Customer Profile: Magyar Telekom Group

Magyar Telekom, a fully consolidated subsidiary of Deutsche Telekom, is a communications operator providing a full range of services to the Hungarian market, with regional interests in Macedonia, Montenegro, Bulgaria and Romania. The subsidiary is the principal provider of wireline and wireless communications in Hungary, with more than five million mobile subscribers and three million fixed services (voice, internet, TV) customers. In addition to voice and data, Magyar Telekom provides various IT and systems integration services, and is Hungary’s largest Internet service provider.

The Customer Challenge

Like most large companies with a global footprint, Magyar Telekom faces the challenges associated with acquisitions and reorganization, as well as the complexities of managing a broad service portfolio. Magyar Telekom has integrated the IT environments of five former companies as a result of mergers in the last three years. Specifically, TBR believes Magyar Telekom must contend with the following:

- Disparate customer satisfaction levels and standards across business units;
- Non-uniform processes and IT systems;
- Operational key performance indicators (KPIs) that are not linked to business KPIs;
- A mix of systems, processes and methodologies that must be consolidated to streamline operations;
- Delays in product shipment and releases resulting from inadequate planning, development and quality;
- A reduction of the integration time of new internal functionality to decrease time to revenue.

To help evaluate the existing processes and overcome these challenges, Magyar Telekom chose Wipro as a strategic partner, whose standards-based methodologies will...
provide an in-depth assessment of Magyar Telekom’s IT Organization. Magyar Telekom’s partnership with Wipro is the group’s first engagement with an offshore service provider.

**Wipro’s Approach**

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<thead>
<tr>
<th>Discovery : Audit and Benchmark</th>
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<tbody>
<tr>
<td>Involves an as-is analysis of the pain areas identified and identification of improvement areas</td>
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<td>Gain an understanding of the existing processes, organization structures</td>
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<tr>
<td>Benchmark existing processes and data to best practices and industry standards</td>
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<tr>
<td>Identify improvement areas</td>
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<td>Provide recommendations on the improvement areas and suggest an improvement roadmap to reach the TO-BE state</td>
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<th>Define and Pilot</th>
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<tr>
<td>Involves definition of the TO-BE state and piloting to achieve quick wins</td>
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<td>Incorporate recommendations:</td>
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<td>Right sizing and simplification of processes</td>
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<td>Design organization structures to streamline operations</td>
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<td>Design and Generate Metrics dashboards</td>
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<td>Pilot changes as appropriate</td>
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<td>Design Deployment Strategy</td>
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<th>Deploy and Verify</th>
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<td>Involves deployment and verification of the TO-BE state to sustain the improvement momentum</td>
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<tr>
<td>Institutionalization of changes</td>
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<tr>
<td>Optimize processes using Technology and Tools</td>
</tr>
<tr>
<td>Audits and assessments to verify sustenance</td>
</tr>
<tr>
<td>Metrics Analysis and Capability base lining</td>
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<tr>
<td>Collection of best practices and lessons learnt</td>
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<td>Plan for continuous improvement</td>
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**Wipro’s Solution**

To increase customer satisfaction, Magyar Telekom’s Chief Technology and IT Officer István Maradi aims to reduce time to market and create more nimble change management and development processes across business units.

Magyar Telekom chose Wipro Consulting Services’ Process Excellence Practice to conduct the “IT Factory” audit. Wipro was chosen for its ability to view the project holistically and align it strategically with business and technology objectives, while using a technical, practical and implementable approach. The IT Factory audit was designed to assess organizational and process capability, recommend opportunities for improvement, identify pockets of excellence and develop a roadmap to achieve the “to-be” state (comparable to what in inventory/asset management environments may be termed the “as-built” state). This assessment engagement was a prelude to the larger implementation initiative at Magyar Telekom to align its IT processes and structures, enabling IT to perform more efficiently and effectively. Wipro is currently partnering with Magyar Telekom through the design phase based on the outcomes of the IT Factory audit.
Wipro’s Assessment Approach for Magyar Telekom

The underlying objective of the assessment is to understand the various processes defined the current level of maturity and develop a transformation roadmap leveraging a seven-pillar improvement framework around Strategy, Structure, People, Process, Interactions, Tools and Metrics. The in-depth “as-is” assessment is aligned with what Wipro terms as three Critical Change Levers: Process, Organization and People Excellence.

Wipro’s “IT Organization Assessment Kit” is used to effectively and efficiently evaluate the customer’s “current capabilities.” In Magyar Telekom’s case, this phase allowed the organization to gain insight into the strengths and weaknesses of its processes, identify and prioritize needed improvements, provide senior management dashboard visibility into the organization’s process capability and maturity and develop the process improvement roadmap.

As part of the assessment, the core team gathered data from various sources, including structured interviews with functional area representatives, focus group discussions and document and work-product reviews. This detailed analysis facilitated a thorough understanding of policies, procedures and process assets as defined in their current state. Wipro assessed process capabilities against industry standards and frameworks such as CMMI®, ITIL®, COBIT® and PMBOK® to identify strengths of the current practices and opportunities for improvement. For each Process area, Strengths and Opportunities For Improvement (OFIs) are identified and later consolidated at Process domain level.

The findings impacting multiple organization functions are logically grouped under the seven-pillar improvement framework. Wipro prioritized the improvements by identifying those where minimal investment would deliver maximum return, while ensuring that critical areas requiring additional investment, or “must-haves,” were not neglected.

Based on the organization’s appetite for improvement and the value realization, the improvement findings are prioritized and planned in a detailed project roadmap.
Wipro recommended a release-based improvement approach, and a specific theme for each release:

Benefits
The primary goal of Magyar Telekom’s IT Factory initiative is to develop an effective IT environment through critical process adjustments and organizational realignment. Wipro’s assessment is the first step in helping Magyar Telekom reach its overall goal. The companies will utilize the information gained from the assessment to automate, innovate, and establish systems and a culture of continuous improvement. Some of the key benefits delivered by the Wipro assessment include:

- Identified structural alignments and process redesign requirements to improve IT efficiency;
- Identified improvement projects to gain cost savings;
- Prioritized improvement roadmap leading to organizational structure and process changes to enhance delivery quality and customer satisfaction;
- Itemized “Opportunities For Improvement” (OFI), which can increase the quality of business services, along with quick wins, which can bring tangible benefits in short time.

TBR believes these benefits provide Magyar Telekom the full scope of existing processes, the key areas of improvement prioritized by importance to stakeholders and the ability to maximize return on investment. The assessment includes a transformation roadmap based on a sustainable model of continuous improvement to address Magyar Telekom’s core objectives of increasing customer satisfaction through improvements in key performance indicators such as time to market.
While Magyar Telekom’s key objective for the assessment is to create a process for improving customer satisfaction and IT agility, it is important to note that the IT Factory will not only benefit the company at a strategic level, but will also drive cost savings that can be leveraged for greater profitability or reinvested to drive innovation. Wipro and Magyar Telekom agree that the following benefits are achievable over 18 months:

- 30% less service desk calls;
- 30% reduction in testing and 10% savings on rework;
- 20% to 30% labor cost savings;
- 20% reduction in requirements and demand management effort;
- 8% to 12% savings on project management;
- Significantly increased productivity.

TBR Assessment

TBR believes Wipro’s high-value assessment of Magyar Telekom’s IT planning, governance and operations has met with complete success. The strongest testament to the value Wipro provided is Magyar Telekom’s decision to partner again with the company on the next phase of its transformation: implementation of the roadmap.

Wipro maintained a close relationship with Magyar Telekom throughout the engagement, and credits Magyar Telekom’s support across all levels of the organization and its understanding of the importance of its participation as a key success factor.

According to Magyar Telekom’s Chief Technology and IT Officer István Maradi, “Unlike general messages that typical consultants tend to deliver, Wipro’s delivery was well customized to Magyar Telekom. They completely understood our pain, assessed our needs and provided answers for our issues. The project was on time and delivery was high-quality.” Magyar Telekom reported that the engagement exceeded its original expectations due to Wipro’s pragmatic approach and its consultants’ comprehensive knowledge of international standards, benchmarks and best-in-class practices.

TBR believes there is growing demand for IT organizational assessment services as companies begin post-recessionary operations. We believe the key benefits of IT organizational assessments for companies include reduced IT costs, fewer IT errors,
more efficient use of existing resources and better access to information. As a result of
the current economic environment, CIOs are focusing on creating and maintaining an IT
organization that is cost-efficient and effective. Each company’s IT operations are
unique; however, functioning is always driven by similar factors: alignment to strategy,
structures, processes, people and technology. TBR believes Wipro’s Process Excellence
Practice utilizes the interplay of these factors as the core of its IT organization
assessments. Wipro Consulting Services helps its customers in their process
improvement journeys using multimodel harmonization to optimize process efficiencies.

To boost the effectiveness of their IT, many companies are restructuring the IT
department. Specifically, TBR expects recent and future M&A activity to drive demand
in IT organizational assessments as the acquirer works to integrate the acquired into its
IT operations as efficiently and cost-consciously as possible. In addition, regulatory
requirements will also play a key role in demand for IT organization assessments as
companies look for ways to gain better information visibility in a cost-effective manner.
TBR believes that IT organization assessments from an outside vendor provide
companies with an unbiased look at their IT processes.

TBR views management and staffing methods as the most dynamic change in IT
restructuring. IT is structured largely along expertise-based functions such as IT strategy,
architecture, and demand and vendor management, rather than by utility-based roles
such as help desk support and application maintenance. Proper governance, rules and
processes must be put in place to ensure the IT organization is efficient and productive.
Any restructuring initiative begins with a comprehensive assessment of the environment,
which Wipro is well-equipped to provide.

TBR believes Wipro Consulting Services leverages several key strengths and
differentiators within its Process Excellence Practice, which stem from deep-rooted
knowledge of IT strategy, organization redesign, process standardization and change
management across a broad range of industries. This has positioned the Process
Excellence Practice as a thought leader in improving IT effectiveness and will continue
to be a key differentiator and success factor in future engagements. To deliver solutions
that meet the unique needs of vertical market segments, Wipro has focused on hiring
consultants with a distinctive blend of business, IT and domain experience. Wipro
Consulting Services’ Process Excellence Practice has more than 500 consultants with
deep consulting experience spanning 160 clients and 220+ executed assignments.

Processes at Wipro are aligned with industry best practices and internationally renowned
standards and frameworks like International Standards Organization (ISO®) 9001,
People Capability Maturity Model (P-CMM®), Capability Maturity Model Integrated
(CMMI®), ITIL®, BS7799®, Six Sigma and Lean methodologies, among others. Wipro
has been the industry leader in implementing and internalizing all the aforementioned
frameworks. As a result of their internal experience, Wipro consultants are able to map
these models to an organization’s process improvement goals and thoroughly implement
these goals to achieve a business’ needs.

In addition to its assessment strengths, Wipro’s core asset is its execution ability. TBR
believes that considerable challenges arise while executing an implementation roadmap.
Wipro’s understanding of IT organization structure, business direction and culture
coupled with its standards-based approach, allow it to develop IT organization assessment methods perfectly tailored to each client’s needs and priorities without the risk of added burden and cost of a solution that over delivers.

ABOUT TECHNOLOGY BUSINESS RESEARCH
Technology Business Research, Inc. (TBR), headquartered in Hampton, N.H., is recognized as one of the leading high-tech market research and consulting firms specializing in analyses of computer, networking, software and professional services companies in the information technology market. Servicing an international clientele of high-technology manufacturers, service providers, IT professionals and end users, the company has continually distinguished itself in the marketplace by providing timely, accurate, high-quality information and market research in a format that is uniquely responsive and tailored to clients’ needs.