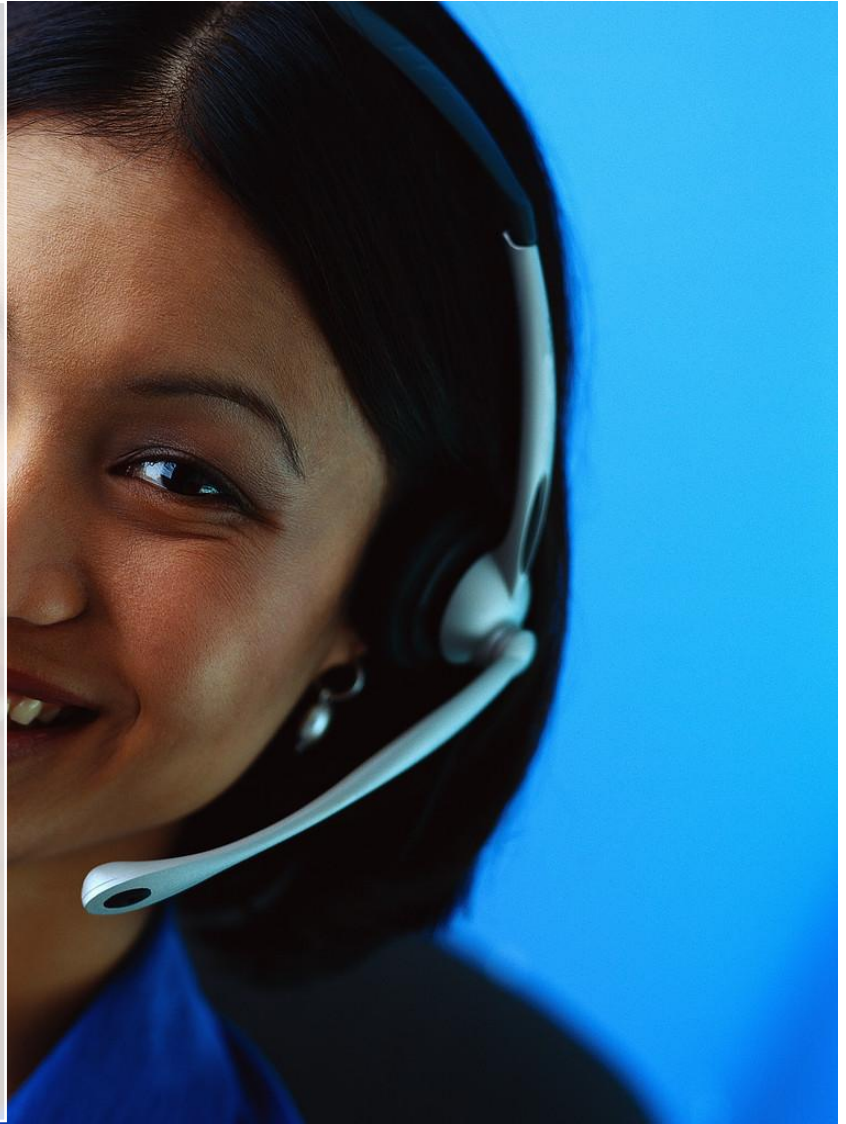


Is it time for Telecom to meet Customer Self-Service?

Jan A. Jensen

2007



Telecommunication and Internet providers have often played a key role in the communication improvements achieved by other organizations and industries. Providing solutions to reduce costs and increase communication effectiveness has been core business to the telecom industry for years. Focus on delivering such solutions must now be turned inwards on Customer Care etc.

Z-Solutions GmbH
Lufingerstrasse 13
8185 Winkel
Switzerland
+41 43 422 9334



Telecommunication Customer Care is becoming too expensive, is it time for a change? Telecom's meet customer self-service

Irate customers are nothing new for subscription based service providers such as Cable TV operators, Internet Service Providers and Telecommunication companies. Customers, in every possible state of mind are dealt with every single day in call centers around the world. But the existing call centers are too expensive – telecommunication companies can no longer afford the calls.

There are a number of factors contributing to this development. Two of the larger issues are 1) Products are becoming more complex and the thereof resulting selection process not to mention the billing is becoming a challenge for most customer, and 2) In most other industries the prices have been going up but over the better part of the last 10 years, consumers have come to expect the prices for telecommunication services going in only one direction – down. Operators are also starting to feel the results of VoIP services, Skype etc. The service providers are as such expected to continue the price reductio and must hence continue to optimize operations and reduce cost, especially in the human resource intensive customer care.

Yesterday's solutions cannot solve tomorrows problems

The Service Providers are concerned by the ever increasing costs of customer care. Main reason for this increase costs is the labor intensive call center. In many situations, the customers are unhappy with the level of service provided. It seems like a perfect candidate for automation, but the reality is that only few providers have actually developed advanced Customer Self-Service applications – they have invested time and money in some self-service solutions but have often opted for the route of least resistance by implementing solutions with limited functionality. Often because the back office IT systems would not support the rich user experience application.



Standard functions are commonly account management and address manipulation (My Account), Electronic bill presentation (My Bill) and a service summary (My Services). Additionally some service providers have in some cases a searchable version of the good old FAQ.

Some of the more innovative SPs have integrated instructional podcasts, but many miss the opportunity of providing their customers with a rich user experience, where the full customer life-cycle is managed incl. complaint management.

The problem with such limited functionality lies in the fact that instead of reducing calls, they actually generate additional call volume in the call center as well as frustrated customers. A good example of such lack of functionality is the well known electronic bill presentation. The customer can in most cases only see the bill but cannot actually dispute a part of- or the full bill on the spot and must contact customer service to progress any dispute.

Customer dissatisfaction with existing products or features can often be transformed into sales and customer satisfaction – even online by clever customer support systems, but in many cases the Service Provider does not even offer the required guided product recommendation feature or wizard feature helping a customer selecting the right product.

It must become clear that tomorrow’s challenges cannot be solved by yesterday’s solutions. Systems have to be adapted, upgraded or exchanged to fit the new requirements. Existing legacy CRM-, portal-, service provisioning- and knowledge management systems implemented years ago will be far to expensive to integrate with new technologies such as Enterprise 2.0 and WEB 2.0.

The backend interfaces and support functions are in many cases inadequate, which in return causes the internet based self-service solution to become inefficient and the customer satisfaction is suffering due to lack of value-add and customer orientation.

Where to go from here?

Service Providers must persuade their customers to use more cost-efficient channels such as IVR, and WEB/WAP solutions. But the services on such solutions must be powered by better backend systems and they must function in a way where customer issues can be handled end-to-end to avoid call generation – the very thing the service provider is trying to avoid.

This will require detailed studies of how customers deal with the service providers’ products on-line, what kind of functions and features are required to deal with round about 80% of the most time intensive problems on-line.

The business case for automated Customer service has already been made by a number of companies. Amazon.com has built a worldwide bookstore successfully utilizing internet based customer self-service. iTunes has changed the way which music is distributed as well as the way many consumers are buying their music, thereby reducing the distribution costs dramatically.

These companies have invested large amounts in both front-end and back-end systems to avoid customers opting for telephone support. The success of Amazon’s business case is largely depending on an efficient online customer service.

The 100% solution does not exist. The problem is that many service providers have focused on reducing the call volume with a percentage. Reducing the call volume with 40% does not really move a lot if the calls being moved online are the less than 1 minute calls and all of the 20 minute calls remain in the customer care.

The focus has to be on the expensive calls – often support calls, where the agent is tied to the phone for half hours at a time and afterwards goes into post processing.

Most call centers we have been talking to, make it clear that they need savings in the area of 25 – 35% of their operating costs over the next few years to remain competitive. It is also clear to them that yet another round of optimization of call flows and workflow procedures are not going to produce the needed results.

Service Providers are not leveraging websites aggressively enough and thereby the increase in customer satisfaction targeted, is not reached.

With new concepts such as WEB 2.0 and Enterprise 2.0 lurking just around the corner and big companies investing heavily into leveraging such technologies already now, service providers must start to work out the future of their customer service strategy, otherwise they could find themselves getting a run for their money by unexpected competition.

What needs to be done?

Ask yourself how an agent in your company would react if a customer calls up and says “I have just responded to the mail you sent me, but I have some additional questions. I also have a question about the support case which I e-mailed you this morning!”

Will your system be able to associate the e-mail with the customer automatically or did the customer just send an e-mail into nirvana? Will the agent be able to see the mail and support case mentioned by the customer and give the customer the feeling of being in control?

The Service Providers must create a compelling online experience based on a customer centric approach. The focus really needs to be on what the customer and less on what the company wants. All feedback and communication must be associated directly with the customer account, no matter what channel a customer uses to communicate.

Many service providers are afraid of handing over the direct call to a web based system because they fear that their up-selling chance will disappear with the move. But Amazon.com is a good example of a company that has been able to implement compelling up-selling tools on their website. The main reason is that they dynamically change their website to match the interests of their customers based on what the customer has been viewing in the past and of course on what they have bought. Nothing prevents service providers from implementing similar solutions allowing them to drive new products, services and bundles to their customers based on previous purchases.

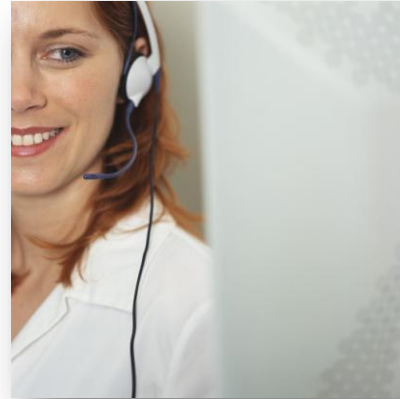
Service Providers need to start thinking about the Enterprise 2.0 as a platform shift which mainly is about enabling technologies. The Web 2.0 concept utilized the Open Source movement and is targeted at putting the construction of web based services into the hands of web designers and business people instead of IT people.

The next step was clear and what followed was of course technologies for making the websites richer using AJAX, easier to build using Ruby on Rails, and easier to integrate by the use of e.g. RSS.

Using Meshups, RSS feeds, Blogs and WIKIs in a customer centric environment spiced up with podcasts showing e.g. configuration examples, new services and better ways to use existing products will add significant value to customers. Everything must however be implemented as rich user experience web sites designed to support customers back-to-back and not focused on product information.

Thoughts have to go into how complaint management, disputes etc. can be handled without forcing the customer to change media and pick-up the phone (Call Generation).

Any self-service application has to be analyzed to see if it is a search engine (Call Generator) or a Finding Engine (Call Reduction) guiding the user towards the right solution and hence preventing phone calls.



Service Providers also need to develop reward systems to move the customers online and give them reason to become active users of Enterprise 2.0 technologies offered as part of the rich user experience. The Customer communication has to make customer self-services more prominent than the phone number to guide customers in the right direction.

The back-office systems rework

Creating an online presence capable of really helping the customer is one thing. Creating the back-office system to support it is another. For many service providers the automated sales and service stops when the user clicks the "Submit" button.

The different elements making up the sales and customer service platform of the web are fragmented across many functional groups such as Call Center, Billing department, Sales department, Marketing etc. Almost all companies are functional departments but they tend to be especially rigid in the Telecommunication industry.

Solving problems often involve back-office workers from many of the above mentioned departments. It is inefficient, complex and is a source of bad communication and coordination which again cause delay in dealing with the customer request.

Customer Service in the future:

It is clear that the telecommunication service providers must continue to develop their self-service initiatives. Especially in a world with open-source applications that allows virtually anyone to setup a Telco in their own home. Enter new technologies such as Mash-networks, Voice over IP along with WEB 2.0, Enterprise 2.0 etc. and one has the building blocks needed to produce serious customer value.

We strongly recommend that these enablers and technologies be considered and analyzed in details to find out what can be implemented now and in which way the building blocks can be used to generate customer value.

Embarking on such a project is a must for most operators but it is also a major project. Most telecommunication providers are running some kind of IT release system to regulate what functions and feature IT will focus on and the lists for the next few years are already full. This does however not change the fact that now is the time to move. The back-to-back e-enablement of sales, customer service, billing and operations is a project which will take several years to complete.

Some organizations will feel that taking on such a huge project is too much of a risk, but not doing so might have dire consequences.

© Jan A. Jensen, Z-Solutions GmbH. All rights reserved.

About the Author:

Jan Anker Jensen has more than 16 years of international experience as senior manager, project- & programme manager and consultant in the Customer Care-, ICT-, Financial Services- , Hi-Tech-, Telecommunication- and Outsourcing industry.

In 2002 he established Z-Solutions GmbH (Pronounced: See-Solutions).

About Z-Solutions GmbH

Z-Solutions was established in 2002 and has since consulted companies like o2 Mobile, Orange Business Services, Zurich Financial Services, Nokia and Hainbuch along with many others worldwide.

The company is focused on helping customers in the areas of strategy, management, technology and performance in the following industries: Customer Care-, ICT-, Financial Services- , Hi-Tech-, Telecommunication- and Outsourcing industry.

Z-Solutions offers the following services: Consulting, Project- & Programme Management, Interim Management and Coaching.