

## **Subscriber-Centric Fulfillment: How a Customer-focused Back Office Shapes the User Experience**

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On any given day, we are bombarded with dozens of offers to change or upgrade our communications services. These invitations slide through the letter box, slick and glossy, amid bills and real estate ads. They flash at us from the sides of our browser and the side of the road. They reach us in email and voice mail, text message and news print, on radio and TV. They even get to us – albeit indirectly – on community list serves, where tech savvy neighbors rate broadband voice quality, trade insights on mobile coverage, and weigh the latest fiber versus cable bundles.

Today's increasingly crowded communications market has brought subscribers more choice than ever before. But this intense competition – among new entrants and old – has upped the ante for telecom operators. It's driving service providers to focus greater attention on customer acquisition, satisfaction, and retention and to commit to "building long-term partnerships with customers," "exceeding customer expectations," and "taking the customer experience to the next level."

But what does that "next level" mean for telecom operators? Put overly simply, it means turning on a dime. To remain competitive and secure customer loyalty, providers today need to meet subscribers' rapidly changing requirements while capitalizing on their "buyer's impulse." This means bringing new service offerings to market faster than ever before – offerings that can be personalized, self-managed, and delivered on-demand, any where, any time, and ultimately via any device. It means providing value, quality, and variety. It means being responsive and effective with each customer interaction.

But in a world of content-based offerings and many-service customers, such a "next level" customer experience extends well beyond the domain of traditional front office touch points – long the primary focal point for managing the subscriber relationship. By extending the customer focus of CRM into the back office, and even down to the network, service providers are better able to meet the ongoing customer commitment required of dynamic new services in a highly competitive market.

### **Serving the "Market of One"**

Before examining the critical role the back office – and, specifically, subscriber-centric fulfillment – plays in converting customer experience into customer loyalty, we first need to consider recent trends in the industry.

An increasingly common concept across all types of businesses is the "market of one." This concept calls for a product or service business to invest in tools and processes that enable it to achieve mass production efficiencies, while at the same time permitting each consumer to customize the product or service to meet their individual needs. Examples abound in the automotive industry, where a consumer can visit a web site, choose a base model of an auto, select from a host of options, then place an order or locate a matching vehicle with a local dealer. While much of the product is standardized, the consumer's power to select attributes according to personal preference creates the potential for higher customer satisfaction and loyalty.

The concept is related that of "The Long Tail," an increasingly ubiquitous term coined by Wired Magazine Editor Chris Anderson. The Long Tail refers to the long, drawn out part of the demand curve for any given type of product or service, indicating that an underserved market exists for relatively specialized offerings that do not achieve mass market appeal. With the right IT tools and sales fulfillment processes, for example, a firm could make a profit selling recordings of amazingly obscure artists even if the demand for each individual title was very low.

Both of these concepts have increasing relevance to the telecommunications industry. As consumer choice increases, service providers are experiencing extreme downward pricing pressure on traditional connectivity-based services, such as classic telephony and data services. The inevitable result is that a service provider must either choose to optimize around connectivity services and strive to become the low-cost leader, or else it must seek to offer ever-more innovative offerings and differentiate to command a price premium and higher margins.

This latter strategy actually can be a key driver of change as service providers continue their steady march toward extensive transformational initiatives around both network and operations. The service providers who can rapidly bring new, innovative services to market can capture a greater share of customer wallet, enabling higher margins that can actually fuel transformation initiatives.



Furthermore, the service providers who capture the largest share of customer wallet will be those that can establish a foundation of service offerings that can be rapidly and simply tailored to meet individual customer needs, to serve the "markets of one." This calls for customer self-service capabilities and the ability to easily extend and expand service offerings to incorporate new features as they become available.

This issue becomes especially important as the definition of a "service" evolves to encompass both connectivity and applications. For example, a subscriber may receive telephony, IPTV, Internet service and other applications over a single instance of connectivity. All of these applications and the connectivity must be coordinated and managed in tandem, especially if new, bandwidth-hungry applications are added, to manage bandwidth contention.

For these capabilities to be realized, a reinvention of the fulfillment processes is necessary, with the new approach to fulfillment aligned around an awareness of the individual subscriber.

### **Embracing Subscriber-Centric Fulfillment**

Traditional fulfillment techniques and practices are largely network-centric, focusing on the laying in the circuits and physical resources needed to design and activate connectivity-based services.

In this new world, however, services are far more likely to be delivered over a pre-built network, where the build out of physical components is primarily complete. The vast majority of the design and service activation activities will take place in the logical layer, focusing on the logical components that make up the service and the delivery of applications over it.

The ability to accurately track and manage these logical configuration details becomes paramount in this environment, especially if service activation and modification is to be open to end-user control.

Subscriber-centric fulfillment shifts the focus away from the physical network to the subscriber, essentially adopting a subscriber-focused approach that mirrors the customer-centered view of Customer Relationship Management and billing systems in the front office. In that realm, orienting systems and processes around an individual subscriber and their array of services and billing needs has long been proven to support churn reduction initiatives by enhancing the understanding of the business relationship with the customer.

In essence, subscriber-centric fulfillment extends this enhanced awareness to the operations and engineering side of the house, enabling the physical and logical resources that support services to be viewed and controlled on a subscriber-by-subscriber basis.

At the most basic level, a service provider needs three things to adopt subscriber-centric fulfillment:

- 1) The ability to see and control the actual, "live" configuration of the network as it really exists. This is often accomplished through network and service discovery and activation, enabling accurate service activation and modification based on a precise understanding of the actual network resources at any given moment. This prevents provisioning fallout and serves as a basis for automation and customer self service.
- 2) The ability to instantly and continuously correlate subscribers to their services and to the active network resources supporting those services. The fulfillment systems must be able to associate the "live" network resources with the services they support, and they must be able to understand how these relate to end subscribers. This awareness ensures that resources and services can be operated in tandem and accurately delivered to subscribers to meet their expectations around quality of service as needed to support their delivered applications. Along with this awareness, service providers need a strategy to manage data integrity across all OSS/BSS, to ensure that the quality and accuracy of data about resources, services and subscribers is high.
- 3) The ability to easily extend, enhance and modify service offerings without creating new silos that require expensive integration or inefficient, manual orchestration. To truly capitalize on possible "impulse buying" behavior by subscribers, service providers need to be able to field new service offerings at low cost and very rapidly, which calls for an extensible platform approach to the fulfillment system.

The service providers who have adopted these high-level requirements as guiding principles in their fulfillment processes will take several important steps toward becoming increasingly subscriber-centric. These providers will find it easier to introduce new service offerings that leapfrog the competition and will have a foundation for extending these offerings and adapting them to evolving subscriber needs. Ultimately, these offerings will boost margins, reduce churn and tap narrower market niches, funding innovation and enabling these service providers to move further along the operational transformation path by being closer to the subscriber.