

Time to market and the customer experience: Trends, challenges and priorities of communications service providers

Results of the Coleman Parkes survey



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Survey methodology

- > Independent global survey commissioned by Amdocs OSS Division from Coleman Parkes Research
- > Over 125 interviews comprising major telecommunications companies - wireline, wireless and cable providers
- > Typical respondents were Director of OSS, CIOs, COOs and Product Managers
- > All regions covered: Western Europe; Eastern Europe; Far East, Asia Pac; Middle East: Africa, North and South America
- > All interviews undertaken in February 2008

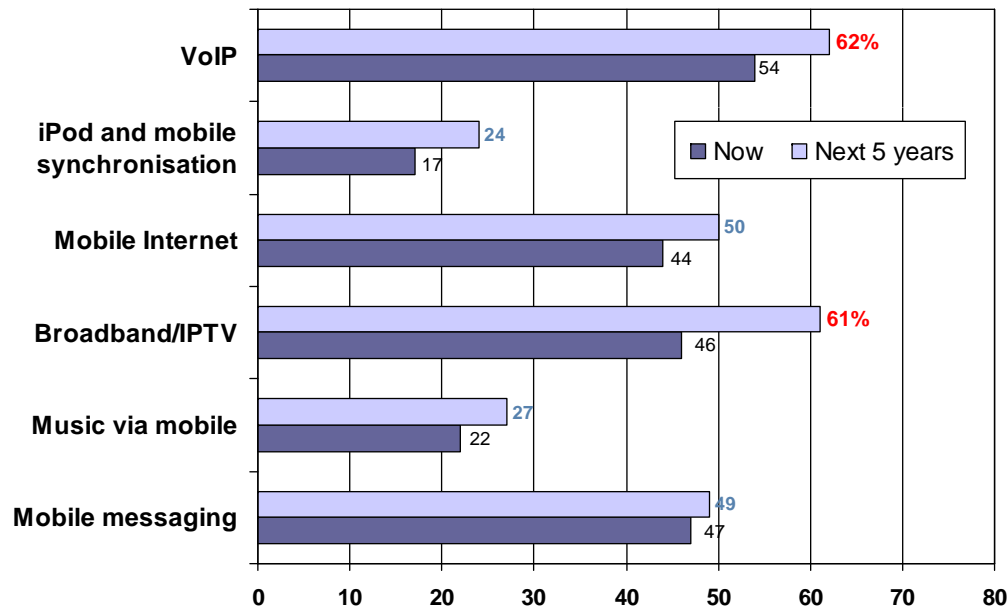
Agenda

- > A view of the market
- > What are service provider priorities?
- > How is time to market changing? And what is the impact?
- > What are the constraints and challenges to faster, cost-effective time to market?
- > Possible solutions
- > Conclusion – what have we learned?
- > Q and A

Fast moving, competitive market

Over 50% of operators see the number of new products increasing

Service rollout plans



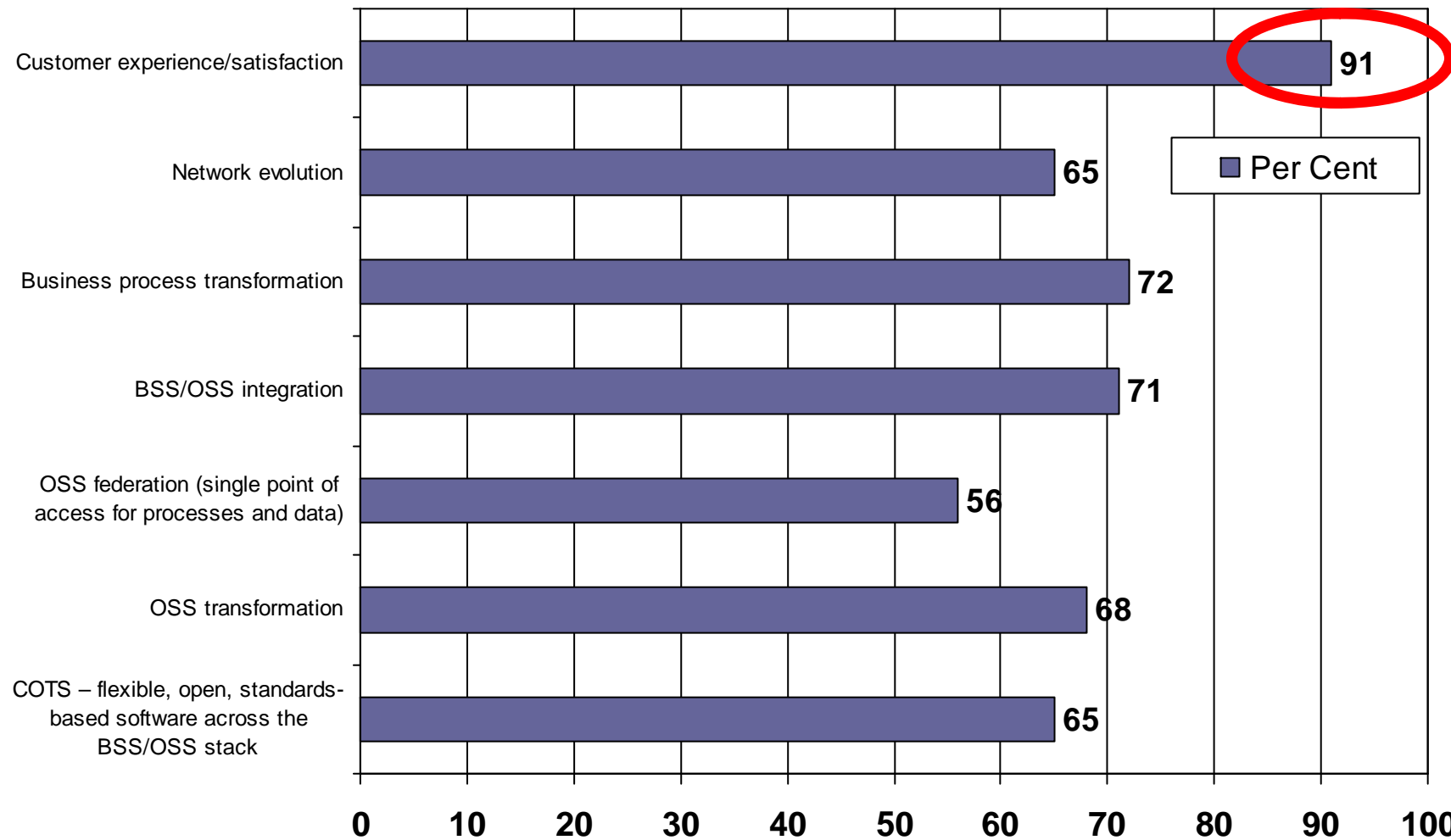
Source: Coleman Parkes survey, 2007

- ➔ Multi media / content driven services over fixed and mobile networks
- ➔ Competition from new generation of Web 2.0 companies such as Google and Skype
- ➔ An ever more sophisticated and disloyal subscriber base
- ➔ Fast moving – product and service package offerings may last only a few days

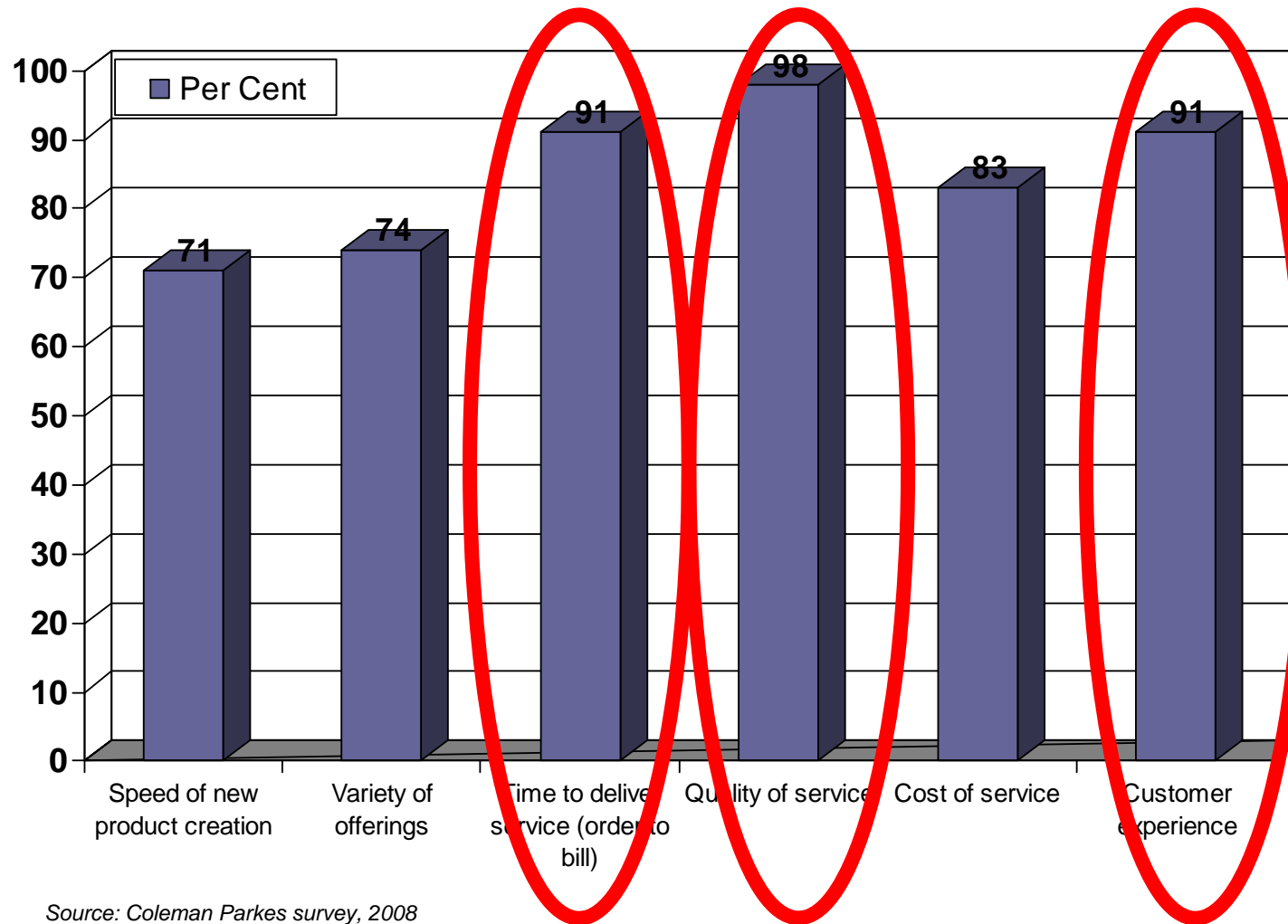
More than 25 years for the television to reach 30% of U.S. households
Only 5 years for the Internet to reach a similar penetration rate
After 2 years of operation, YouTube streams > 100 million videos per day

Source: Ovum, 2007

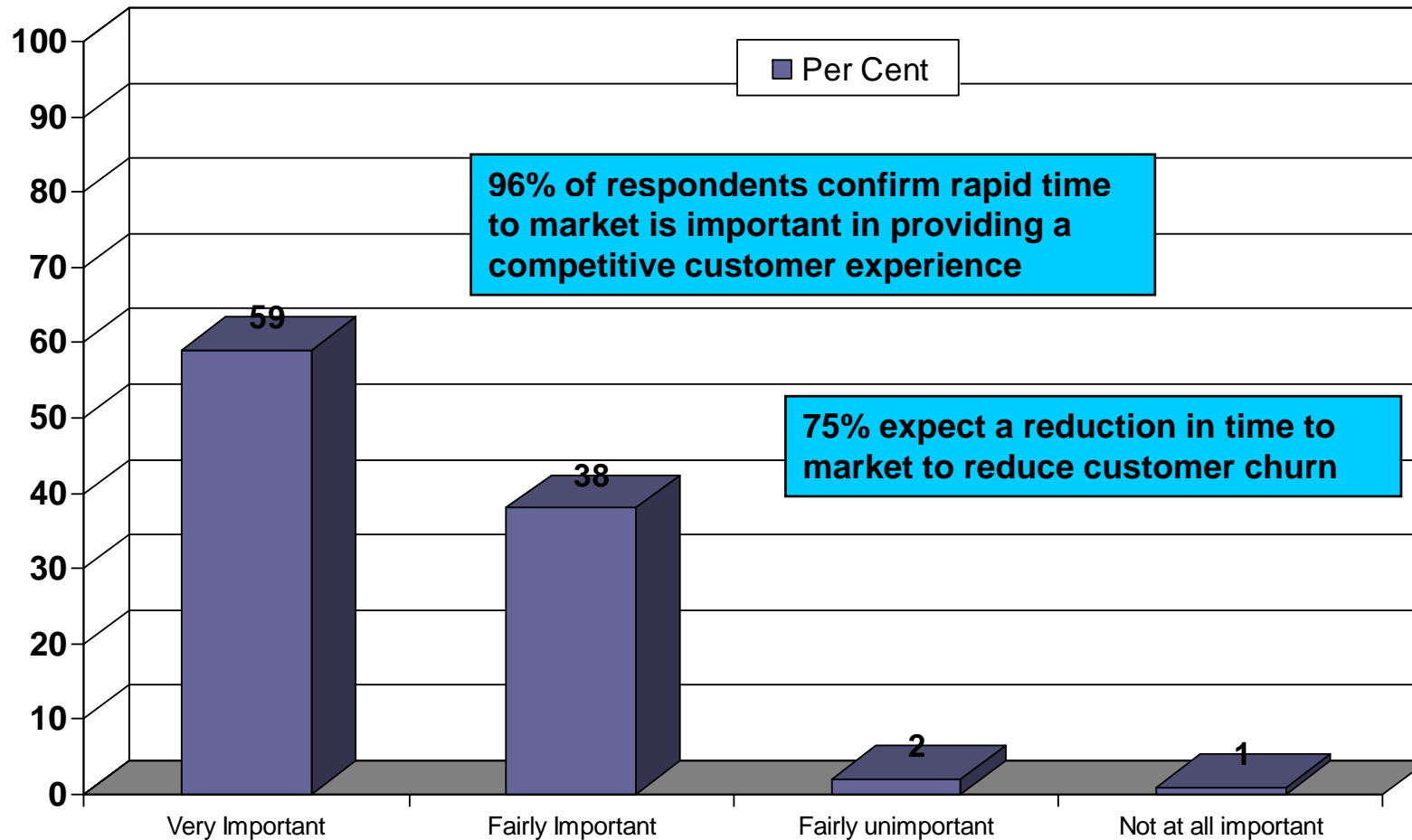
Customer experience is the #1 issue to address over the next few years



Differentiation is focused on customer experience

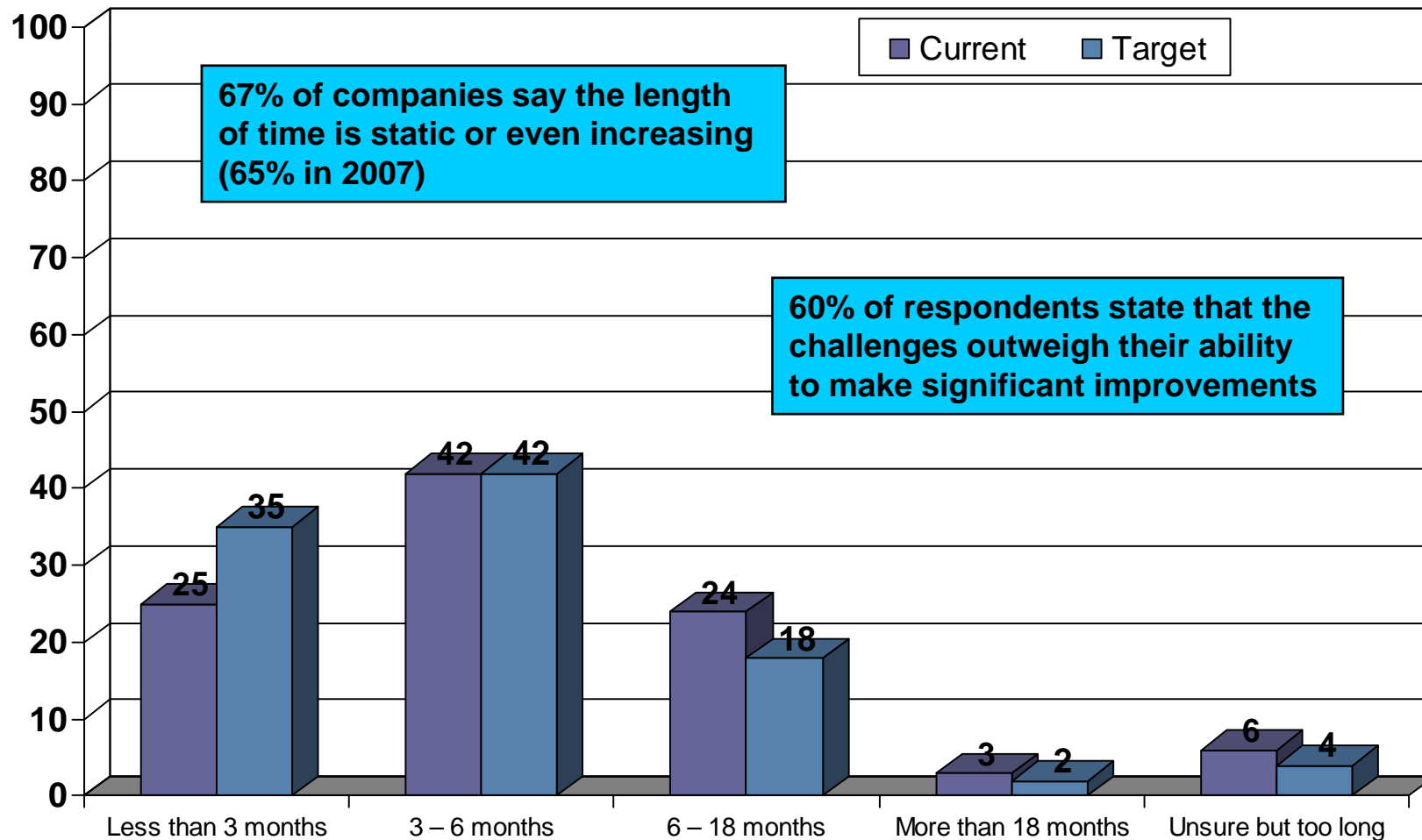


Time to market is important – because it impacts customer experience



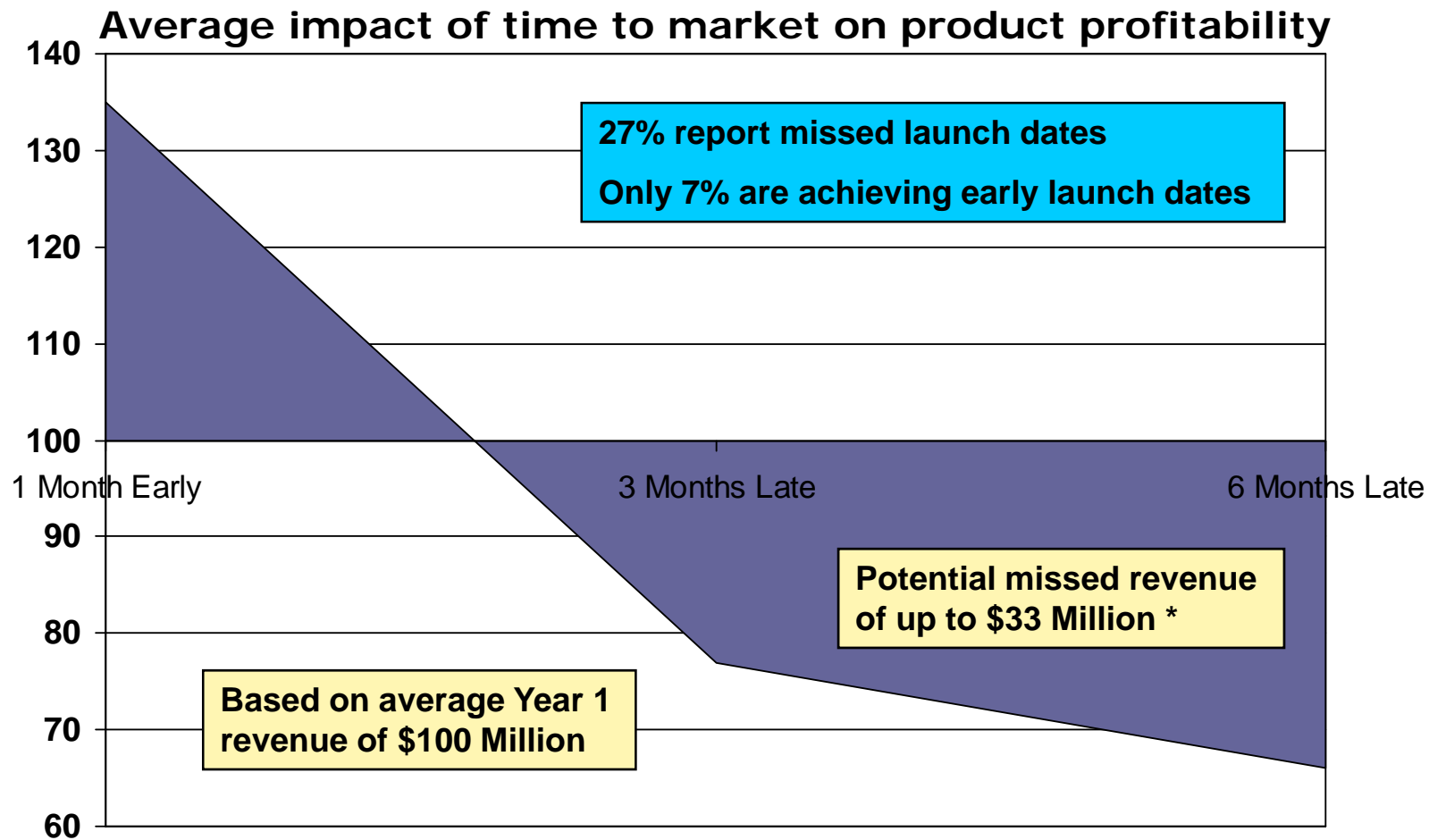
Source: Coleman Parkes survey, 2008

Yet a gap remains between aspiration and reality



Source: Coleman Parkes survey, 2008

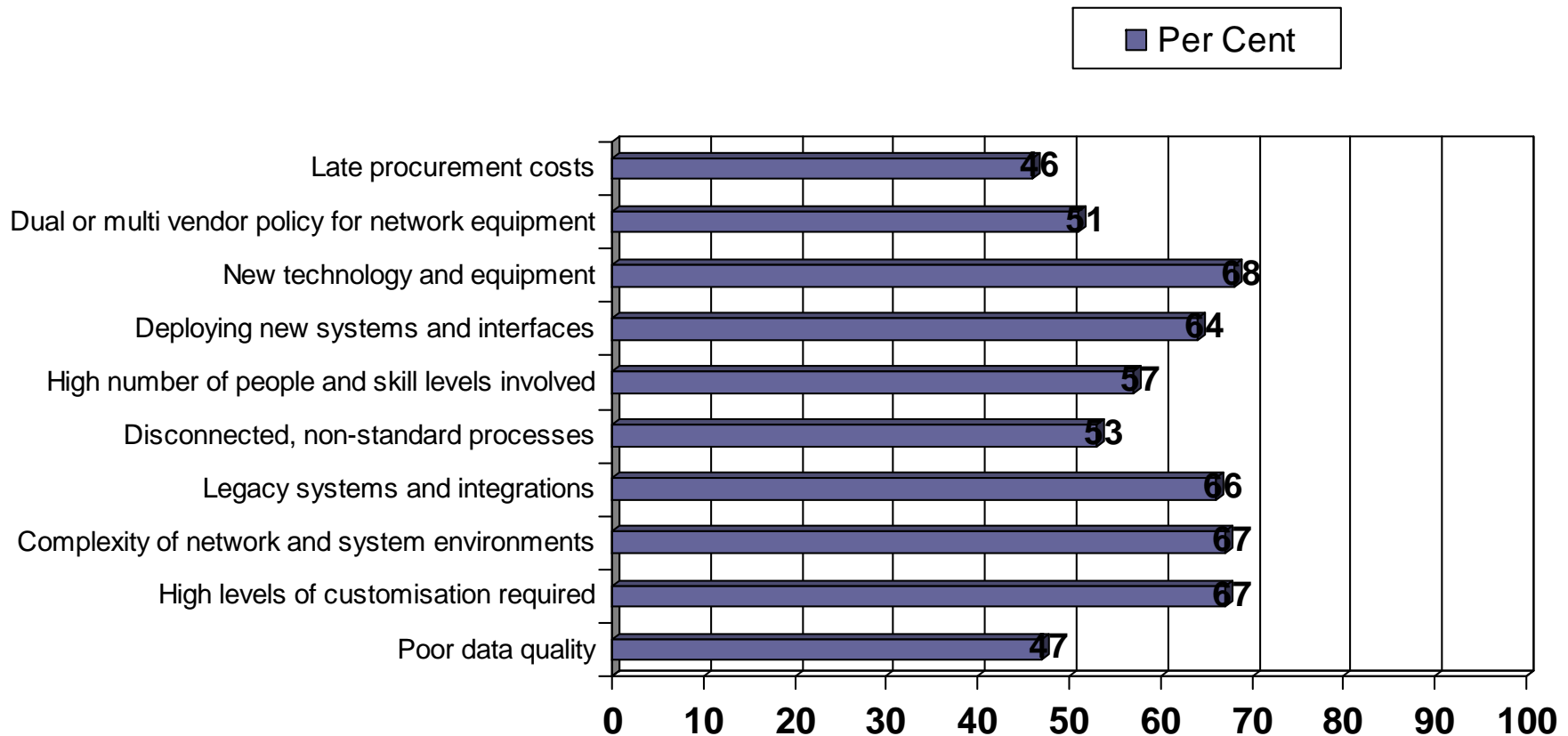
There is significant bottom line impact



* McKinsey report states that if a product is 6 months late an average of 33% profit is lost, whilst 1 month early can add 12% profit

Key factors that impact cost to market

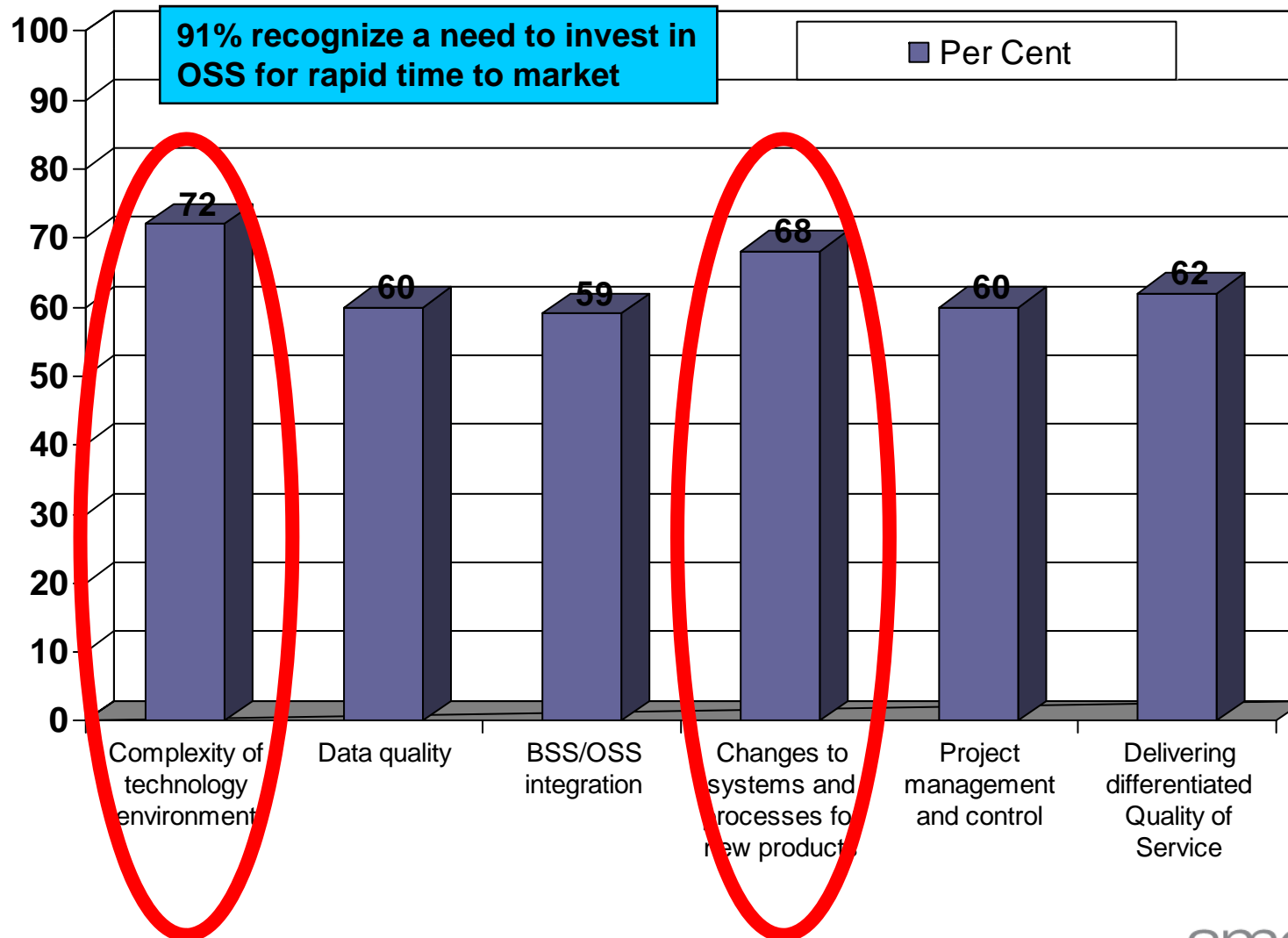
Costs are in two main areas – new network and supporting systems



POLL 1:

- > Are your costs of new product introduction:
 - > Increasing?
 - > Staying the same?
 - > Reducing?

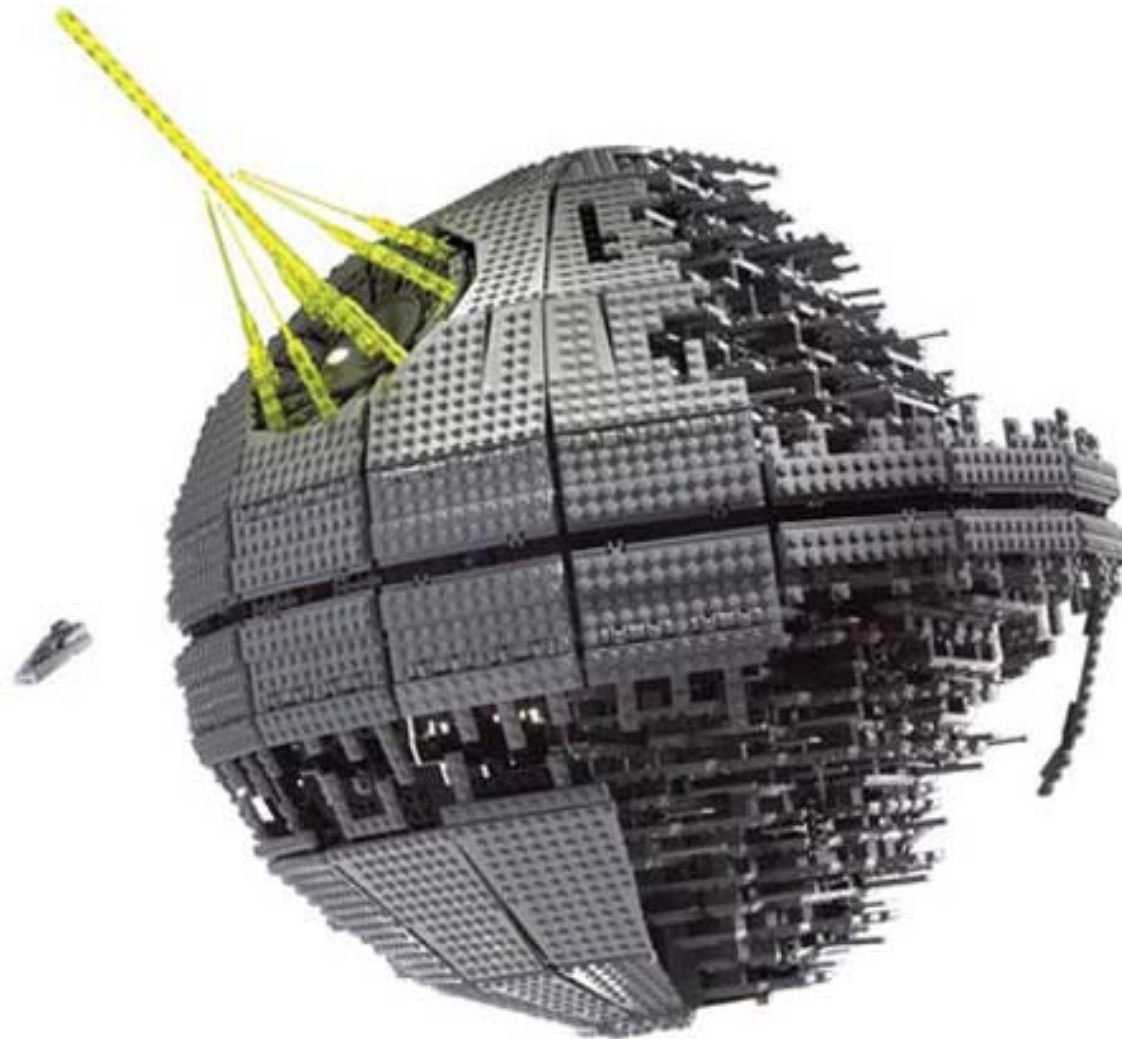
What are the challenges and constraints?



The cable operator story

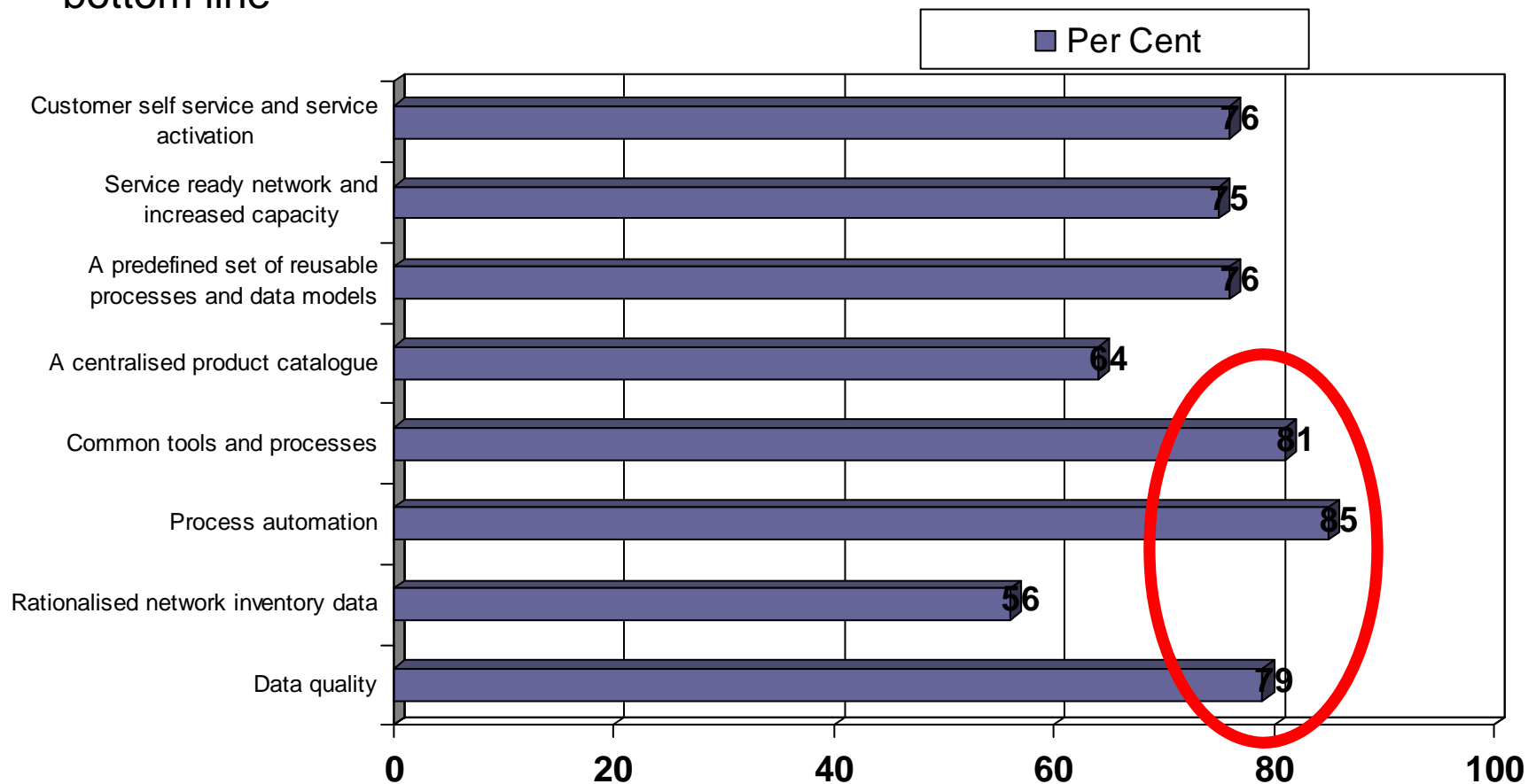
- > Cable companies face more challenges than other service providers
 - > One third are seeing time to market increase
- > As they move outside their traditional markets, challenges are increasing
 - > Need for automation
 - > Legacy system integration
 - > Poor data quality
- > Cable operators identify BSS/OSS integration and OSS transformation as the important issues in addressing time to market

Keeping the complex simple!

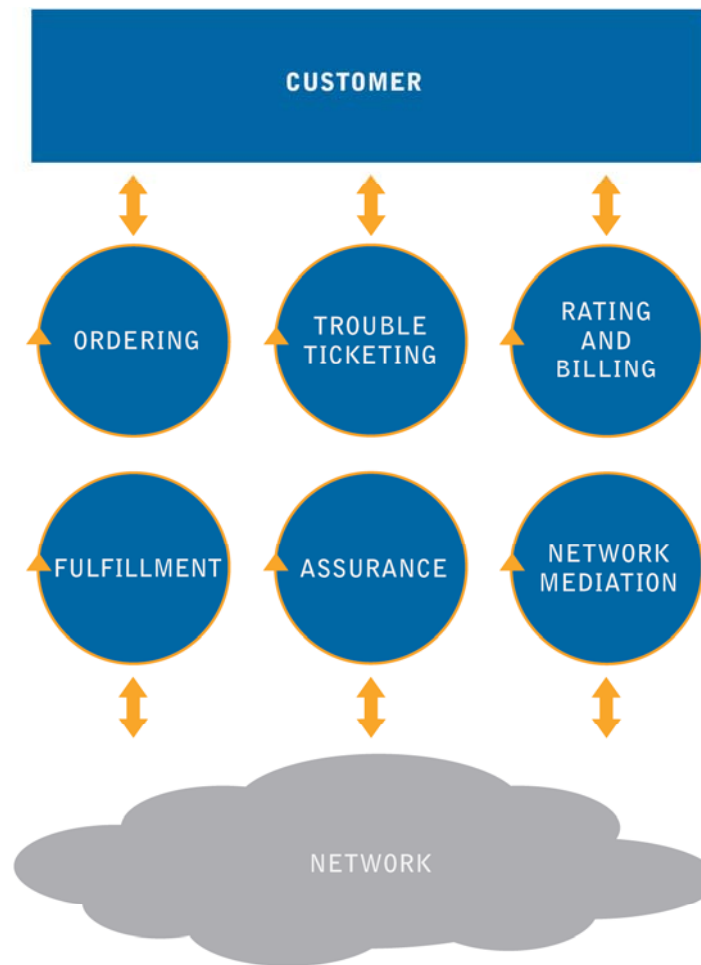


Areas of ongoing and future investment to reduce cost and time to market

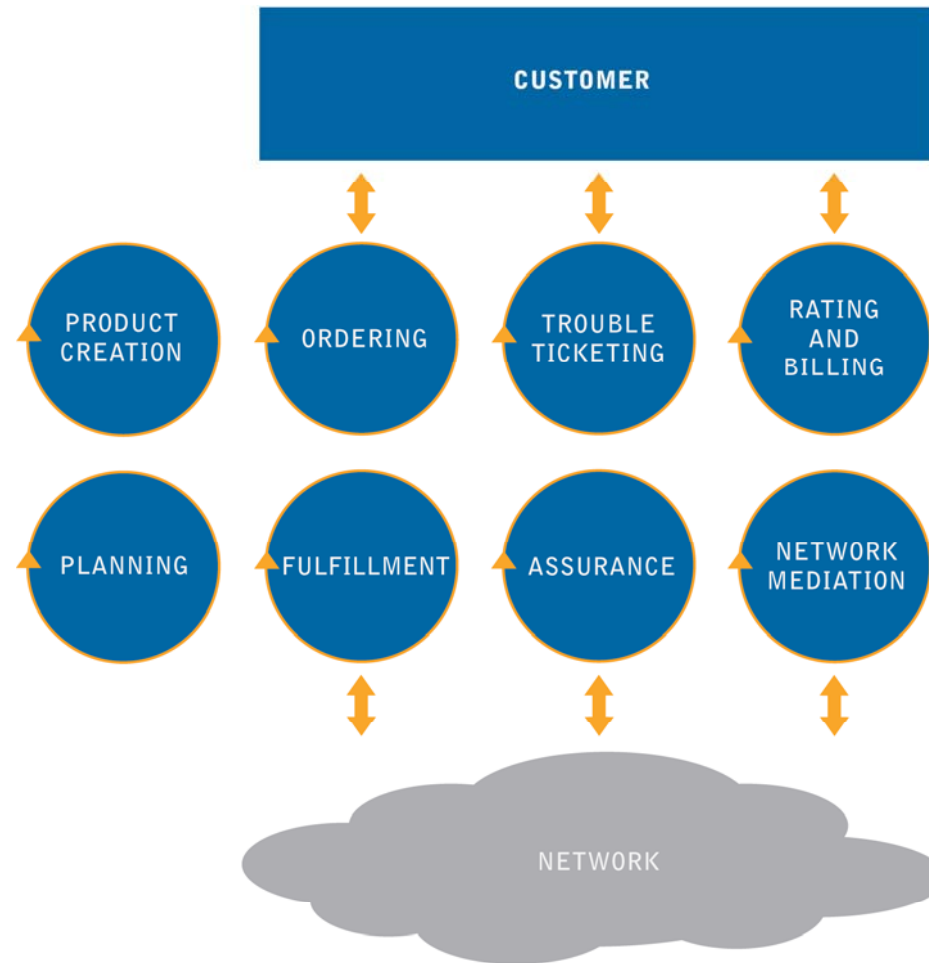
- > 91% of respondents state that investment in OSS is important to reducing Time to Market - OSS has a direct impact on customer experience and the bottom line



Delivering the customer experience

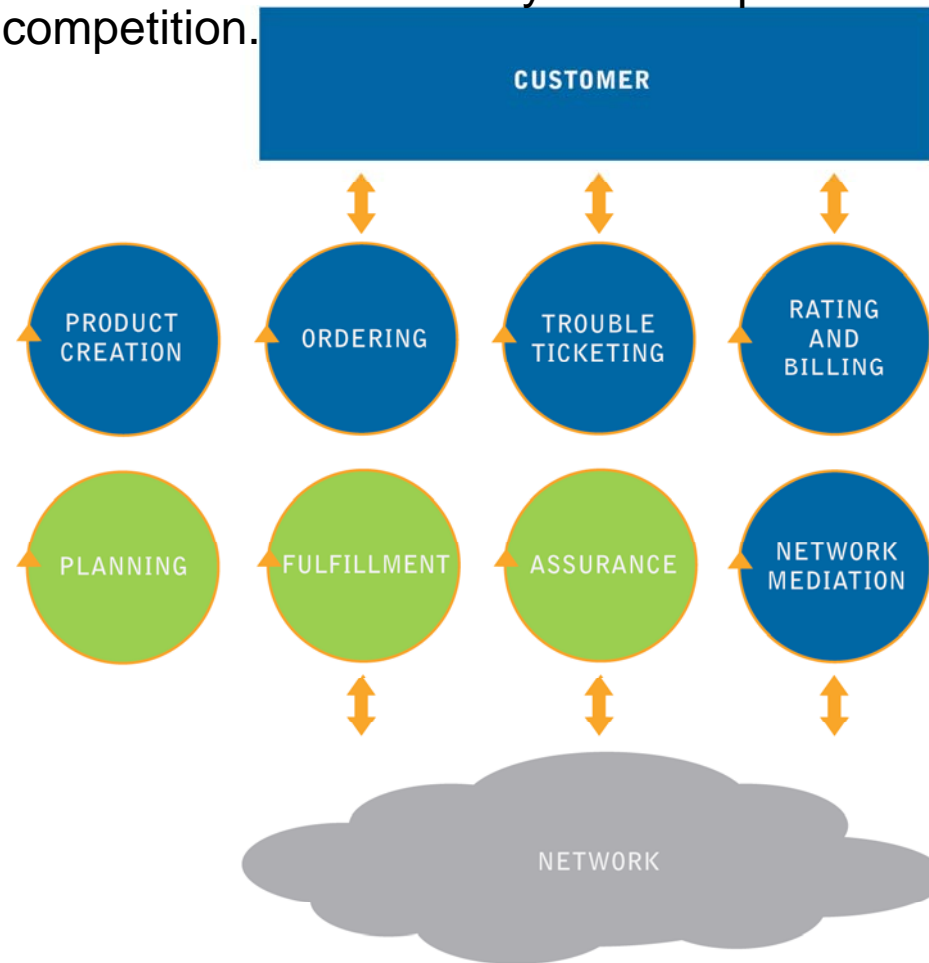


Delivering the customer experience



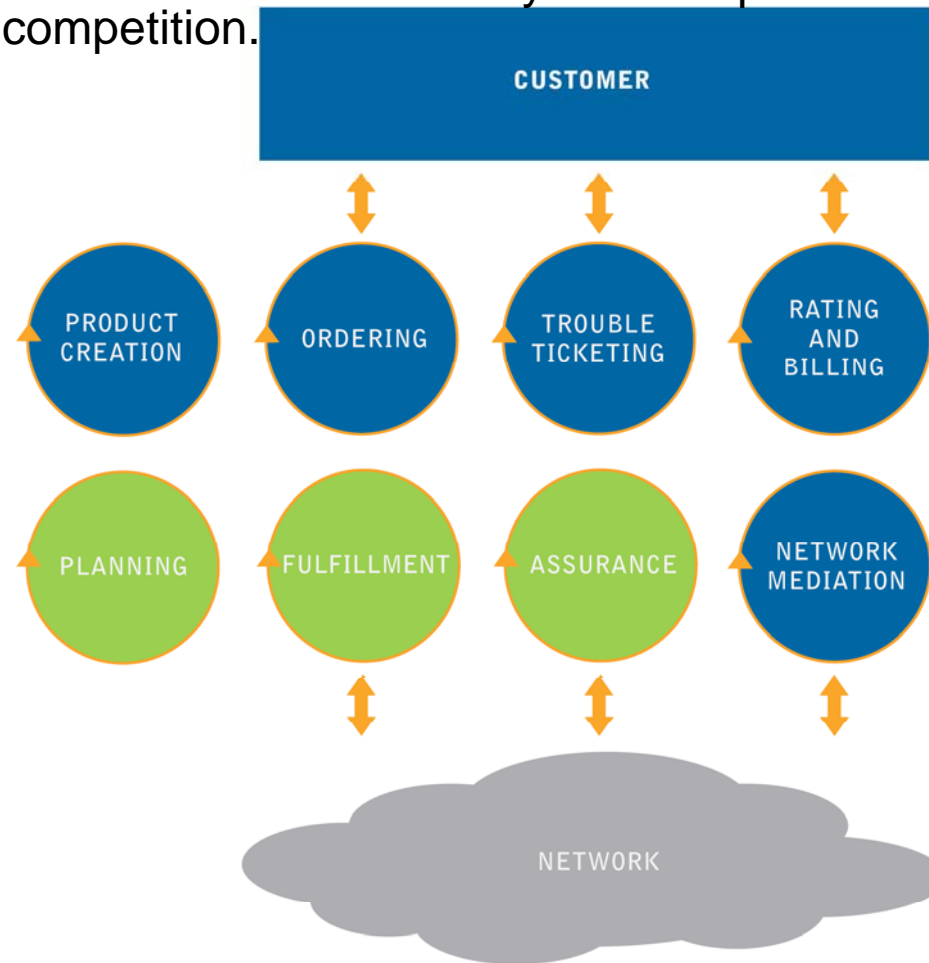
Delivering the customer experience

Technology, by itself, is no longer seen as the source of competitive advantage for CSPs. They are increasingly focusing on customer metrics, including quality of service, speed of delivery, time to market and accuracy of order processing, to differentiate themselves from the competition.



“[There is] blurring between network OSS and BSS. All the pieces have to be in sync strategically. Make sure everybody is aligned and prioritizing together.” – Large wireline CSP

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POLL 2:

- > Where is your priority for investment in customer experience over the next few years?
 - > Front Office (CRM, product catalogues, call centres)
 - > Back Office (OSS, associated processes)
 - > Network readiness (planning, service-ready network)
 - > Marketing and Sales enablement

Service providers caught on the cusp of two paradigms ...

On one hand ...

- > A need to compete on new terms in a changing market by introducing a large variety of products – quickly

And on the other ...

- > Traditional remit is to deliver high quality services

Thank you

Any questions?

