From Self Service to Real People:
Customer Service in Telecom
By Dan Blacharski

Government-controlled monopolies, and the people who run them, tend to have an attitude toward customers that differs from that of ordinary corporations. They are, after all, the only game in town, and can craft their policies and procedures to make life easier for the folks behind the scenes. You have an easy job indeed if you don't have to please the customer, and can instead take days to respond to complaints, have inflexible policies, and charge way too much money.

There was a time, in the old days of telecom monopoly, when long distance calls were expensive, call quality was poor, and connections were difficult to make. If you wanted service, you were put on a waiting list. When you wanted a phone, the phone company rented you one. There was only one style and color. Today's amazing wealth of products and services, and remarkably low prices, is due first to competition, and second, to the need for competitors to put the customer first in order to get a share of the market. For the first time, the phone company had to start thinking, "maybe our customers would like the option of having a pink phone, or a white one. And maybe we shouldn't make 'em stand in line for so long."

The Telecom Dilemma

The fundamental dilemma faced by telcos is that they must provide more services, at higher levels of quality, while constantly lowering prices. "In this ever-increasing competitive telecom market, differentiation through state-of-the-art customer and value-added services is becoming increasingly important, " said Stephanie Atkinson, Managing Partner and Principal Analyst from Compass Intelligence. "This being said, Operational Support Systems must cater to consumer and business customer needs through creative phone, web/on-line, call center, and personal communications that integrate seamlessly with OSSes. In fact, in an increasingly commoditized market, customer services/value-added services are expected to be crucial decision-making factors when choosing a telecom/IT provider over the next two to three years."

In a monopoly situation, you can grow your market just by sitting around and waiting for it to happen, and you can increase revenue just by arbitrarily raising your prices. But that doesn't work in telecom anymore. Today, you have to accumulate market share by taking it away from the other guy. There are three ways to do this: (1) keep existing customers (reduce churn), (2) offer them new services (increase ARPU), and (3) deliver superior customer service.

Delivering that service isn't as easy as it sounds for telcos, and while it starts with a certain philosophy and mindset, from there, it gets technical. It can be accomplished by first implementing a thorough platform for customer self-service, by implementing convergence in

your OSS systems where multiple silos of information and functionality are unified and are able to communicate with one another, and by moving to a more competitive "lean" mode of operation.

Customer Self-Service

Regardless of your industry, including a self-service option is an absolute must. It keeps costs down, and most customers find that it is much more convenient. That's why banks have more ATM machines and fewer tellers, why supermarkets now have self-service checkout lanes, and why right-thinking telcos have self-service web sites where customers can buy service, troubleshoot problems, and pay their bills without having to talk to a human. Unless they need to. And that's the key phrase there--having the option to talk to a human is a key component of self-service. True enough, the majority of situations are predictable and can be handled without human intervention, but no matter how much you plan, there will always be a situation that is unique. A live agent has to be available to intervene.

Patricia Seybold Group published a series of customer self-service "test drives" to explore how customer self-service works. In their report, "Customer Self-Service at Verizon," analyst Mitchell Kramer takes a detailed look at how Verizon approaches self-service. The report shows that Verizon has approached this in the right way, noting that Verizon "exceeds requirements for customer self-service in the areas of lifecycle support, especially to diagnose problems and to access and update customer information, UI content management, escalation, and architecture."

Kramer notes that "accessing and updating customer information is another of the most critical customer self-service activities." His report found that Verizon supports this well, and the company's web site has taken the concept of integration to heart. "Once you log in, verizon.com connects your account to customer identification and preference information, to installed product and services information, to billing information, to order information, to incident information. The site creates a comprehensive, single customer view, making it easy for you to do business with Verizon."

Another area Verizon excels is in providing options for assisted service. Besides a "live chat" feature which is offered after login, customers also get an "Email Verizon Agent" link on the summary page, and the ability to report problems via email.

Verizon's site also lets customers easily resolve a number of back-end tasks, such as bill paying, or updating customer information. There is an "Add/Change Services" tab, which shows a table of services, features, and options, and a "Change" button to add or change them. The Seybold report notes that "This is a cross-sell/up-sell page for marketing, not customer service," which is an apt observation--keeping in mind that a good customer service organization will always incorporate cross-sell and up-sell into their service features.

The fundamental dilemma of telecom, which is the need to provide more services at higher quality while constantly lowering prices, can only be offset by increasing ARPU, and this can only be done with cross-sell and up-sell. Understanding your customers' needs better, serve them with greater efficiency, and take that information and use it as a cross-sell and up-sell opportunity. This serves both the customer and the bottom line.

OSS Convergence

Some telcos have gotten with the program. A few years back, AT&T came out with its "Concept of One," which consolidated multiple systems onto a single platform, and "Concept of Zero," which delivered services to customers in real time. Similarly, BT's 21st Century Network (21CN) re-engineered its OSS systems, enabling BT to deliver higher quality services.

AT&T isn't promoting its "Concept of One" anymore, but it hasn't abandoned its philosophy, and since being absorbed by SBC, AT&T is planning significant capital expenditures, and the plan now is to move towards an all-IP network--which would ultimately make the "Concept of One" dream a reality. Similarly, 21CN transforms multiple legacy networks into a simpler multi-service network.

Traditionally, each telecom service on offer required a separate network, with a separate infrastructure and OSS services to support it. The approach of creating an all-IP network helps to accomplish this desired convergence. In an IP network environment, each service is just another application, one of several that runs on a common platform with a common OSS.

Lessons from "Lean Manufacturing"

I've never met a monopoly that isn't "fat" and customer-unfriendly. Even government agencies are trimming their own blubber with e-government initiatives and the like. Even state Departments of Motor Vehicles--notorious for slow service and surly clerks--have re-invented themselves, give you options for automated service, online renewals, and in some states, a convenient kiosk in the lobby for self-service. But when was the last time you tried to pay your gas or electric bill over the counter? Many utilities don't even have a payment desk any more, instead forcing those who wish to pay in person to go to small convenience stores and gas stations and pay an extra fee, just for the privilege of handing someone your money. This is the mindset that the telecom industry comes from, and we're just now starting to figure out that in a competitive environment, that just doesn't work.

BT's 21CN is an excellent example. Described as a "fundamental remaking of our business," this approach consolidates the network and systems infrastructure, greatly simplifying the back-end systems. It is in this simplification that the customer experience becomes improved, simply because it makes information easier to get to. Customer self-service becomes simpler, because customers can access everything they need to access in one place. Assisted service also becomes simpler, because call agents also have easier access to all systems and all customer information. The old "I can't do that for you, I have to transfer you to another department" will be no longer a reality. One agent can do it all--and that is the way an efficient customer service organization is run.

Changing Your Business Model

Transforming a telco into a customer-centric organization starts with a state of mind, but it doesn't end there. It requires management to abandon the old, fragmented approach, and to bring in a new, customer-aware, unified system, which promotes the sharing of information about the network and about the customers. In each area of the OSS, this unified system must include information about the customer and the services they use, and how they use them. This allows the service organization to monitor quality at the customer level, not just at the network level. And as a side benefit, when the service agent has access to this information, they have a tremendous opportunity for cross-sell and up-sell.

The typical OSS structure is fragmented and network-centric, with each piece focused on accomplishing a specific task. This doesn't leave much in the way of total visibility into the whole customer. It starts with the creation of a unified customer knowledge base, which is available to all elements of the OSS. Establishing a connection between billing and customer care, and the systems that manage the network and various services, represents new opportunity and a new business model for managing services, which places the customer at the center of the entire OSS process.