

Large Latin American Telecom Operator Boosts Revenue and Reduces Customer Churn by Effectively Managing Exceptions



Telecommunications service providers worldwide spent more than \$4.5 Billion last year to manually resolve exceptions in order, provisioning, and customer care processes. This spending represents more than 60% of overall order management costs, and will grow as new and more complex services are launched.

Today's communications, content, and media service providers operate in an extremely complex business environment. Rapidly changing technology, intense competition, and an increasingly sophisticated customer base pose tremendous challenges to new market entrants and established industry leaders alike.

Only those who can adapt their operations infrastructure to this dynamic services landscape will succeed. Best-of-breed Operations Support Systems (OSS), integrated with Vitria's Business Accelerator™ and BusinessWare™ platforms, provide the foundation for this success. Vitria's Resolution Accelerator™, an innovative exception management application designed specifically to greatly reduce and resolve core business exceptions, builds on this foundation by maximizing customer retention and profitability.

The Challenge: Offer New and Innovative Services While Continuing to Provide Superior Customer Satisfaction

A leading Tier One Telecom Operator that provides fixed-line, network, data transmission, and wireless telecommunications services to a large, populous country in Latin America was seeking to gain a competitive advantage with innovative product offerings and superior customer service. The company was initially focused on residential fixed-line telecommunications services and pay phones, but has recently expanded aggressively into the wireless and Internet business. This expansion required the integration of more than 80 systems. Vitria automated and orchestrated the operator's key provisioning processes across its legacy systems, employees, and partners. However, given the rapid pace of expansion and change in its business, process exceptions were inevitable.

The company wanted to ensure that these exceptions would have as little impact as possible on the delivery and activation of its new and existing service lines. To meet this objective initially, a team of work center personnel was deployed to identify and resolve order processing, product assignment, and billing errors. This labor-intensive solution became increasingly costly as the team expanded to manually resolve these exceptions. Moreover, the delay in time-to-market for new products was getting longer and longer, threatening the carrier's competitive position.

In addition to the expense and time resulting from manual exception handling, there was a significant risk that exceptions would be missed – therefore negatively impact customer experience. Management estimated the customer churn

Industry: Communications & Media

Business Profile

This Tier One Telecom Operator provides fixed-line, network, data transmission, and wireless telecommunications services to a large, densely populated Latin American country. The company had previously merged 10 fixed-line communications service providers, acquired a communications group, and started a mobile division. As a result of these mergers and acquisitions, more than 80 systems were integrated. The company is an intense competitor in the region, and seeks to continually improve its business processes and customer satisfaction levels.

Challenges

- ▶ Offer new and innovative services while continuing to provide superior customer service
- ▶ Ensure that business exceptions have as little impact as possible on the delivery and activation of new and existing service lines
- ▶ Cut the cost of managing exceptions
- ▶ Reduce customer churn to retain as much revenue as possible
- ▶ Maintain a competitive advantage in the industry

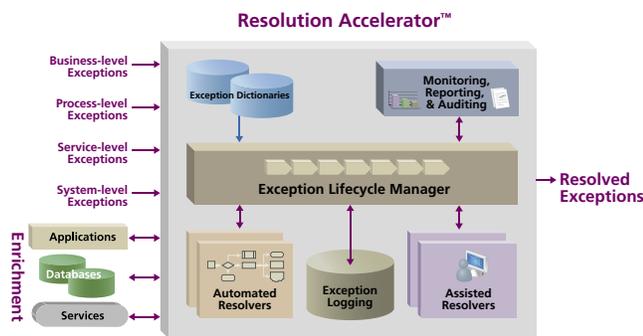
Benefits

- ▶ 60% reduction in exception costs
- ▶ 85% of automated exceptions resolved without human interaction
- ▶ Significantly shorter launch cycles for new services
- ▶ \$4 Million in annual revenue retained by reducing churn
- ▶ Additional \$1 Million captured by developing and rolling out new services faster

resulting from these mishandled exceptions was costing the company millions.

The Solution: Reduce and Automatically Resolve Process Exceptions with Vitria's Resolution Accelerator™

The telecom operator implemented Resolution Accelerator from Vitria to address its exception management challenges. Resolution Accelerator (RA) is an innovative process management solution that automates and simplifies the resolution of business problems. RA centralizes error capture, routing, and logging, and employs automated and enhanced manual resolution tools for error disposition.



The company was able to reduce the work required to identify and resolve exceptions across all its service lines. In fact, most errors are now handled without manual intervention and RA is successfully resolving 85% of those tagged for automatic handling. The more complex exceptions are routed to the appropriate representative for quick and efficient resolution, accompanied by information relevant to resolving the problem.

The company is now proactive, rather than reactive, in its approach to exception management. With RA's logging capability, which identifies recurring problem areas, process teams can be deployed to fix root causes of exceptions. RA is an important tool in the company's continuous improvement initiative.

With RA, the company is in a position to take full advantage of emerging market opportunities by introducing services to market faster. Established exception handling processes can be leveraged and applied to new processes. This saves significant time and effort when configuring new systems, and processes. The company has significantly reduced the time to deploy new interfaces in support of new services. Shorter launch cycles provide a significant competitive

advantage, enabling the operator to capture more revenue.

The Results: Higher Revenues, Greater Market Share, and Lower Labor Costs

The company's RA implementation has yielded substantial bottom-line benefits. The company has improved its customer satisfaction levels and reduced the number of customers that take their business to the competition. The company estimates that it has been able to significantly reduce customer churn to the point where it now retains \$4 Million in annual revenue that would previously have been lost to competitors.

Most exceptions are now handled automatically, and require no manual intervention. Those that cannot be automated are now expedited by routing them to designated experts trained to handle certain exception types. Supplemental information included with the exceptions has also reduced the time required to investigate and resolve errors. These new automated and guided manual resolution capabilities have reduced the workload of the company's exception management team by nearly 60% — saving more than \$1 million in direct costs.

Because it can leverage existing exception processes to create new ones, the operator can quickly and easily design new error handling environments. This capability enables the company to more quickly launch and support new products and services. By reusing existing frameworks, management estimates that it will be able to capture an additional \$1 Million in revenue every time the company launches a new service.

"Resolution Accelerator enables our customers to provide cutting-edge communications solutions without sacrificing service," explained Larry Ehrhardt, Vitria's Senior Director of Communications & Media Solutions. "With this innovative product, they're able to boost revenues and cut costs. That's why Vitria's technology continues to play a key role in our customers' successful business strategies."



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