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Make it easy: effective enterprise CEM starts with the basics

CASE STUDY

When customer billing satisfaction is easier on paper (literally)

VENDOR VIEWPOINT

The importance of being enterprise focused

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Make it easy: effective enterprise CEM starts with the basics

As service complexity grows, telcos targeting enterprises need a basic foundation to mask that complexity and make the billing experience as painless as possible

John C. Tanner

As consumer markets reach saturation and traditional voice and data services start leveling off in terms of revenue growth, more and more telcos are turning their attention to the enterprise space. While it's a pretty small segment in terms of numbers, it's also a serious revenue opportunity.

However, as some telcos have already discovered the hard way, the enterprise services segment is a tough nut to crack – especially when your expertise lies primarily on the consumer side. This is especially problematic now that customer experience is a key competitive metric. Telcos have to deliver the best possible customer experience to its enterprise customers, and as they're discovering, CEM for enterprises is a different proposition from CEM for consumers. It's easy to get wrong – and it's often because of billing problems.

One of the great ironies of the digital transformation age is that the billing relationship with customers is one key advantage telcos have over OTT players, and yet billing is still an issue that many still struggle with, especially with B2B customers. Billing problems are one of the chief reasons an enterprise customer will call in to complain.

There are numerous reasons for this, and there are plenty of technological solutions and CEM strategies being touted to address the problem. But before telcos can choose the best solutions to solve the problem, they need a better understanding of just what the problem is – and how big it is. And if they're going to serve both consumers and enterprises, they have to understand how their requirements differ. Establishing the absolute basics – and getting them right – will be key in building everything else that follows.

A history of disconnect

When it comes to B2B billing and CEM, many telcos have a couple of strikes against them.

One: until recently, the general relationship between telcos and customers of all stripes was very much a top-down experience. It's only in recent years that customers have become empowered enough to demand better, and only in the last few years that telcos began focusing not just on the customer relationship, but the customer experience.

And second: most telcos have been focused on the consumer

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business rather than the enterprise segment simply because that's where the growth is. Enterprises may be high-ARPU customers, but they're also vastly outnumbered and outpaced by consumers. As such, many telcos have been focusing their backend and CEM development on the consumer segment and – more often than not – using the same system to serve enterprises.

That hasn't exactly paid off, and it's been a problem for years. A survey from Accenture in 2008 found that 43% of enterprises said billing had a strong or moderate influence on their loyalty to their service provider, and 10% will drop a service provider over billing problems. Perhaps tellingly, the survey also found a striking disconnect between telcos and enterprises on the importance of this. Almost 75% of carriers said billing "was not very important to their ability to grow", but two-thirds of enterprises said "billing processes and procedures were, indeed, very important to their relationships with their carriers." Furthermore, "only 12% of carriers – compared with 84% of enterprise customers – said efficiently resolving customer inquiries about their bills was very important." All of this was exacerbated by the fact that many telcos used the same billing platform for both consumer and enterprise customers, despite the fact that enterprise service requirements were considerably more complex.

That was eight years ago. The good news is that in 2016, many telcos are more focused these days on customer-centricity, and regard CEM as a competitive differentiator. And billing is seen as an important part of that strategy. According to a recent survey from Telecoms.com (sponsored by AsiaInfo), around 90% of operators said new and more flexible BSS systems are critically important for delivering an optimal customer experience, while 86% deemed them essential for competitive differentiation.

However, many telcos are only just starting to upgrade their billing systems, and a major challenge is getting it right. Which sounds obvious until you look at the scope of the problem, which is this: enterprise billing was already a complicated undertaking with traditional voice and data access services, especially for enterprise customers. With everything moving to the cloud and digital services, it's going to get even more complex, for both consumer and enterprise services.

Growing complexity

To get an idea of how B2B billing is more complex than B2C billing, take something like enterprise mobility services. Telcos offering enterprises a BYOD service have to take a lot of factors into consideration, from provisioning services to employee phones and remote device management to combined pricing plans, roaming charges and policy controls.

On a more general level, enterprise services are more complex simply because there's no single billing point. A consumer is an individual who get individual bills originating from a single point (i.e. the residence or the mobile device). A large bank, on the other hand, has multiple reporting billing points. Each branch of that bank is a billing point in its own right, and within each branch, there may be different billing points – for example, the teller section may pay its own bills.

Contract management is also more complex, especially with large enterprises, where the phone bill is upwards to \$1 million, and usually comprises a bundle of offerings in a bespoke contract that has to be understood by the telco's billing system. And telcos have to be able to monitor those contracts for accuracy. That can be even more complex in terms of revenue recognition if the enterprise signs a yearly contract instead of paying every month. And what happens when someone within a specific department complains about the bill? One dispute can potentially hold up payments from the rest of the organization.

Then there's hierarchy management, where the telco's BSS capabilities have to keep track of the enterprise's organizational structure, to include any personnel or organizational changes.

One key thing to understand about the complexity of B2B billing is that the larger the business, the more complex the service requirements get. The business segment can be divided into different classifications according to size (SOHO, SMBs, MNCs, etc) and according to Analysys Mason, service complexity increases with the size of the business. If you throw in enterprises that require M2M services, the complexity increases even more.

Another key thing to remember is that none of the above is new. Telcos targeting B2B customers have had deal with these basic complexity issues for years even in the days when it was just voice services. With the onset of cloud and digital services, as well as M2M, the

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complexity of managing these services in the backend – and billing for them in a way that keeps the customers happy – is just going to get worse.

Locking down the basics

As mentioned above, there are plenty of technological solutions on offer to make the telco backend flexible and agile enough to handle that complexity. Virtualization is the most well-known of these. Analysys Mason has advised CSPs to leverage cloud, SDN, and NFV to transform their software systems, processes and organization to enable the service agility they'll need to serve the ever-changing dynamic demands of their customers.

But it still comes down to understanding what those demands are – which is admittedly a tall order when those demands are dynamic and constantly evolving as enterprises themselves go digital. That's why telcos need to get to grips with the billing basics and ensure that foundation is in place before they start thinking about the value they can add on top of it and new digital service offers.

Some of those basics are fairly obvious: good billing performance, a clear understanding of the enterprise's requirements and – perhaps most importantly – efficient resolution of billing enquiries. (In other words, it's not enough to focus on getting it right – you also have to provide a satisfactory response when you get it wrong.)

A recent survey by MachNation (sponsored by CSG International) offers some extra pointers to consider in formulating a basic bill-

ing foundation:

- Enterprises value services that boost their productivity and innovation. Give them that value, to include helping them to manage their own changes.
- Security is a major priority and a top challenge for enterprises. Make it yours.
- Bundles are great, but bigger bundles mean more complexity and thus a greater risk of error.
- Speaking of errors, don't make more than two every 12 months (to include missing SLA targets). Any more than that and your enterprise customers are more likely to tell other businesses about you.
- Keep pushing cloud services – it's the non-commodity in your portfolio and a key differentiator.
- Self-care rules. Nearly a third of survey respondents were interested in better self-care – i.e. better ways to self-manage their account or analyze their communications usage and spending.

When in doubt, the basics for enterprise billing – and ensuring an optimal experience – can be summed up in a simple request: make it as easy as possible. Make it easy to track, easy to pay, and easy to resolve if a problem arises. Whatever telcos do to evolve their backend into the upcoming Digital Economy, it has to address this basic request. Once that foundation is in place, then they can take meaningful (and ideally profitable) steps to really deliver an optimal customer experience. ●



When customer billing satisfaction is easier on paper (literally)

PLDT customers want better bill delivery but are resistant to online bills as a solution. Here's how PLDT addressed that.

John C. Tanner

The enterprise sector has always been a challenging one for telcos, especially when it comes to backend support. And the move to digital services is creating new levels of complexity for telcos when it comes to targeting enterprise customers, billing them and keeping them happy. But individual markets have their own distinct challenges, and in some cases it's really the simple things that provide the most pressing problems – and the solution isn't always technical.

In the Philippines, for example, when it comes to customer satisfaction, the concerns for both consumer and B2B customers tend to focus on basic things like bill delivery, timeliness and correctness, according to customer surveys conducted by incumbent telco PLDT.

Ana Maria Sotto, head of PLDT's Technology Project Management Office and EICB Customer Experience Management, says that something as relatively simple as bill delivery is a particular challenge in the Philippines thanks to its tricky geography.

"We have 7,100 islands, and in the remote areas we get frequent complaints that they don't get their bills on time, or they don't get them at all," she says.

A potential solution to this problem is online billing and payments, which PLDT introduced not too long ago. However there's been a lot of cultural resistance to online bills, Sotto says.

"We still deliver mainly paper bills, and there has been very little adaptability to online bills," she says. "There's been very little take-up, and in our customer satisfaction surveys it's one of the top two concerns."

There has also been little take-up of paying bills online. While consumers and SMBs have the option to pay online, Sotto explains, "for the large companies, we're not pushing for other payment channels other than having our collection team go to their office and get

their payment cheques."

She says this is at least partly the product of local business culture being cautious of change. "I think some of our customers aren't yet that confident about online payments or using the internet to pay bills."

This is especially true for public-sector customers such as the Bureau of Internal Revenue, Sotto adds. "They still require paper bills for them to pay their accounts."

PLDT has been implementing relatively simple strategies to address the problem. For traditional paper bill delivery the telco transferred ownership to its own courier services, and has run extensive campaigns to promote online bills.

"In the case of our SMB customers, for example, each time we complete a new service for them we auto-enroll their services into online," she says, "although that doesn't take away the paper bill."

On the bright side, Sotto says that customer satisfaction with bill services has improved since such measures were implemented.

Meanwhile – in terms of rising service complexity – another thing that customers are demanding is consolidated billing statements. "Bill presentment has already improved over the years, but customers want consolidated billing," Sotto says.

She agrees that B2B billing is more complex than consumer billing. "On the consumer side you may only get one or two bills: one for fixed services from PLDT, and one for wireless from our sister company Smart. But our B2B customers will have one bill for each service they subscribe to."

That's just for traditional services, she notes. "Once you start factoring in bundled offers, OTT content, cloud solutions, M2M services, and so on, the billing aspect gets more and more complex." ●

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A topic of much discussion at this year's Mobile World Congress was the recently announced global alliance including industry heavyweights Deutsche Telekom, Reliance JIL and SK Telecom – formed to deliver large scale network services to enterprise customers in international markets.

Enterprise customers – defined usually as those organisations with more than 5000 employees and/ or \$1B revenue – are different beasts from other business customers. They are typically multi-national, process driven, with large, dispersed, organisational hierarchies – and can be very demanding of their suppliers. They also generate large amounts of revenue with high profit margins for the CSP, making them extremely attractive customers. Despite these unique characteristics Enterprise customers are not always treated as a distinct market segment by CSPs but are often shoehorned into a generic business category – or worse still, retail.

How to win the enterprise contract

Selling communication services to an enterprise is a lengthy, multi-disciplined activity, with teams of specialised consultants, engineers and project managers determining the technical requirements of what the enterprise needs and how it can be met. Overlaying this are non-technical requirements including pricing, invoicing, analytics, reporting and customer service.

When it comes to winning these multi-million dollar contracts the operator that can provide the tools to facilitate the tailored revenue management capabilities Enterprise customers need is at an advantage. For a start, no large business is the same – they may be highly centralized or highly distributed, domestic market leaders or international conglomerates. Pricing must be structured to match the organisation, and the perceived value of the services provided. Enterprises want to cross-charge and/ or consolidate billing between business units in different ways, and provide reporting similarly – by service, location, or any other parameter. For the CSP, analytics provide insight into upsell and optimization opportunities, while for the enterprise, it enables understanding of spend and cor-



*Ian Watterson, Managing Director, APAC,
CSG International*

rect distribution of costs within the organisation.

Drive revenue and control costs

With dedicated revenue management capabilities, leading CSPs have an opportunity to address the enterprise segment strategically, to capture and dominate this high margin sector in their territory. With a dedicated division and tools to efficiently deliver the optimum customer experience, CSPs can offer the following benefits to themselves and their customers:

- Long term revenue streams, through the implementation of multi-year contracts
- More assured contract renewal with pricing stickiness through the creative use of rolling discounts
- Faster cash flow through reduction in enterprise invoice payment times facilitated by advanced reporting and analytics
- Operational cost reduction by removing the need for the bespoke solutions often deployed by CSPs for each enterprise
- Accountable pricing and correlated discounting to show true

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Top 5 Tips for serving enterprises

01

Accurately manage hierarchies

Map the enterprise structure to provide tailored invoicing and reporting, facilitating faster invoice processing and improved cash-flow

02

Look after the financials

Offer flexible pricing and discounting structures with sophisticated revenue recognition and automated GL posting to maintain financial integrity efficiently

03

Focus on loyalty

Consolidate invoicing with cross-product bundling and multi-year discounting incentives to create stickiness and drive renewals

04

Offer spend control

Encourage usage through enterprise wide caps, alerts and tiers on services, whether mobile, data or roaming

05

Prioritise account management

Offer personalised self-care and single point of contact for all products and services

revenue and profitability for products that have been bundled together

- Establishing a platform for the provision of new enterprise products including data, cloud, security, IT services, IoT and other high end business products.

Closing the enterprise deal

One of the most important benefits that a CSP can deliver to the enterprise is the best possible customer experience, not only for the individual user, but also the corporation as a business. Dedicated systems can deliver a single view of the customer for optimum account support and streamlined customer management. Tailored invoicing means dedicated support facilities for online, mobile and voice enquiries can be provided for each company. Localisation means that taxation, language and local currencies can be applied appropriately. Pricing can be tailored to each customer, and contracts monitored to make sure all parties meet their obligations. Accurate billing and reporting mean fewer disputes – for higher customer satisfaction ratings and improved cash flow.

This is often enough to justify implementing an enterprise busi-

ness support system (BSS) in its own right, but it can also be a deciding factor for the Enterprise customer in selecting a CSP in the first place.

Why is this so? What does an Enterprise focused BSS offer to prospective customers that differs from traditional retail platforms. We need to think of the typical telecoms buyer in large enterprises, so that we can begin to understand their needs. They will typically head an operational cost centre – and are likely responsible for the procurement of masses of services for their company from communications to IT services and other facility related services. They want high quality, good service, good pricing and they want services and billing that tightly align, and that are easy to understand, approve and get sign-off. The CSP who can offer excellence across all of these aspects is in a position to win the deal – and being able to compete on more than just price alone.

When, according to Accenture, 43% of enterprises said billing has a strong or moderate influence on their loyalty to their service provider, and 10% have terminated an enterprise contract specifically due to poor billing performance, it pays to invest in understanding and meeting the needs of this lucrative segment. ●