



The Upside of Improved Order-to-Activate

The new 'order' in telecom

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The New 'Order' in Telecom

There is a tsunami of new services, applications and devices that Communication Service Providers (CSPs) and telecom equipment vendors have to deal with. Voice, data, video, internet, content, gaming, location based services, enterprise integration and commerce are being hastily bundled with a baffling number of heterogeneous devices in association with a growing number of independent partners. On one hand, these are exciting developments. They serve customer needs and open fresh revenue streams. On the other hand, they present a threat to customer satisfaction levels and customer retention. This is because a complex product portfolio impacts order management and fulfillment in ways that CSPs are still trying to understand and optimize. As CSPs scramble to replace dwindling voice revenues with an assortment of shiny new services and packages, order orchestration is set to become a major nightmare.

As any CSP knows, an order sets off a chain of critical processes — order capture and validation, processing, service validation, provisioning of resources, configuration, testing, error handling — that actually deliver a service and are responsible for making cash registers ring. If any one of these processes fail, resulting in a delay in provisioning the services, the customer is likely to become impatient and turn to a competitor. That's a hard loss of revenue. No CSP can afford it. Today, in a highly dynamic market where services are created and customized on the fly, the business edge is in provisioning them just as quickly.

How quickly is quickly? Today's customers don't want to wait days and weeks to gain access to a service (say IPTV, a mobile wallet, upgrades to an enhanced network or new service bundles). In fact, in the age of abundant broadband and 4G, they want to be no more than a tap away from activating any service. As a consequence, CSPs could find themselves hurting if their order-to-activate processes are not fast, simple, flexible and ready for scale.

Why the Order-to-Activate Process Looks Different Today

The truth is that the order-to-activate process is being re-shaped and transformed by a number of business vectors:

Product lifecycles are getting shorter – Product and service upgrades (and new products) need to be delivered to customers with a higher frequency, placing tremendous stress on operations. In addition, customers want everything instantly, in real time. If CSPs are unable to fulfil orders fast enough, they may have to slow down on introducing new products or services.

Increasing competition – Competition from other CSPs and non-traditional players offering mobile services is growing. With more options available, the customer is in greater control and has begun to demand a higher level of service. Many customers have now begun to demand self-service.

Error prone order management systems – Customers don't have the patience to wait while an error in the front end (typically at customer touch points) or at the back end (with service provisioning and configuration) is being corrected. Many CSPs feel the heat of customer chum because of sub-optimal processes.

Growing inventory costs – In an effort to ensure timely provisioning, inventories are getting bloated, leading to excessive costs. These must be reduced and optimized to ensure insulation from inventory obsolescence and inventory carrying costs.

Regulatory pressure – CSPs are becoming increasingly vulnerable to reputation loss, penalties and legal costs as a consequence of not meeting customer SLAs.

Several CSPs have attempted to address the challenges posed to their order-to-activate process. They have tried to eliminate manual components to improve efficiency and reduce errors; some have replaced their legacy technology with hardware and software better suited to a world of intersecting technologies; some have taken to process optimization, shrinking the process steps from hundreds to a handful. It is clear that CSPs have consciously attempted to improve their order-to-activate process. But the outcomes have been short of expectation, even disappointing. This has made CxOs cautious and rightly so. What they want is to do more with less. And they want to do it faster.

The Three Corner Solution

This has led us to believe that for an order-to-activate strategy to be workable and acceptable it must first focus on three underlying areas - Customer Experience, Cost Optimization and Cash Flow / Revenue Management (see Figure 1). When these three are scrutinized and improved, the order-to-activate process stands a better chance of being aligned with current business needs.

Customer Experience: There are two components to creating a great customer experience. The first is to offer a predictable and consistent service that meets customer expectations. The second is to reduce cycle time in provisioning. Customers are becoming impatient. They don't want to wait. By implication, it is important to improve customer communication. Keeping an information-rich dialogue open with the customer reduces churn. More importantly, it can help build powerful differentiation through service rather than through price.

Cost Optimization: Cost reduction / cost avoidance is fast becoming core to a successful order-to-activate story. First, the cost to serve itself must be optimized. This can be achieved by reducing labor inputs using automation and optimizing inventory. Reducing manual effort speeds up order management, reduces errors and unclear orders.

Cash Flow / Revenue Management: Cash flow can be improved by reducing cycle time, reducing errors in order processing, reducing process steps and resources required to fulfill orders. Revenue management on the other hand can be better managed by reducing order fall outs and the costs associated with retrieving an order. Revenue improvements can also be delivered through higher billing accuracy and reducing order backlog.

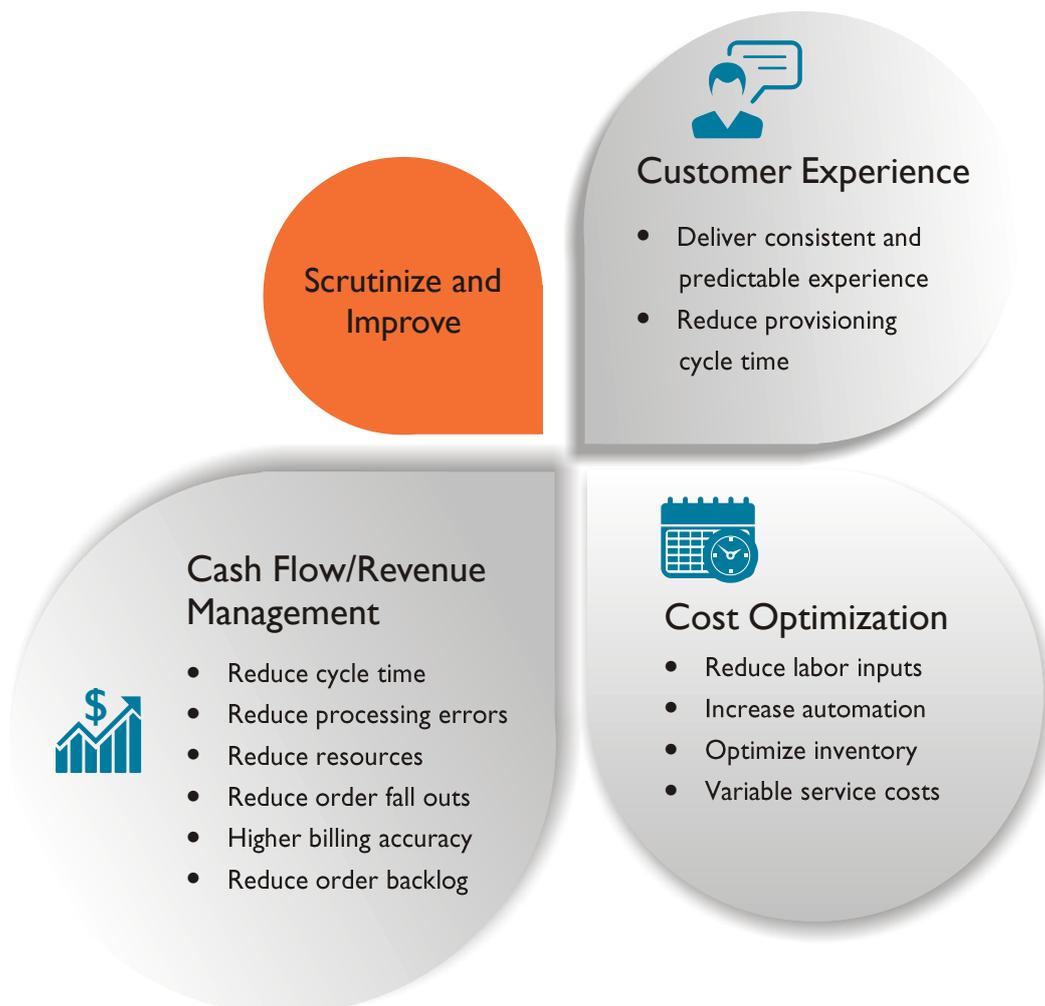


Figure 1: THE THREE CORNER SOLUTION

The Upside of Order-to-Activate Excellence

For a CSP, the benefits of ripping and restructuring the order-to-activate process are innumerable.

As an example, in just one such engagement across four delivery centers covering 15 languages we've enabled benefits of US\$ 53 M through improvements in service excellence, a saving of US\$ 1.7 M through cost optimization initiatives and an increase in cash flow of approximately US\$ 48 M.

What do typical improvement targets for a CSP look like? In our experience it is possible to achieve the following:

Increased revenue through early billing: 15% improvement in order-to-bill cycle time and a 20 to 25% improvement in end-to-end cycle time with a backlog reduction of less than 5%.

Cost avoidance: 10 to 15% improvement in inventory utilization, a

15 to 20% reduction in test and turn up failure, a 15 to 20% reduction in cost per order and a dramatic 15 to 20% reduction in engineering visits.

Reduction in cost to serve: 35 to 50% reduction in rework, a 10 to 15% increase in resolution rates, a reduction of 25 to 40% in revenue leakage, and reduced customer churn through predictive analytics.

The bottom line for a CSP is that as technology and network capabilities improve, so should processes that determine customer satisfaction and revenue management. Digging into every aspect of the order-to-activate process, upgrading it and streamlining, is an immediate way to ensure that service management becomes a way of creating a differentiator as well as leading to revenue growth. ■

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About the Author

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Wipro BPO in Global Media and Telecom

Wipro is an end-to-end provider of Business Process Outsourcing (BPO) services with domain experience in fixed and mobile telecommunications services, telecommunications equipment and publishing & media enabling clients do business better. We have a strong team of 7,200+ members supporting 90+ countries globally and providing support in 20+ languages. Our client list includes leading CSP's and TEV in NA, EMEA and APAC regions. Our experience spans across Fulfillment, Assurance and Billing processes as well as Enterprise Processes enhancing customer experience.

Wipro solutions for telecommunications and media sector – Help Clients Optimize Costs, Enhance Customer Experience and Build on Customer Experience and Loyalty. Our GMT solutions include Quote to Order, Order to Activate, Trouble to Resolve, Billing and Revenue Management. Wipro has delivered all of these for some of the leading players in the telecommunication and media space. Wipro has delivered over USD 78 Million of realized benefits to its clients across Fulfillment, Assurance and Revenue Management business over and above the labor cost difference.

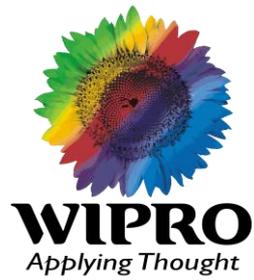
Wipro in Business Process Outsourcing

Wipro BPO is uniquely positioned to service customer requirements by leveraging its tenets of quality and innovation, the best people talent, self sustaining process framework and domain knowledge. We offer customized service offerings; translating into the most flexible and cost effective services of the highest quality for our customers. With over 19,000 people, operating out of different locations (India and Eastern Europe), Wipro BPO has been a critical partner to all its customers in achieving their business goals. Wipro BPO services customers in various industries including Banking & Capital Markets, Insurance, Travel & Hospitality, Hi-Tech Manufacturing, Telecom & Healthcare sectors. Wipro BPO also has deep expertise in delivering process specific solutions in areas like Finance & Accounting, Procurement, HR Services, Loyalty Services and Knowledge Services.

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