

CEM: Telecom's Rorschach Test

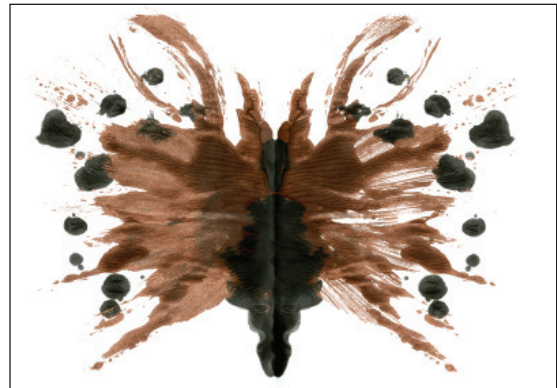
By Tim Young

If you've been to a telecom trade show, or picked up an industry publication, or chatted with a communications IT software vendor in the last year-and-a-half or so, you've probably heard something that you already knew: customers are important to business.

Granted, customers have always been important because they're the ones who provide the revenue, right? However, as competition rages, service providers have grown more interested in the nature of the experience their customers are having with their services.

This instinct—to understand and thereby better satisfy the end-user—is a positive thing and something that I feel is to be encouraged in service providers of all types. In most markets, service providers are getting that. In a recent study conducted by analyst firm Technology Research Institute and sponsored by NetCracker, a preponderance of North American service providers named bettering the customer experience at home and in enterprise as their top priority in 2011. In fact, it was a top consideration for operators across a range of high GNP countries.

Given that instinct, the rise of Customer Experience Management (CEM) solutions is not surprising. Over the last year, a solid majority of the vendor companies



with whom I have spoken have some variety of CEM story to tell. They tell tales of mastering the customer experience and becoming trusted and loved by your customers. It's all very compelling.

The trouble is these vendors are all doing different things. They are offering disparate solutions under a common umbrella.

They are selling CEM without anyone having a clear understanding of just what the heck CEM really is.

This is to say that there is little uniformity in the definition of CEM. Entire conference sessions full of telecom professionals will hear CEM and nod, but might all be thinking of different things. The analysts I've spoken to (and there's a whole other article on the analyst reaction to the growth of this particular buzzword. [You can read that here.](#)) have been dumbfounded for some time, remarking on the dozens of different definitions that exist for this one little term.

Because it's really a Rorschach Test, isn't it?

It's a technological inkblot. You see what you want to see. What you're predisposed to see. It has come to apply to so many disparate technologies. It's not that each of these technologies isn't perfectly useful in its own way, but they're different things.

To paraphrase Anais Nin, we see CEM not as it is, but as we are.

Too abstract? Maybe a bit.

However, a term is only as valuable as its ability to be clearly understood by others. When a definition becomes so expansive as to be rendered useless, it's time to drill down a bit.

Rather than explore what CEM is, perhaps it's better to explore what it isn't:

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CEM is not a single, unitary technology.

“At the outset, I think a lot of people thought CEM was a technology, that it was something you can buy,” said Nancee Ruzicka, Senior Research Analyst at Stratecast’s (a Division of Frost & Sullivan) OSS Competitive Services Analysis Service and all-around OSS whiz. “And it’s not.”

And some vendors agree. “Customer Experience Management is more than just specific technologies,” said Richard Thomas, CEO of NetEvidence, a service assurance firm. “To be successful, organizations must cultivate an all-encompassing culture that is focused on delivering high quality services to its customers from top to bottom.”

However, CEM’s existence as an element of corporate culture or a business mindset (which are laudable, but hard to quantify) notwithstanding, the term is being actively used by vendors around the world to market solutions to service providers without a clear picture of what it is, exactly.

“For some [CEM is] about the pricing and service offers,” said Shira Levine, Directing Analyst for Next Gen OSS and Policy at Infonetics research. “For others, it’s about the customer care experience, and I’m sure many still consider CEM analogous to service management.”

Others argue that the term itself is relatively clear, but the usage of the term has corrupted it. “CEM is a well-understood, but often mis-referenced framework in the operator’s playbook,” said Paolo Trevisan, VP of Marketing and Product Management for Accanto

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Systems, a customer assurance solutions software vendor. “CEM encompasses 5 critical aspects of service provider operations: Acquisition, Billing, Retention, Provisioning, and Customer Service Assurance.” That does create some parameters for the term, but still relegates substantial swaths of the OSS/BSS experience to this new realm.

In still other cases, CEM (and the overall customer experience, more broadly defined) is a by-product of a more general approach to quality rather than an aim all its own. “The customer experience is considered to be a key area of differentiation, and delivering a good customer experience is essential for those CSPs who wish to retain existing customers and attract new ones from rivals,” said Ernest Margitta, Vice President of Marketing at Tribold, a firm specializing in enterprise product management. “However, in order to truly optimize the customer experience, there is a vital dependency on optimizing the product experience.”

These wide disparities in these conceptions of CEM and the customer experience represent only a portion of the breadth and depth of the disjointed and fuzzy nature of the term. So there’s not a great deal of consensus.



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CEM is not a synonym for CRM

Not really. We all have a pretty clear concept of CRM. It's outward-facing. It's how we reach out and win clients and subscribers and how we deal with existing clients and subscribers. It interfaces with BSS, but doesn't really touch the network, generally. It doesn't extend down to the OSS level.

CEM, to the extent that we can generalize about so unclear a grouping of technologies, is far more concerned with user behavior and investigates this behavior through network analysis. As an overall approach, it concerns itself with user experience, and that means network monitoring and service assurance. It's a holistic approach to the customer, and is, therefore, farther-reaching than traditional CRM.

At a recent conference, an executive from a prominent North American cable company spoke about how his company was embracing an approach to understanding the overall customer experience. He discussed how they were seeking to enhance the enjoyment that the customer got from services offered, and were looking for ways to grow trust and loyalty in the customer.

What did he call this approach? CRM. He went on to say that he was using the term "CRM" in a new way, as an encapsulation of the overall relationship between customer and provider. That sounds exactly like what we talk about when we discuss CEM, but this particular provider was so put off by the term, or so unclear on its meaning, that he sidestepped it altogether. In all likelihood, that means that this particular executive has been tuning out cries from vendors about the importance of CEM, because he doesn't seem to understand that those solutions might help him get closer to his stated goal. That's a failure of lexicon.

CEM is not a Panacea

We're all leery of a cure-all. Most of the time, something that promises to cure our woes instantly and completely, is nothing more than snake oil. Perhaps CEM can help providers understand their customers better, but understanding alone doesn't lead to a happier customer base.

And it's worth remembering that higher customer satisfaction numbers don't make for a stronger company. In the US market, for example, T-Mobile regularly sits atop the customer satisfaction surveys. That hasn't stopped that company from becoming an also-ran and a target for a currently-blocked acquisition.

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Many customers are satisfied when they have the most services for the least money, and that's no formula for profit. There are, however, many other customers who will gladly pay more for better service, which is especially true of business customers. However, in exchange for this extra coin, customers expect improved experience. In situations like that:

CEM, as an approach, is not optional

In an era of increased competition, the customer is of utmost importance. Whether or not CEM is well-defined enough to be considered a fundamental technology subgrouping, it is certainly important to consider the needs and wants of the customer.

Providers are realizing this more and more every day. Case studies are starting to emerge. Ontology Systems, a provider of enterprise data management solutions, has announced deals with companies like forward-looking Telenor to provide customer notification systems that inform customers when an error has been detected and corrected. Customers face little interruption in their day-to-day operations, and customer trust is built.

Other case studies proclaim reduced churn and reduced OPEX as a result of less call center activity and fewer truck rolls. These business use cases have been slow in emerging, but are beginning to become more common. One day, we'll get a clearer picture of how the customer experience can be enhanced and why that matters.

In the meantime, perhaps we should all attempt to tune out that buzzing sound of vendors glomming on to a catchy phrase. The marketing machine will eventually roll on to the next thing, leaving providers to get down to the business of better understanding the customer.