Dealing with disruption

A structured approach to process transformation, coupled with a BPaaS delivery model is the way forward for telecom operators

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According to the latest GSMA intelligence report, there are 7.7 billion mobile connections globally, of which 4.8 billion are unique, and together generate a revenue of 1.06 trillion USD. While the number of connections has grown at a rate of 4.7% YoY, the revenues have only increased by a marginal 2.18%. Further, the Average Revenue Per User (ARPU) has now come down to USD 10.25, which is a decline of 2.78% YoY. Needless to say, these are turbulent times in the telecom industry. On one hand, consumers' expectations of connectivity, speed, support, convenience and availability have increased drastically, calling for a much higher level quality of service. This means that operators are having to invest more in terms of infrastructure, IT, people, etc., to satisfy consumer demands. On the other hand, highly competitive markets and the emergence of Over-The-Top (OTT) vendors has caused severe dents in the voice and SMS revenues. Simply put, operators are pressurized to deliver more for fewer dollars.

Operators are rethinking their strategies, and seeking to overhaul many aspects of their business, with an expectation that they are able to improve efficiency, optimize costs, reduce cycle times, and enhance customer experience. However, this requires large scale IT transformation involving massive system integration as well as process re-engineering – both of which mean heavy CAPEX and long lead times. This in turn, adversely affects the ROI. It is interesting to note that recent studies show that only a small percentage of organizations who have deployed transformation initiatives have been able to achieve desired results. Furthermore, nearly half of the transformation projects are over-budget, and one-third of them are delivered behind schedule. This also means that a lot of these transformations become obsolete by the time of completion, due to the rapid pace at which the telecom industry is evolving.

Structured approach to operations transformation

Apart from factors such as lengthy timelines, lack of agility, unclear goals, and high costs, one of the main factors leading to unsuccessful transformation projects is the lack of a structured and holistic approach for operations transformation. What operators need to adopt is an end-to-end transformation approach that incorporates all upstream and downstream processes, to help them analyze and optimize all aspects of fulfillment, assurance and billing (FAB). Furthermore, operators need to work towards achieving defined outcomes and values, rather than focusing on technology implementation.

In order to arrive at a holistic approach to transformation, operators must look at four important levers – **simplification, automation, intelligence and immersive experience**. Together, these levers help operators approach transformation with macroscopic and microscopic views. The macroscopic view helps operators analyze their business challenges in the context of current economic landscape and identifies to address these challenges through refinement of processes and delivery approach. This refinement is further achieved by taking a microscopic view of the entire business value chain, and identifying ways for optimization and excellence.

Simplification

Within the FAB framework, operators should first look at defining an approach for continuous improvement to ensure minimum expenditure for maximum results. With this, they can identify areas to improve process efficiency through standardization, eliminate non-value adding activities and automate interfaces to reduce handoffs. Lean, Six Sigma and other methods of continuous improvement can be used in customer service, billing, order management and other applicable shared services models. From a business process standpoint, an automated knowledge management solution can be put in place, which can help capture the as-is business process, design the to-be process, generate SOPs and project manage the entire transition. A leading UK based telecom operator was able to bring down customer complaints by 33%, and bring about savings of USD 298K per month with this approach.

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Automation

Operators must then focus on enhancing productivity and efficiency by eliminating routine tasks with standard workflows. In addition, BPM automation can be taken to the next level with the use of smart workflows driven by predictive analytics, which can be deployed across the entire FAB framework. With the use of cognitive automation that includes machine learning, NLP, heuristic algorithms, and semantic ontologies, operators can achieve up to 50% productivity improvement. A classic example of the use of intelligent automation is the reduction of O2A time from one to two days to one to two hours, which will eventually become instantaneous.

Intelligence

Telecom operators today have access to more data than search engine giants and social media platforms. However, despite sitting on a goldmine of data, only a miniscule percentage of it is used to derive intelligence. What is necessary is for operators to deploy systems that utilize the available information, and translate it into actionable insights that are both contextual and consumable. Analytics should be implanted on all processes to drive smarter, faster and more incisive decisions in enterprise-wide activities, enabling sharper, high-impact business decisions across customer acquisition, retention, support and fulfilment. With a solid analytics practice in place, a US based operator was able to reduce data management costs by 15% while maintaining on-time delivery at over 97% in less than six months.

Immersive experience

Competition in the telecom arena is extremely tight, and technology is no longer the differentiator, and neither is the portfolio of services. In such a scenario, customer loyalty tops the list of priorities for almost all operators globally. To achieve this, operators must ensure positive immersive experience at all touchpoints with their customers. Immersive experience in the telecom context goes beyond customer experience. It is a mechanism to leverage data generated through multiple touch-points to understand customer preferences, buying patterns, sentiments, and feedback to identify opportunities and bridge current gaps between the operator's service

delivery approach and customers' growing expectations. In other words, operators must deploy tools that integrate with all existing systems to provide an omni-channel view of the customer to the support agent. This can help get a 360° understanding of the customer's profile, their past and present usage patterns, and also provide predictive analytics to quantify the impact of the event. This data then becomes a logical platform to look at the 'next best action' that will help elevate customer satisfaction levels tremendously. A leading UK based telecom operator focusing on immersive experience was able to bring down interaction costs by 18% and increase revenues by 9%, with the right tools and practices in less than eight months.

Embracing next-gen BPM solutions through BPaaS

In the larger scheme of things, an innovative approach to process transformation is just one side of the story for a telecom operator. What will truly empower them with sufficient competitive advantage is a delivery model that complements the above mentioned approach to make them more cost agile, with low CAPEX, and optimized OPEX - which is basically Business Process as a Service (BPaaS). For a telecom operator, a BPaaS model provides pre-configured, flexible and scalable solutions allowing them to reduce spend on infrastructure by engaging in a pay-as-you-go model. Quick deployment, faster go-to-market and higher value realization are some of the inherent qualities of a BPaaS solution. This allows operators to stay future-proof in terms of technology, without having to spend heavily on infrastructure – in a way leveling the playing field when it comes to competing with highly agile app-based companies.

This combination of a structured approach to process transformation, coupled with a BPaaS delivery model is the way forward for telecom operators in challenging times. It not only helps them thrive in an age of digital disruption, but also unlocks long term business benefits by keeping them agile, and responsive to changing customer demands without heavy CAPEX.

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