January 19, 2018

Monetizing the Omni-Channel, Omni-Play Customer Experience

The Right Tools Address Complexity and Create Positive Results



Stratecast Perspectives & Insight for Executives (SPIE)

Volume 18, Number 2

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Introduction¹

For communication services providers (CSPs), the challenge of delivering to customers what they want is not easy; but then again, it is not easy for merchants in any industry. In fact, it used to be that someone called up and negotiated a service, or they visited the store to buy an item they wanted. But that was then; today is now filled with all manner of available alternatives.

Our always connected world enables customers to get what they want or report troubles any number

of ways. This is accomplished by searching the web, or interacting with a mobile app, or visiting a retail store, or dialoguing with a customer care agent, or posting comments and then gaining insight from friends and others.

In the quest to gain competitive edge, some companies are better at enabling these channels to work with each other. In fact, businesses in many industries continue to have concerns over how best to provide a favorable "omni-channel" **O** experience, since a customer can be a retailbased consumer or a wholesale-based business; (ch each with very different needs.



Focusing on the largest CSP customer segment—consumers—the customer experience challenge is multi-dimensional. One aspect involves the transfer of selections when a customer moves between channels. Another requires bundling of different connectivity options (mobile, fixed broadband, cable) with partner-supplied digital goods, additional services, content, and even physical items in what is becoming an omni-play experience. A third aspect is the consistent delivery of customer data (when needed) to nearly 140 back-office processes such as: pricing, ordering, delivery, billing, cancellations, trouble reporting, and assurance. Business actions including offer creation, charging, collections, refunds and exchanges also require consistent customer data.

This report looks deeper into the omni-channel customer experience, and explains why the transition from CSP to digital service provider (DSP) involves enhancing systems, modifying workflows, and redefining work center responsibilities. The report identifies how support of the omni-channel mindset does not necessarily mean a total systems replacement, nor must it mean spending vast sums of resources, protracted across months of new systems development effort. The report also explains how a process-oriented enhancement overlay, such as that provided by Dynacommerce, can be used within an existing systems environment to yield favorable customer experience results.

¹ In preparing this report, Stratecast conducted interviews with:

[•] Dynacommerce - Rick Centeno, Chief Executive Officer

[•] Dynacommerce – Jens Voigt, Head of Marketing and Product Management

Please note that the insights and opinions expressed in this assessment are those of Stratecast, and have been developed through the Stratecast research and analysis process. These expressed insights and opinions do not necessarily reflect the views of the company executives interviewed.

Omni-Channel Customer Experience

Enabling an experience to begin in one channel, progress to a second, then move to a third, and finally complete in a fourth or even fifth, is challenging at best and nearly impossible if back-end systems are not "talking" with one another. In today's marketplace, creating a *seamless customer experience* means that every piece of insight the customer provides in an engagement session (web session, call center discussion, etc.) transfers between channels in whatever channel combination the customer defines. In some cases, this might even mean switching back and forth between channels, until the transaction completes. Failing to deliver on this business challenge creates the potential for a *miserable customer experience* and the possibility of the customer churning to a friendlier competitor that will deliver to them what they want.

The TM Forum summarizes the ultimate omni-channel experience as, "... one that is completely seamless across all possible channels regardless of how the interaction started, which channels it traversed, and how it finished."² Some of the new requirements that omni-channel brings, again according to the TM Forum,³ include:

- Channel choice based on customer preference
- Delivery to customer needs in context
- Providing the right data for the right channel
- Personalized engagement
- Federated identity and access rights (entitlements) across various business relationships
- Consistency of pricing offers between channels
- Customer recommendations are the same regardless of which channel the customer uses
- Knowledge management to address external customer needs (self-service) and for providing internal work-team insight
- Respect for customer privacy in the presentation of options and collection of user preferences

Stratecast believes that the most concerning "bad" experience comes from the frustration that customers get whenever they are asked to supply the same information again and again, to each person in a process chain or across access channels. Such frustration can be avoided if back-end systems are enabled to share data and service preferences between one another. However, enabling this capability often requires lengthy and costly transformation or system consolidation projects.

Omni-Channel Involves Multiple System Updates

Shown below in Figure 1 is an actual process and systems map with highlights concerning the key CSP systems that define the three major customer-selling business domains—namely: Ordering and Fulfillment, Assurance, and Billing. CSPs and their suppliers know that making changes to existing service offerings, or establishing new offerings within this installed systems architecture, is painfully slow; on the order of several months to check and cross-check each functionality change with the

² For more insight, see TM Forum publication GB 994 Omni Channel Guidebook, Release 16.5.1, June 2017, p 6.

³ Ibid., pp. 7-14

sometimes hundreds of systems and processes involved. This grossly inadequate level of responsiveness has been addressed to varying degrees, by some organizations more than others. Yet, a lot more will need to be done if digital transformation and the omni-channel, omni-play customer experience is to ever become a full business reality.





Source: Stratecast

The omni-channel experience requirements previously noted involve updates to systems addressing each of the business processes in Figure 1. For example, within the Ordering and Fulfillment domain, updates are needed in selling systems, ordering systems, and delivery systems to engage with the right level of data collection capacity and interactive customer experience functionality. The service definition catalog and inventory functions must now support dynamic and partner-defined service offerings. The revenue reconciliation/assurance and fraud management functions must cover a partner element that was previously not addressed. There are other systems updates tied to the trouble reporting process, merchandise exchange process, and margin analysis process—not to mention processes within the Billing domain. Even if presently installed systems were deployed as recently as 5-7 years ago, most were never designed to meet the level of today's customer experience, network design, monetization, or business management needs.

Time-to-Market Makes Rip and Replace Impractical

A few years ago, a handful of CSPs in various global geographies initiated "rip and replace" transformation initiatives tied to the removal of many installed systems in favor of a modern IT architecture. The goal of such projects involved the decommissioning of certain systems within a domain (rip), such as Ordering and Fulfillment or Billing; and implementing new systems that addressed present business needs (replace). Duplication from geographically dispersed systems, and

limitations of systems designed to address specific network technologies (mobile, voice or cable), created a precarious starting point for these projects.

From a time-to-market and cost perspective, these initiatives were often failures, with many stopped after years of effort. While some were successful in their purpose, for those that were not, actual outcomes fell well short of anticipated results because the complexity of each project created a massive price tag around software replacement costs and work effort needs. This very high-risk approach also came with severe challenges to existing business processes that were required to satisfy ongoing customer management needs throughout the transformation period. It has become evident to the industry that massive systems replacement projects are clearly not a good pathway for addressing the customer-centric approach to business that defines a DSP today.

Other approaches have been tried, some more successfully than others. Figure 2 provides a summarized view of the TM Forum's evaluation of the four development and implementation approaches most likely to be considered by a CSP for systems transformation. Results are from an evaluation and risk assessment of the Rip and Replace method, Enhancement Layer method, and two others for creating an omni-channel digital services customer experience environment.⁴



Figure 2: TM Forum Omni-Channel Solution Evaluation

Source: TM Forum, Dynacommerce

The Enhancement Layer method, represented as option 2 in the TM Forum evaluation, appears to be better than the others. It involves insertion of a functionality enhancement layer between a CSP's customer support channels (web, mobile app, care center...) and its back-office IT systems. In this manner, data is collected from the back-end systems, correlated, and delivered to the front-end customer channels as a common flow of information, regardless of the channel the customer engages. According to the evaluation, the systems Enhancement Layer model provides the best balance between operational risk, implementation time to market, retention of legacy systems investment, and cost.

⁴ TM Forum publication GB 994 Omni Channel Guidebook, Release 16.5.1, June 2017, pp 15-17

An Enhancement Layer Provides New Life for Installed Systems

One method for enabling the omni-channel customer experience involves an enhancement overlay to currently installed systems. Depicted by Figure 3, this approach provides the fastest time to market for bringing the data and business management functionality of existing systems together with needed new solution functionality, per the omni-channel requirements noted previously. As the reality of hybrid service orders (digital services with physical goods) grows, the Enhancement Layer provides a solid approach for integrating previously stand-alone processes within all customer channels. This action normalizes several back-end processes such as customer returns, service cancellations, and device repairs. Each of them, and others, can be available through any channel—not just the CSP's retail store or its call centers.



Figure 3: Consistent Omni-Channel, Multi-Play Sales Workflow

A key part of using the Enhancement Layer approach—or any of the other solution methods defined by the TM Forum evaluation process—involves certain steps for placing the omni-channel customer experience process into practice. These steps can be defined around three business objectives: establishing the goals to be achieved by the omni-channel experience strategy; identifying and then integrating the right systems and business processes into this strategy; and energizing the omni-channel experience function. More specifically:

• **Defining Goals** – Start with the desired customer experience; establish multi-play governance; and define the needed review processes and products.

Source: Stratecast

- Integrating Existing Systems and Processes Identify and integrate installed systems that are pertinent to the omni-channel experience; import technical product data; and integrate relevant customer data.
- Enabling the Omni-Channel Experience Create a commercial product catalog; establish an omni-channel sales workflow; and deploy the delivery orchestration workflow.

Incorporating the data orchestration, enhancement, and omni-channel interface platform shown in Figure 3, above, into these steps will provide a solid approach for addressing the omni-channel customer experience challenge.

Critical Objectives of an Omni-Channel Customer Experience Platform

The Enhancement Layer platform should address the needs of new business models and service offering strategies pertaining to the omni-channel experience just defined. Due to the legacy systems integration effort tied to this approach, the platform should be able to support many of the data integration needs of other new business models that rely on the rich network and customer-focused information contained within today's deployed systems.

Stratecast expects the platform to be designed using modern IT development methods with open application programming interfaces (APIs); and that it will take advantage of certain technical architecture options coming from the open source community.

While still within the realm of expectation, this platform should also be considered for orchestrating the service order fulfillment, assurance, and monetization needs of network-based connectivity services composed of both physical and virtual components. However, such a complex subject, especially combined with the support needs of an omni-channel sales experience, is beyond the scope of this report. This need will be discussed in a future Stratecast report.

The Dynacommerce Sales and Delivery Orchestration Engine

Dynacommerce⁵ is an independent software supplier focused on the delivery of sales and order management solutions in support of CSP digital transformation. The company is focused on the Tier 1 and Tier 2 CSP markets, with documented successes to date in Europe.

Dynacommerce addresses the business challenge of reducing the time to create new service bundles for a CSP from months to days or even hours, by interconnecting with existing systems for all data workflows that are touched by a new product launch. Shown below in Figure 4, the Dynacommerce Omnius omni-channel and omni-play sales and delivery orchestration engine joins together the customer sales needs from multiple channels, along with support for the bundling of various offerings, which is consistently reflected across sales channels. The platform enables businesses with hybrid digital and physical orders to launch bundled offers and complex propositions.

⁵ Dynacommerce was previously part of the DynaGroup, which has been facilitating telecom logistics, after sales services, repair, and order processing back-office workflows as a managed service for the last 20 years. In 4Q2016, Dynacommerce became a standalone software and services supplier focused on the global CSP market. The company has generated a position within the omni-channel experience realm by productizing the DynaGroup logistics solutions and operations knowledge in support of the CSP to DSP transformation groundswell. DynaGroup, established in 1995, with revenue greater than 100M Euros annually, was recently acquired by BPOST, Belgium.



Figure 4: Dynacommerce Omnius Sales and Delivery Orchestration

Source. Dynacommerc

The Omnius platform is a cloud native solution that uses open APIs, such as those defined by the TM Forum, for interfacing with CSP operations and monetization systems.⁶ The platform specializes in providing the automatic import of product and customer data, in near real-time, from multiple backend systems.

Dynacommerce employs a DevOps and continuous integration/continuous deployment (CI/CD) approach to solution development. Data is provided in near real-time, which is synchronized across all sales channels. The Omnius platform incorporates a centralized commercial product catalog (or sales catalog) that addresses all sales and configuration details pertaining to both internal and partner-provided products/services. The platform also incorporates open source components, and uses a modular functionality approach so that a CSP can involve only the solution capabilities needed to deliver its omni-channel business strategy.

Shown below in Figure 5, the Dynacommerce business enablement platform consists of an orchestration and data integration layer, combined with an omni-channel sales engine. Together, these Omnius platform components can be deployed as an enhancement layer to a CSP's existing systems and processes. In doing so, integrating data from multiple sources enables a consistent approach to meeting customer needs, regardless of access channel.

⁶ The TM Forum has established a suite of approximately 50 REST-based open APIs that have been collaboratively developed to enable CSPs to transform installed legacy IT systems into solutions that seamlessly meet the end-to-end management needs of complex digital services. Additional insight can be found at www.tmforum.org/open-apis/.



Figure 5: Dynacommerce Omnius Solution Architecture

Source: Dynacommerce

The Omnius platform addresses several business functions in support of digital transformation; a few of which include:

- **360 Degree View of Converged Customer Data** The platform consolidates and caches customer data across all product stacks, which includes personal data, information about all products the customer is subscribed to, data about any customer orders in process, and any shopping cart items. The platform enables a multi-stage customer search and dynamic linking of customer data so that a customer can truly hop from one access channel to another, with all pertinent data following.
- **Commercial Product Catalog** The product catalog consolidates all product offerings across not only legacy system product stacks, but with input from each partner source providing product capabilities. The platform provides the complete sales and work process flows, along with the products defined in the commercial catalog.
- **Converged Sales Engine** A sales workflow—configurator, shopping cart and checkout—for all products is provided in one consistent approach. Bundled and packaged products can be offered with support for all upsell, in-life sales, and campaign offers across product stacks. The engine also provides an easy-to-configure rules function to drive sales workflows.
- **Converged Serviceability Information** The platform provides a consolidated view on service availability across all technology stacks, to only allow sales of what can be supported with CSP resources—rather than allowing the customer to select services that cannot be fulfilled.

With the Omnius platform, omni-channel sales strategies are realistically achievable by enabling uniform processes for different channels. Proven successes with various European CSPs show that such strategies can be implemented in weeks and months, rather than the months, and even years, that other enablement strategies require.

Stratecast The Last Word

Transformation continues to be the focus of most CSP discussion relating to the operations and monetization processes and systems. Becoming a digital services provider is forcing everyone to redefine their core strategies around the customer and the customer experience. The term "customer centricity" continues to create discussion, while at the same time creating concern among those that understand how customer-centric business operations must work. The omni-channel customer experience is just the latest in a string of needs tied to a customer-centric organization. So, what happens next, now that the customer is finally in the center of a CSP's transformational strategy for the future, along with a focus on the continued evolution of network technology?

Casting aside the installed operations and monetization systems that make CSPs what they are today, and replacing them with a modern IT architecture, is not a good answer to the customer-centricity challenge, due to cost, elongated time-to-market, and implementation risk. Updating these systems to meet today's omni-channel business requirements shows some potential; but again, rapid and reliable time-to-market objectives prohibit this approach, even if a CSP is using the latest systems releases. Even though nothing is broken (yet) and money is still flowing from all walks of customers, doing nothing is no longer realistic if CSP viability beyond the next 2-3 years is still a longer-term goal. What then should be done?

Leveraging the customer data and historical insight that the installed systems architecture provides is important for any transformational effort. Addressing new functional and operational needs is a must; so, some level of new systems functionality is essential. Blending the two, through an overlay approach, is the right course of action according to a very recent TM Forum evaluation of various systems strategies for enabling an omni-channel customer experience. From a cost, time-to-market, and business risk perspective, Stratecast agrees that the overlay approach wins out.

Suppliers of operations, analytics, and monetization solutions for the communications industry are swiftly moving to a cloud-native development approach—DevOps driven by microservices—as the most cost-effective and time-sensitive way of meeting new business demands. However, bringing these new capabilities together with existing systems and processes is challenging.

Organizations such as Dynacommerce provide a good bridge between present operations and future business challenges from new business models such as the omni-channel customer experience. Creating a technology platform to satisfy this need is one thing; bringing knowledge about the affected processes combined with that platform is something altogether different. Having both is the key to a successful business transformation. The omni-channel customer experience is a prize that not only CSPs seek, but companies in many other industries are racing to achieve. If other industries are doing it, why not the communications sector, and why not now? The customer-centric business challenge will not go away. It will only get more demanding over time.

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About ODAM

The processes and tools that communications service providers (CSPs) have utilized to run their businesses have changed over time. More than a half-century ago, CSP network and business management processes were manual (OAM&P). As CSPs evolved over the years, so did the operations support systems (OSS) and business support systems (BSS) that address CSP business and network management needs. In recent years, the lines between OSS and BSS have become less clear, with much overlap. In addition, the roles in which OSS and BSS operate have expanded beyond traditional boundaries. As such, Stratecast now uses the term Operations, Orchestration, Data Analytics & Monetization (ODAM) to encompass both the traditional OSS and BSS functions and the new areas in which business and operations management must now work together, including virtualized networks and telecom data analysis.

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