The New Developments in Telecom

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Threat or Opportunity?

Every aspect of our daily lives today is highly dependent upon staying connected. Smartphones and tablets are drastically changing the way we create and consume data. Social networks such as YouTube, Facebook, Snapchat and Twitter are radically redefining the way content is generated, distributed and used. Digital disruption is a reality – it is transforming our lives. The lines between media and telecom are getting blurred. The two are merging in ways that present a unique conundrum to the telecom industry.

The telecommunications industry is having to deliver 'more for less'. In fact for most companies the constant drive on cost is akin to running a treadmill. Some of the unique aspects of the telecom industry are:

- Wide ranges of products from legacy (PSTN) to modern (IPTV). Other industries quickly retire or replace old products but the telecom industry is slower in doing so
- Lack of a killer app – voice is still king! However the world is rapidly changing to data
- There is a major intersection and convergence of industries all of which is enabled by telecom

No other industry faces business challenges from such unique problems. Many telecom players are tempted to extend their capabilities and move from managing telecom infrastructure and supplying bandwidth, voice and text services to creating media and social services. They want to tap the growing opportunities around them and monetize their networks. And that is possible – especially for a telecom company that leverages partners to innovate and capture new customers for entirely new business.

Some telecom companies such as BT are showing the way. BT recently acquired ESPN's UK and Ireland TV channel business. Overnight, the telecom giant became a serious challenger for BSkyB[i]. Telecom executives are now asking, "Whom can I partner to steer my business from its telecom focus to a larger play? What can I do to enhance operations and simultaneously avoid costs and additional investments?" The answer lies in starting conversations with outsourced technology partners. The challenge for them is to find outsourcing partners who can:

- Rapidly develop new products and services to meet customer expectations
- Extract more from networks
- Improve customer satisfaction
- Improve efficiency
- Enable cost avoidance
- Help improve cash flow and revenue by bringing down cost to serve

Leveraging Outsourcing for Cost Avoidance & Improved Efficiencies

Outsourcing plays a major role in addressing the challenges that telecom companies face and in leveraging emerging opportunities. Outsourcing partners present the unique potential to reduce costs, improve customer experience and improve go-to-market for new products - all this without significant investments in CAPEX. We believe that a competent outsourcing partner must be able to do the following:

Meet and exceed customer / user expectations:

Outsourcing partners should be able to enable telecom companies to extract more value from their processes, networks and infrastructure. This can be done if customers are satisfied. Outsourcing partners can help do this by:

- Predicting customer needs
- Offering new services and products that solve customer problems
- Ensuring that customers don't face the same problems for services they currently use
- Engaging and communicating with customers in multiple ways and reducing customer churn
- Offering flexibility to the customers through an omni-channel experience by creating a consolidated view of the customer and delivering the right products and benefits at the right time

Transformation and cost optimization: Given that infrastructure costs and service delivery costs continue to rise, an outsourcing partner must innovate and improve efficiency and productivity for telecom companies. Transformation must fundamentally address and drive three elements for the company, namely:

- Customer experience
- Revenue / cash flow impact
- Cost optimization (avoidance or elimination)

These have to be driven across the lifecycle or journey of the customer – ranging from the early life of the customer (Fulfillment) to the in life experience (Assurance and Billing).

Clearly, this means an outsourcing partner must look beyond labor arbitrage and process efficiencies. To drive these, outsourcing providers are investing in BPaaS products / platforms.

What should you, as a buyer of these services, be looking for?

Our recommendation is to lift the hood and look for excellence in process design, performance benchmarks that satisfy your needs and an underlying analytics capability. The analytics capability needs to be emphasized. It can drive future efficiencies, add value across the Order Deployment lifecycle and help reduce cost of support.

LEVERAGING OUTSOURCING

for
Cost Avoidance & Improved Efficiency
to
- Meet / exceed customer expectations
- Predict customer needs
- Reduce cost of support
- Improve order-to-activate efficiencies

by
Building New Revenue Streams
through
- Apps and services
- Customer retention
- Actionable analytics
- Omni-channel customer services

Leveraging Outsourcing for Building New Revenue Streams

We see tomorrow's telecom players building businesses around not just media and app development (which are the obvious areas to explore), but moving into industries such as energy and utilities, healthcare and insurance.

AT&T is an example of a telecom company forging ahead with such plans. AT&T has begun to expand into the machine-to-machine space within all major industries[ii]. The AT&T of tomorrow could, potentially, be well-positioned to deliver support for connected devices at home. It could develop apps that monitor appliances and systems. It could charge for app downloads and substantially augmenting its revenue stream. At some point the apps and services could contribute more to the business than its voice and data services currently do.

It is apparent that telecom companies need to move into new cross-vertical spaces (e.g.: health monitoring devices and telecom), they need to be at the intersection of technologies (e.g.: cloud and mobile) and they need to be at the point where convergence is taking place (e.g.: media and telecom).

Telecom companies must think hard about how they can leverage the growing power of not just their own networks but of smartphones as well. Can they become health monitors or 24X7 banking kiosks or assist automobile drivers in improving their driving efficiency, lowering fuel bills and reducing vehicle wear and tear? These are not traditional areas for telecom players. But these are services that leverage their infrastructure – and consumers are willing to pay for them.

Telecom companies don't have too much time to debate their next move. Every day, a new WhatsApp or a WeChat arrives on the horizon, clouding the future. Besides, costs are increasing with investments in enhanced network technologies such as 4G / LTE. Unfortunately, customers are reluctant to pay a premium for these technologies. This means the likelihood of a proportional increase in revenue from network upgrades is slim.

In addition to the cost of networks is the issue of customer retention. The churn in the telecom business is a cause for concern. Telecom executives are distressed that they are unable to come up with a reliable solution to eroding customer loyalty. The answer lies buried across customer contact channels. An analytics driven Omni-Channel Customer Service platform will dig into customer interactions and immediately throw up ways to reduce complaints and improve retention.

Actionable analytics integrated deeply in to the product platform is the key to offering more value. Creating innovative services and products and optimizing costs via experienced outsourcing partners is the solution.

Looking into the Future

Telecom companies are facing a number of challenges. Technology is evolving rapidly, perhaps too quickly to be able to make accurate and reliable decisions. Customer expectations are changing and today's customers have more choices than before, resulting in unprecedented churn. And finally, new players are challenging the traditional business of telecom players, dividing the revenue pie as well as affecting customer loyalty. These trends appear detrimental to the telecom business. However, hidden amidst the challenges are very real opportunities to improve revenue streams, and deliver greater value to customers, thereby mitigating business risk. Addressing these challenges and opportunities is not without cost. However, smarter businesses have also stumbled across effective outsourcing practices that let them grow without affecting current business. ■

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[i] BT continues to challenge BSkyB for sports rights by acquiring ESPN channels, February 25, 2013:

http://www.independent.co.uk/sport/football/news-and-comment/bt-continues-to-challenge-bskyb-for-sports-rights-by-acquiring-espn-channels-8510622.html

[ii] Wipro is the global technology partner for AT&T's M2M development services and systems integration

About the Author

Venkataraman Mahadevan heads the Pre-Sales, Solutions and Products within the GMT Line of Business in Wipro BPO. He has over 20 years of experience across various industries of which he has spent the last 10 years in the Business Process Outsourcing industry. He has a wide range of experience in BPO ranging from operations and delivery and driving various transformation programs. He is based out of Pune, India.

Wipro BPO in Global Media and Telecom

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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.

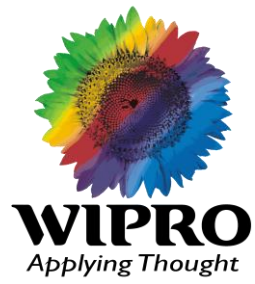# Wipro in Business Process Outsourcing

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