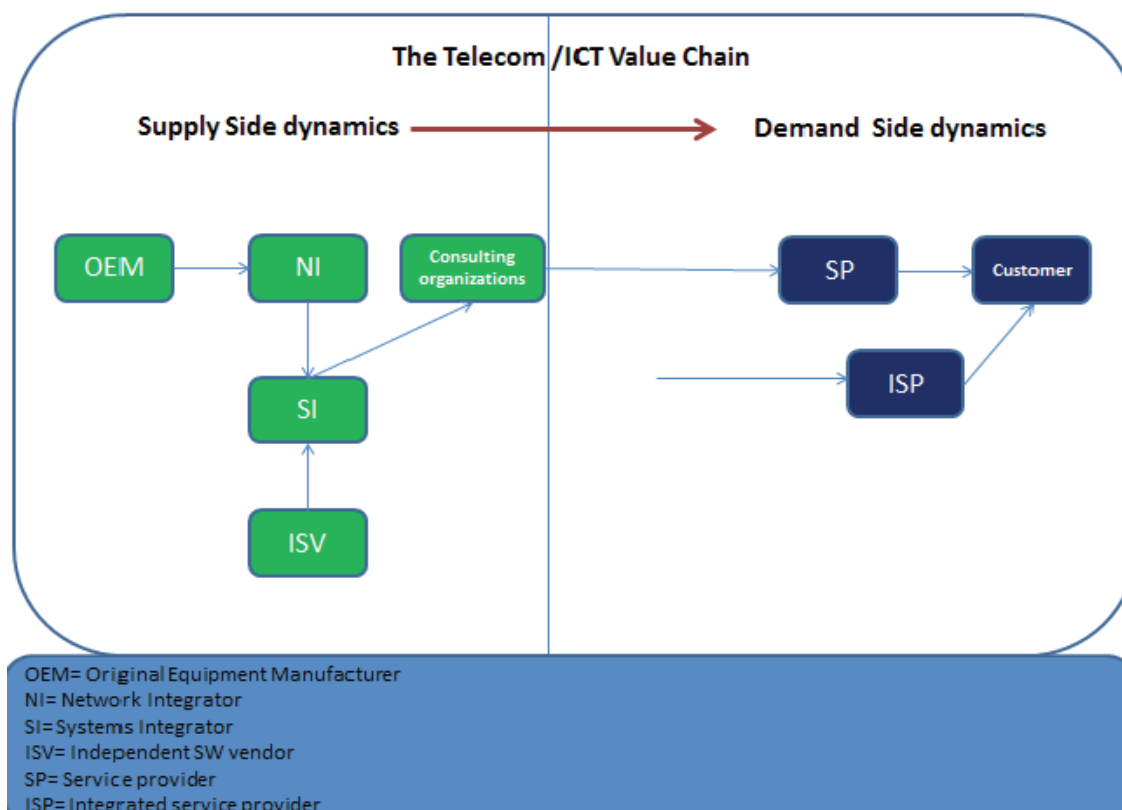
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INTRODUCTION

The intent of this paper is to provide both the Supply side and the Demand side dynamics that exist within the CEM (Customer Experience Management) domain of the Telco industry. Our aim would be to objectively isolate each entity within the Supply side and see how they contribute towards enhanced CEM. As far as the Demand side is concerned, our objective would be to understand what

it takes for the product management function within the Telecom operator to realize the 'concepts' and to market them as Products and Services. With the advent of newer technologies like 4G / LTE, some of these product concepts, which until 5 years back seen as a distant dream, is becoming a reality and will soon be commoditized at the user level to ensure mass acceptance.

The holistic view of the Telecom Value Chain is shown below.



SUPPLY SIDE DYNAMICS OF A TELECOM VALUE CHAIN FOR CEM

Starting from the Supply side of the Telecom Value Chain, the OEM or the Vendor is soon looking towards single equipment or device that can deliver or cater to multiple products/services delivery that the Telco is envisioning. Examples of such equipment are evident in both the 'access' and the 'backhaul' sides of the network. The core however remains fibre. The sole intent of the OEMs would be to provide seamless service delivery experience to the end user in order to drive customer satisfaction, increase in ARPU, better revenue realization thus ensuring greater margins or ROI. But CEM cannot be delivered only by the OEMs single handedly. The Service Quality Assurance level is the key to ensure that the expected service delivery standards are met. Thus it is important to integrate the OEMs across the SQM layer to drive CEM. Not only it is important to deliver newer services, SQM is also keen to understand customer behavioral pattern. There is a lot of intelligence about the customer usage and its pattern sitting inside the Telecom network. This data needs to be extracted and certain key analytics needs to be run on top of it to ensure it makes good enough sense to the Telcom

operators to understand the susceptibility of the launched products and services, thereby their acceptance towards its end customers. Thus, unlike previous times, the CEM is not limited to the domains of CRM, Billing or BSS. It is widely an universal truth, in present times, that CEM needs to be across the entire OSS/BSS layers of a Telco, thus encompassing the physical (network), logical (IT systems), business process (Enterprise Architecture) as well as the business (marketing) layers.

As mentioned above, one of the most critical success factors of CEM is Service Delivery and the overall service experience that a Telecom consumer gets from an operator. It is in this context that OSS/BSS layers are absolutely critical in ensuring that the right expectation of the service delivery and service experience are being met. Therefore, largely across both developed and developing markets, in the domain of CEM the large SI companies have a major role to play. While these organisations are looking to come up with their own CEM models/consultative frameworks, it is important for them to understand the product vision that the Telecom operators perceive while conceptualizing the product/service offerings. It is evident that CEM is and will always be a strategic initiative for any Telecom operator to grab market share and to differentiate in their ways of working. In the light

of CEM, it is important to understand also what the main strategic driver is. For example, if the strategic driver were 'Customer Experience', the parameters for transformation of doing and delivering products and services would be different than if the driver is 'Revenue and Margins'. The objective of the SI in order to assist the Telecom operator would be to define the boundaries of CEM when it comes to deliver their products and services through integration of business process as well as technology solutions. Industry best practices are key to ensure the universal acceptance of the defined process logic as well as solution architecture around CEM. These can be referred from TMF frameworks model and other artifacts. The creation of a CEM critical business process layer is pertinent to understand the larger implications of CEM within the overall enterprise architecture of a Telecom operator. These business processes will eventually be impacting and catering to certain critical performance indicators (KPIs) which the Telecom operators would be measuring to drive QoS (Quality of Service) of customer churn, time to market. Not to forget, that these KPIs would also be reflected on the CxOs dashboards to drive their individual KRAs. The perseverance of such business critical KPIs driving CEM across length and breadth of product/service portfolio of a Telco would reflect the efficiency and efficacy of conceptualizing CEM as a key differentiator for a Telco. Needless to say that all mission critical systems like Order Management, CRM, Billing and Point of Sale(PoS) are absolutely key to drive and deliver enhanced CEM.

As far as the consulting fraternity is concerned for Telcos, they are keen to advise them on newer business models around content/service aggregation. They are also responsible for ideating newer operating models to realize the business model. Each of these companies has their individual patented CEM framework, which would enable service quality for Telcos that is eventually enhanced when implemented. Consulting organisations play a mission critical role from the supply side within the Telco industry. It's these organisations that define and come up with newer adaptable concepts of CEM that ensures the rationale of seamless integration between business, process and technology layer is clearly understood by multiple stakeholders within the telecom enterprise. The TMF framework concept along with The basic intent of these CEM frameworks must be to reduce time to market and enhance customer experience management KPIs for the Telco to stimulate ROI and boost their top

line, thus achieving the critical differentiators within the demographic context of the market. One must also note that these organisations play a vital role in major OSS/BSS transformation engagements, which are often CEM driven. Thus a major task for these companies is complimenting the task of delivering such transformation projects along with SIs (system integrators).

Demand side dynamics of Telecom value chain around CEM

In order to better understand the 'demand' side dynamics, its important to know the functions and their basic role in CEM in general. Once that's well understood, it becomes meaningful then to de-mystify the truth behind Product Management and CEM correlation. The objectives of this section would be to detail out each function's role around CEM within the Telco and try to see how well that maps to product management innovation.

To start with if we consider a classic case of an integrated service provider of today's day and age who aims in delivering multiple services to the end customer starting from fixed line, broadband, mobile, IPTV, CEM is the ONLY differentiator and services and experience offered around CEM ends up being the only strategy. Such a phenomenon is mostly seen in saturated and over saturated markets.

The two most fundamental functions from a Telecom organization perspective driving the CEM strategic agenda would be Sales and Marketing. 'Sales' function, for any organization and any industry are all about numbers, figures, growth, ROI and profits. For a Telecom industry certain other parameters like ARPU and AMPU gets added along with this basic list. However when you are looking at Sales only function and its role in driving CEM its also about the market penetration timelines reduction which we call 'Time to market' commonly as well as increase in sales and customer touch points to create greater customer reach and accessibility.

The Marketing responsibilities and scope when it comes to driving CEM gets more complex and needs to incorporate certain key academic methods to analyze trends, subjectivity and innovation. The Telco may classify CEM protocols into two different kitties. They might think 'strategic' when it comes to the CORE Product offering

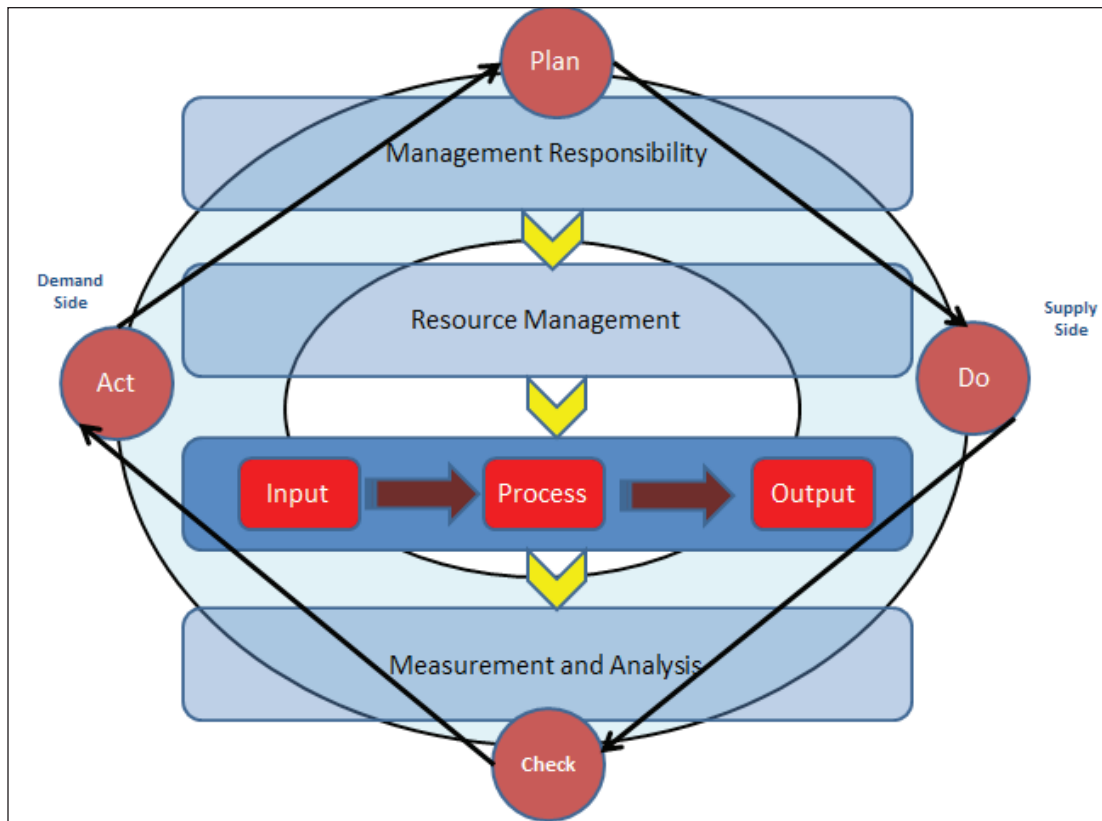
and perhaps the “Productization” of the same. The CEM parameters will essentially revolve around customer oriented products/ services along with specific platforms that would be focused in delivering these products in the shortest possible time frame. Product Management and CEM experts are trying to carve out more and more niche, though its becoming increasing difficult in an over saturated market with more than 5 players. Barring the Product management side, an essential focus is also created around the different customer retention strategies as well as the customer delight or experience management functions adopted by the Telcos. These could range from just being the enabler for delivering special services to actually being the ‘pseudo providers’ themselves by creating portals and e-commerce business models allied to other industries. This helps them to up-sell and cross-sell services that might have a mass appeal. Thus helping the partner organization in many ways than one to achieve better economies of scale along with the universal acceptance of such ‘pushed’ services with the end customer. The more objective the offer, the better CEM KPI could be captured and quantified and the more meaningful it will look, instead of just being an idea floating in the table. One must understand very clearly that in today’s day and age with Internet and Connectivity virtually a ‘basic’ necessity, one must not limit Telcos to service provisioning and connectivity. But if you partner with allied industries like health care, banking, education etc, to name a few, a whole new plethora of services could be offered which can enhance not only customer experience but ensures customer delight is being achieved.

While looking at the CEM holistically, it would be unfair to only look at business and strategy without considering the operations part of it. At the very core of CEM is the ‘Customer care’ or ‘Contact center’ operations functions and this philosophy is a universal truth across industries. While understanding the CEM KPIs in no way one should compromise on the strategic objective defined by the management team however certain key entities like, it should reflect their (customers’) view point and it should also reflect their experience across multiple channel touch points. These Customer feedback experience data points should be captured, monitored and fed back into enhanced analytics engine to better understand and correlate the essential customer experience management drivers. Recent studies have shown that there is a direct

correlation between business strategy and customer care operations in maintaining successful market share and brand equity. This is the sole reason where many strategic advisory firms are constantly advising customers across regions for best practices in setting up their contact center operations or CEM operation function. Since we are looking at an enhanced CEM from a Product/services management perspective, it becomes imperative to say the contact center professionals must be equipped with adequate knowhow and expertise to talk about all products and services across product lines for an integrated service provider. As stated earlier there are two very basic features to drive this innovative CEM that’s ‘price’ and ‘quality’. Needless to say the operations side is heavily focused on ‘quality’ and all attributes that contributes to QoS.

Correlation is the KEY to Success

Since we have now seen largely, the various aspects of CEM in general and its industry dynamics both from the ‘Demand’ and ‘Supply’ side of the value chain, its important to assess the parameters of subjective correlation between Product Management innovation and CEM. The innovation which is driven by Product Management is largely around the customer feedback, market demands and of course the business case much needed to justify the concept of a product or a service for a Telecom operator. However, every Telco would do all of these, but the differentiator lies in ensuring the product reach and ‘commoditization’ to play on the economies of scale. For example, in markets like US, local calls are almost for free with bundled minutes and packages, the innovation therefore doesn’t lie in the core product but the appendages surrounding the core as an offering! The better one can do the packaging and bundling, the more the probability of an acceptance, on a larger scale. Innovation therefore is intrinsic in nature, with regards to an offer. There is technology present as an enabler to carry and deliver these concepts across various complex service delivery platforms, which are by far nothing but ‘differentiated’ value added services or product bundles. The most common correlation parameters can be the following cost of sales, branding cost, product time to market, IT opex cost (rough estimate), ARPU yield etc.



Some of the most common and typical 'Use case' scenarios of CEM which are prevalent in most Telecom operators are described below:

- Proactive Service Assurance
 - Real-time and georeferenced service monitoring of status and quality of services through network events correlation
 - Reactive and proactive maintenance prioritized according to customer and service impact
- SLA & VIP Assurance
 - Identify S-KPIs and ad hoc thresholds in order to monitor proactively the service quality for specific cluster of customers (e.g. high value customers) or contractualized SLAs for corporate customers.
- Holistic Customer & Service Impact View
 - Build a complete view of customer and service impact collecting and integrating network and service KPIs for configurable time periods. Provide synthetic and immediate information about Customer Experience to Customer care
- RCA and Resolution
- Enabling Service Troubleshooting functionalities to identify network resources causing outage/degradation
- Capacity Planning & Forecasting
 - Definition and prioritization of infrastructural interventions according to profitability and/or technical constraints
 - Definition of predictive model for the infrastructure needs forecasting
- Network and Service Optimization
 - Collection and integration of all Network and Service KPIs in order to build and highlight trends and needs for N&S performance
- Trend & Usage Analytics
 - Long Term reports to support a predictive model on service quality and enabling effective Preventive maintenance and the monitoring of specific aspects (Handset Evaluation, International Roaming.)
- Proactive Customer Care
- Device Management
 - Proactive and reactive device configuration update

CONCLUSION-A FUTURISTIC ROADMAP OF CEM

CEM is a reality for all Telecom operators and ICT service providers globally. Let's not hide behind the fallacy of fiction in stating that CEM is just a concept. It isn't. It's a reality and a very pragmatic measure of Telecom operators' success in any market, irrespective of services portfolio, demography and market dynamics. It's true that CEM does have a mission critical role to play in judging the efficacy of a Telco business and the organization culture which is prevalent amongst CxOs. Most of them have CEM metrics linked to their individual balanced scorecard metrics. The key is innovations in the side of Product Management for Telcos offering the services towards their end customers as well as innovative product/solution/services offering for vendors who are in the Consulting, SI or Network integration space to assure the service delivery excellence is achieved. CEM will always be associated and linked to market differentiation. Customer Experience Management (CEM) has a direct bearing on perception at different customer touch points. Today's user is looking for seamless transition from offline to online channels and anticipates seamless levels of information accuracy and consistency during these change phases.

The usage of mobile and social media channels is increasing rapidly for sharing views and ideas. Telco companies must frequently monitor these channels and follow up with their customers by understanding their needs and wants for improving customer loyalty and experience. In the competitive world, leading Telco companies will be focusing on customer-centric approach rather than company-centric approach. Towards this, enterprises will be adapting newer ways to connect customers with organizations for regular feedback.

There would be an increased focus on the latest trends and advancements in customer experience solutions that provide strategies, process models, and Information Technology (IT) to design, manage, and optimize the end-to-end customer experience process. The report also includes service quality management market analysis and forecasts various channels, types of analytical tools, vertical segments, size of the organization, and geographical regions. Telco service providers must also focus on certain key initiatives by taking into consideration aspects of Service Quality Management (SQM), Service Level Agreement (SLA) monitoring, service monitoring,

fault management, and performance management with respect to network planning and network management. The Telco Customer Experience Management Market is segmented into five geographical regions, namely North America, Latin America, Europe, Asia-Pacific, and Middle East and Africa.

For a successful CEM project or an exercise it becomes imperative to seamlessly integrate the business and technology stack through the process layer. Marketing and IT has to work hand in hand in order to ensure that products and services are effortlessly rolled out and supported by solutions, systems and service delivery platforms. This holds true irrespective of the domain being Networks, Operations or Customer service or any other assurance function. Thus, with the advent of customer analytics, high end solutions and intelligent product/service bundling CEM will evolve with days to come and soon be the ONLY service differentiator which will prevail among all Telcos globally thus driving more investments and strategic initiatives focused towards CEM and allied areas.

BRIEF BIO OF AUTHOR/S:



Niladri is a seasoned professional with close to a decade of global consulting experience. He is a Consulting practitioner with focus on operations and transformation consulting for top-tier telecommunication operators globally; He has worked in more than 30+ consulting engagements in varied culture and markets across Western Europe, Middle East, North & Central Africa, India and New Zealand. His expertise is primarily around Pre-Sales, Enterprise Architecture, Business and Operational Process Management, IT Operational Strategy & Revenue Management Consulting. In his present role as a Customer Principal with Ericsson he works in the OSS/BSS Consulting engagement practice where he drives and delivers various forms of engagements right from Pre-Sales, Concept realization, business case preparation, proposal presentations to project delivery.