Analytics for the Masses
The Microsoft-Convergys Partnership

By *Ed Finegold*

In a world where basically everything is oversold, analytics stands out. Every major technology player has a strategy – and in many cases a TV commercial or two – to tout its ability to unlock hidden insights from the torrents of data that flow through business organizations every day. It is true that data isn't worth much without some kind of tangible analysis to make sense of it. It's tough, however, to see many of the approaches being sold today as much more than re-branded data warehouses or worse, the latest consulting presentation. There are some promises, however, that may hold a shred of truth, and one of them seems to come from the Microsoft-Convergys partnership.

Biting Off Less than You Can Chew

The big problem in analytics isn't usually the analysis engines that are designed to generate actionable results. The problem is the data from which these results are derived. Data is

problematic in every way, from volume to quality, and from information model to context. Getting a load of data into a format that an analytics engine

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can handle is often painstaking and therefore expensive. When businesses and their IT shops fall for big promises, they tend to over-scope data intensive projects and struggle or fail to deliver useful results in a timely manner. When they

take big iron approaches to analytics, they can spend a lot of time and money to transform how data is managed and processed, and end up with something that few people know how to use and from which few business units can derive real benefits. In other words, for all of the work it can take to push data into an analytics platform, the platform may spit out reports in the end that aren't useful to anyone.

Where analytics should focus is on bite-sized results that deliver tactical advantages in increments and ultimately enable new strategies to emerge. A CSP doesn't need to know everything about its customers tomorrow, it just needs to know a bit more than it did yesterday and share that information with everyone who needs it. This is a philosophy Microsoft has embraced. "We're getting traction around analytics and business intelligence for the masses," says Terry McGuigan, Managing Director – Telco Industry, for Microsoft. "We feel you can get a right-sized offer and be very adaptable and cost effective so the CSP organization can grow and modify as they go."

It might be surprising to hear a bite-sized approach from Microsoft, the proverbial 800 pound gorilla. But even the giant silverbacks at Chicago's Lincoln Park Zoo eat their peanuts one at a time. Microsoft's dedication to making things simpler is actually embodied across its product lines. Excel 2007, for example, is light years ahead of Excel 2003 in its ability to generate charts, graphs and attractive dashboards. Windows 7 is a huge leap forward in performance and ease of use as compared to Windows Vista, which is just horrible. So it shouldn't be surprising, given its experience making software that just about anyone can

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use, that Microsoft would take an every-person approach to something as seemingly complex as analytics.

Dinosaur No More

Powered by Microsoft, Convergys is releasing its new Smart Communications Suite, which should help the company to shed its image of having aging technology. Whether this characterization is fair is debatable, but clearly Convergys recognized the need to make a big image and technology move that made a Microsoft partnership make sense. Always seemingly chasing Amdocs, the big shark in the billing tank, its space has also been invaded by nimble competitors like Comverse, SAS, SPSS and smaller innovators like Metratech. There have been stories for some time that Convergys' billing business has been up for sale, leading to some speculation about the company's commitment to its old school technology. Its new relationship with Microsoft breathes new life into its place in the communications industry and should remind us all that it's not just about billing these days.

Let's face it, as billing moves more in the 'this engine can bill and rate for anything' direction, billing becomes more commoditized. What begins to differentiate billers is on the analytical CRM front; their ability to take all of the ultra-valuable data captured about subscribers in the billing process and drive it into care, sales, personalized marketing, customer retention, Internet-style shopping, and the like.

To Convergys' credit, the company has recognized this angle for years. It has a huge presence in the customer care world, with tens of thousands of contact center seats across a range of industries. Convergys was among the first IT providers, if not the first, to promote the concept of lifetime customer value- an early example of predictive analytics applied to improving customer experience. Its new joint offering with Microsoft "gives us a couple of key enhancements to our overall offering and it lets us offer a full CRM function pre-integrated with our BSS. We are building a new CRM platform – so it's not just dynamics on our biller but taking our BSS apps and all the marketing and sales force management, workflows, and

capabilities and integrating that with our next-gen shopping and ordering capabilities," says Curt Champion, Senior Director, Partner Ecosystem for Convergys.

While Convergys needed to make a move, Microsoft's McGuigan says it was the Redmond-based mothership that pursued the joint relationship first. "We sought out Convergys," he says. "The billing and customer care worlds are being flipped on their heads as new services come around," says McGuigan, "so we wanted a partner that understood the critical functions of subscriber care in online and cloud services." He explains that Convergys' "focus on real time decisioning and putting the right offer in front of the right subscriber at the right time" meshed with Microsoft's philosophy on where the communications customer experience needs to go.

"We talk about actionable intelligence," says Champion. He says the goal isn't only to have access to data and to analyze data, but "to put that data to work for you" with smarter campaigns and in a way that focuses on improving specific customer interactions. Further, Champions says, "one of the things that was key to [Microsoft] was the ability to bring our real time transaction management functionality integrated with some of their value-added services so they could more rapidly implement new services, like media and other apps for small business and enterprise inside CSPs." In other words, as with most things, Microsoft has the bigger picture in mind both as an enabling technology supplier and a provider of tangible applications that can be delivered through communications networks but, as a result, need to be billed like communications services.

Finding Bigness in Smallness

Maybe the most counterintuitive aspect of this new relationship between two large enterprises is that it is meant to scale down as well as up. Champion says that Convergys saw a means, as a result of Microsoft's technology, to deliver BSS applications to smaller CSPs in a way that's right-sized for them.

"When you look at [competitors'] deployments, you're looking at cost in the implementation that may not allow you to get into certain customers, tiers, or regions. Being able to provide an alternative deployment option further down the tier 2, tier 3, and even to start-ups open new opportunities for us in the market."

This approach says "global strategy." This partnership isn't just about selling new stuff to large U.S. Tier 1 operators, though that's certainly within its purview. It is about recognizing that the communications business is changing globally where new technologies are emerging that allow new business models to emerge and explode rapidly. Consider that we've recently seen Skype become an offering for Verizon Wireless because of its global reach and massive user audience. CenturyTel recently acquired Qwest, a former RBOC. Someone is bound to figure out how to monetize business models like those of Facebook and Twitter. Everyone knows massive middle classes are emerging in China and India, but the same can be said for less-populated countries like Vietnam.

From this perspective, the Microsoft-Convergys partnership is about way more than fighting with Amdocs for big billing deployments. It's really about bringing the experience Convergys has in billing, selling and caring for services like cable and wireless; wrapping that in a deliverable box like Microsoft Office – or maybe Exchange; and putting it in the hands of as many different kinds of new-age service providers as possible and letting them run with it. What's interesting about this partnership is not that it's a marriage of two giants, though that does give it credibility. It's the fact that those two giants are trying to change the way people and enterprises think about billing, CRM, and analytics by making them far more accessible and useful to more people and businesses.