



# 5 STEPS TO AGILE TELCO TRANSFORMATION

Infuse innovation into your digital business

A PEGA POINT OF VIEW EBOOK

# STUDY OVERVIEW

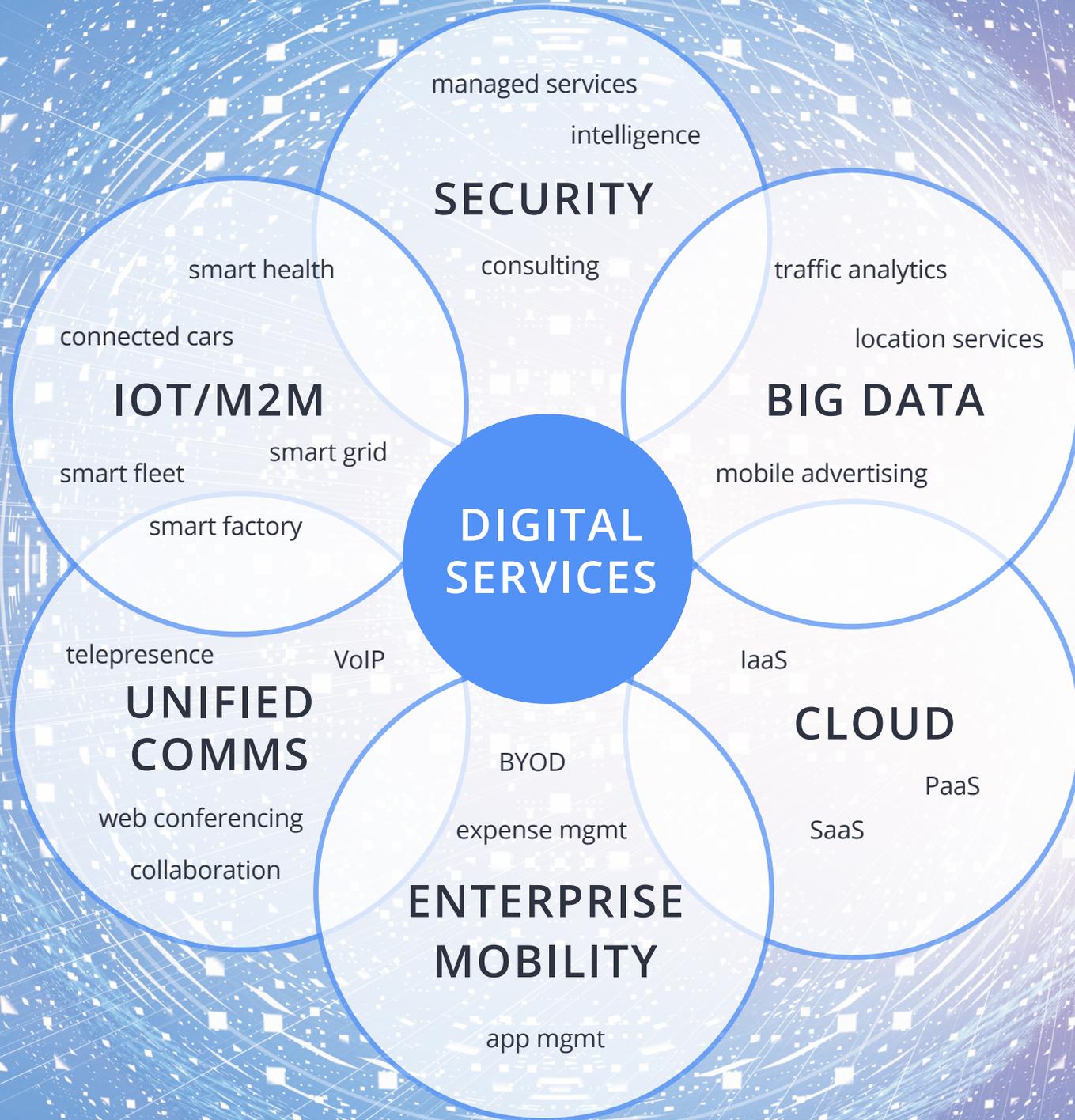
## 5 STEPS TO AGILE TELCO TRANSFORMATION

The digital service revolution is well underway. For communications service providers (CSPs), it means going beyond traditional voice and data. To help CSPs forge ahead, Pega commissioned a survey in conjunction with Vanson Bourne, and asked 280 buyers of enterprise communications services about their experiences sourcing everything from network connectivity to cloud services.

Results show that the vast majority of enterprises combine budgets for IT and communications services, with 69% preferring a single provider for digital services. This is a massive opportunity for CSPs to expand their services, generate more revenue, grow profit and increase market share.

But there are barriers to this opportunity. Eighty-six percent of enterprises reported not receiving a consistently excellent experience with their most recent service contract. As a result, 55% of new proposals went to new providers. CSPs are losing credibility and the loyalty of their customers because of missed expectations. Enterprises are looking for CSPs who understand their complex business and can offer a full portfolio of digital services with quality and creativity to meet their needs.

This eBook distills a five-step approach to help CSPs transform into an agile digital service provider (DSP) and win B2B customers.



# WHAT NEW DIGITAL SERVICES WILL MEET ENTERPRISE CUSTOMER NEEDS AND REVOLUTIONALIZE CSPS?

## **INTERNET OF THINGS (IOT)**

Smart health, smart grid, smart factory, smart fleet, and connected car. According to research from IDC, the Internet of Things market will grow from \$655 billion in 2014 to \$1.7 trillion in 2020 with a compound annual growth rate (CAGR) of 16.9%.

## **UNIFIED COMMUNICATIONS**

VoIP, instant message, Web conferencing, collaboration, file sharing, desktop sharing, email, contact center, and presence. According to Transparency Market Research, Unified Communications as a Service (UCaaS) will be worth \$37.85 billion by 2022, expanding at 23.4% CAGR between 2014 and 2022.

## **CLOUD**

Infrastructure as a Service (IaaS), Software as a Service (SaaS), Platform as a Service (PaaS) and hosting. According to Gartner, global spending on IaaS will reach \$16.5 billion in 2015 with 29.1% CAGR from 2014 to 2019.

## **SECURITY**

Threat management, information security management, data management, and managed security services. According to Gartner, total information security spending grew 8.2% in 2015 to reach \$76.9 billion.

## **BIG DATA/ANALYTICS**

Traffic analytics, mobile advertising, and analytics as a service. According to a recent IDC forecast, Big Data technology and services market will grow at a 26.4% compound annual growth rate to \$41.5 billion through 2018.

## **ENTERPRISE MOBILITY MANAGEMENT**

Mobile device management, mobile content management, mobile security management, and BYOD solutions. According to IDC, the enterprise mobility management (EMM) software market grew \$1.4 billion in 2014, an increase of 27.2%

# GOODBYE TRADITIONAL CSPs

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The days of traditional communication service providers are numbered. CSPs must transform into DSPs and this won't happen with status quo telco thinking. Traditional CRM/OSS/BSS systems enable linear business models—build a network, market, sell services, and then support those services. Digital services require a platform business model.

Uber is a great example of a platform business model because it connects consumers of a service (those looking for a ride) to producers of this service (independent car owners). Similarly, DSPs connect consumers of a service to producers of a service using carrier grade network technologies. For example, a DSP would create a platform to connect a hospital with a HIPAA-compliant messaging service, a cloud solution from an independent third party.



# NOT THE SAME OLD SALES & ONBOARDING

The new platform model for B2B services means sales and onboarding must adapt, too. So, what's behind the change?

## **SOARING CUSTOMER EXPECTATIONS**

Buyers have higher expectations, thanks to companies like Zappos and Apple. They believe a sales rep should understand the full context of any communication they've had in any channel—they expect a seamless connection between the front and back office.

## **CONSTANT INNOVATION**

There's no killer digital service, but instead never-ending new services. DSPs need to test each service in small markets. If something doesn't work, they should fail fast and move on. If it's a success, they need the agility to incrementally scale and rigor to the sales and onboarding process.

## **MORE COMPETITION**

DSPs are competing with digital natives like Amazon, and IT companies like IBM and HP. This leads to a greater focus on pricing, differentiation and customer experience.

## **DEMAND FOR PRICING FLEXIBILITY**

Enterprises want alternatives to traditional monthly recurring charges and long contracts; they want services that can scale with business demand. They'd like to pay by CPU, users per month, or usage.

## **THIRD-PARTY PROMOTION**

DSPs can add more value to their clients by promoting third-party services like cloud backup to ensure reliability and secure messaging to protect medical records or industrial sensors to improve product quality. More value for customers means less churn.

# CRM GOES DIGITAL (AND CUSTOMERS GO WILD)

Many industries have already seen success by changing to a digital sales and onboarding process. Here are a few:



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## COMMUNICATIONS

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Telecom Italia reimagined their top customer experience by creating a unified view of customer information, product catalog, and customer processes in a single system. Contract cycles were reduced and time-to-market for product changes was streamlined.



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## INSURANCE

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AIG Japan rolled out its mobile solution AIG Connect to 135,000 direct sales agents to transform the sales and onboarding journey. This responsive app allows agents to easily manage customer quotes and policies. The results included increased sales, retention, and market share.



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## BANKING

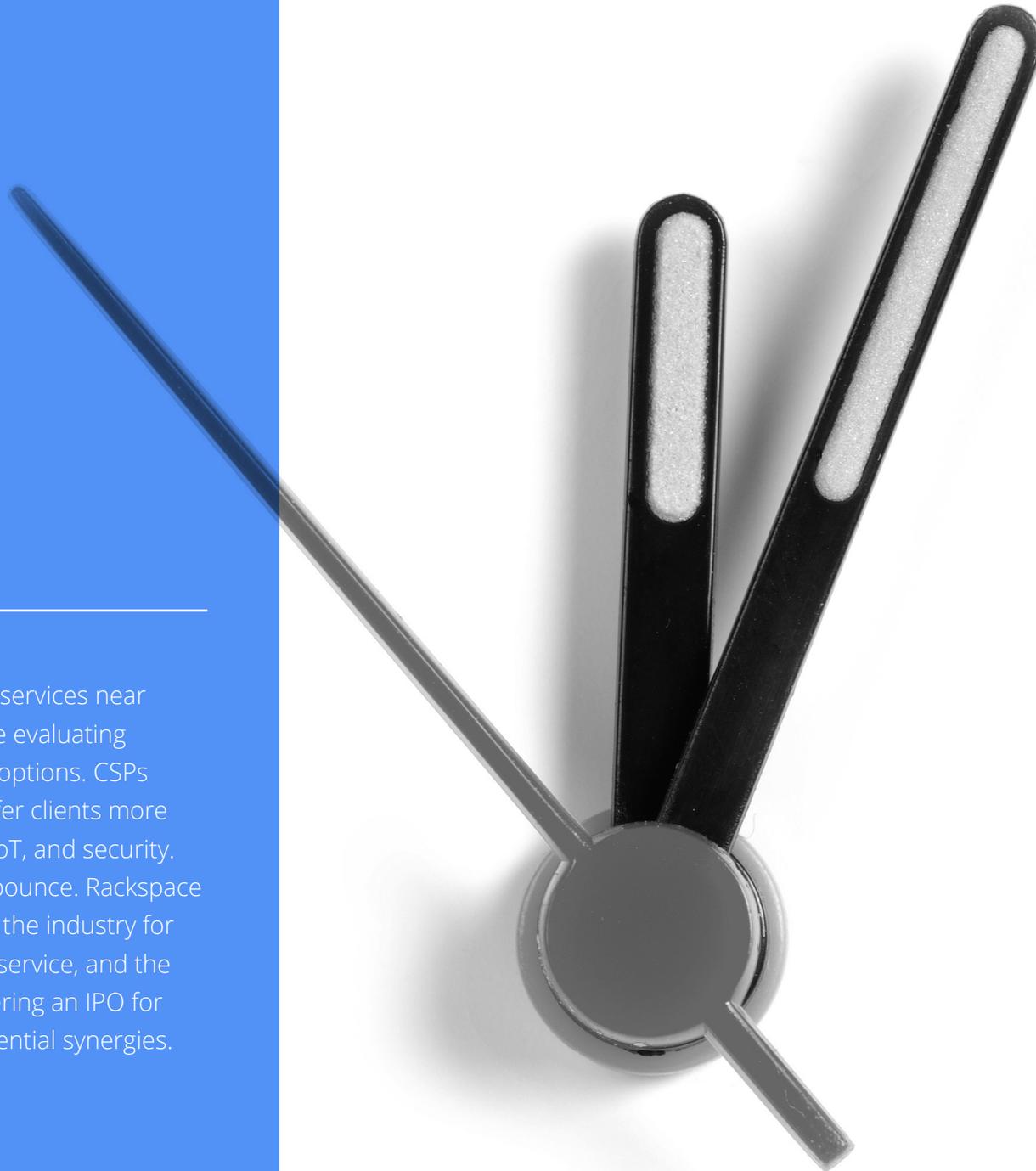
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OCBC, a bank headquartered in Singapore, reinvented sales and onboarding across 500 branches to drive a 40% improvement in customer satisfaction, a 10% increase in cross-sell during account opening, and a 50% bump in add-on services during the first 90 days of account opening.

# TIME IS TICKING

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As CSP contracts for traditional services near their term's end, enterprises are evaluating cheaper connectivity and voice options. CSPs must transform into DSPs to offer clients more compelling services like cloud, IoT, and security. Plus, competitors are ready to pounce. Rackspace and Amazon Web Services lead the industry for hosting and infrastructure as a service, and the Dell and EMC merger is considering an IPO for their security business with potential synergies.



**5**  
STEPS

# 01

## CREATE AN OPEN ECOSYSTEM

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DSPs go beyond specific domain technology that can impede change and partner with vendors that offer services like cloud backup, collaboration, or file sharing tools. To foster change, create an integrated ecosystem catalog that works across existing systems and partners, allowing you to build products and processes across a range of digital services.

# 02

## EMPOWER SALES REPS

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DSPs anticipate customer needs and put them first. You need a platform that can predict the next best action for sales reps to take in real-time. Reps become trusted advisors in this customer-centric sales cycle. The platform should also incorporate subject matter experts from your partners to help sell, and adapt and execute the sales process that's right for your business.





# 03

## SMASH IT SILOS

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While many operators are shackled by slow BSS and OSS, DSPs use process management to navigate system silos. As a result, sales reps should be able to configure, price, and quote a complex contract for any digital service with a tablet or mobile device. And, your platform should execute lead-to-contract and order-to-activate processes consistently. This will increase revenue, order accuracy, and customer satisfaction.

# 04

## DON'T REINVENT THE WHEEL EVERY TIME

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DSPs find new services that improve revenue, productivity, and customer loyalty—and repeat them. Reuse is key to scaling your business. You need a system that can layer business logic based on specific patterns in product, market, industry vertical, and geography. This means you can reuse what works well and make future services cheaper and easier to deliver.



# 05

## GET A 360-DEGREE CUSTOMER VIEW

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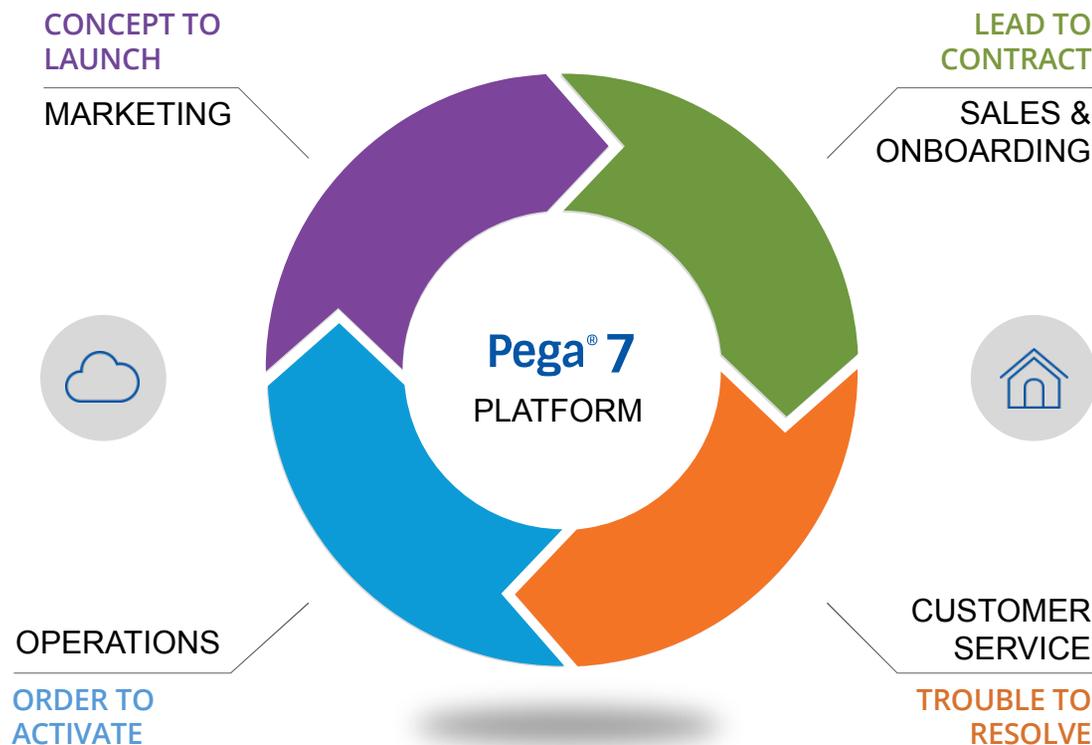
Traditional IT sees customers in silos by channel, but DSPs create a unified customer view across all touch points. End-to-end visibility helps identify potential concerns early, and allows customers to interact in the channel they prefer. Plus, anyone in any department (not just customer service) can address a customer's concern.



# HOW PEGA CAN HELP

CSPs are in prime position to grow, thanks to strong brand equity, a track record of providing reliable and robust network services, and a solid foundation in billing and customer service expertise. To complete the five steps of digital transformation, you need a platform that is ready for the revolution.

## Pega B2B Customer Lifecycle Suite



- The only industry-specific CRM platform that seamlessly connects marketing, sales, customer service, and back office operations
- Supports the entire customer lifecycle: Concept-to-Launch, Lead-to-Contract, Order-to-Activate, and Trouble-to-Resolve
- Customer-centric experience in any channel, across any product or service
- Agile and scalable
- Unified product catalog to meet changing customer demands
- Runs in the cloud or on-premise
- Supported by a single vendor

# START YOUR DIGITAL TRANSFORMATION TODAY.

## **PEGA SALES AUTOMATION**

Intelligently guides sales professionals with recommended actions and consistently meets customer needs.

## **PEGA CPQ FOR COMMUNICATIONS**

Makes it simple to configure, price, and quote digital proposals to beat sales targets and increase sales effectiveness.

## **PEGA FULFILLMENT CONTROL CENTER**

Orchestrates and streamlines the order-to-activate process, improving end-to-end visibility, accelerating order cycle times, and reducing order fallout.

## **PEGA CUSTOMER SERVICE**

Enables Omni-channel customer service to increase customer satisfaction, improve efficiency, and reduce costs.

## **PEGA 7 PLATFORM**

The cornerstone that enables a unified solution between all of the above applications and works with and maximizes your legacy to help evolve your business rapidly.



## ABOUT PEGASYSTEMS

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Pegasystems (NASDAQ: PEGA) develops strategic applications for sales, marketing, service and operations. Pega's applications streamline critical business operations, connect enterprises to their customers seamlessly in real-time across channels, and adapt to meet rapidly changing requirements. Pega's Global 500 customers include the world's largest and most sophisticated enterprises. Pega's applications, available in the cloud or on-premises, are built on its unified Pega 7 platform, which uses visual tools to easily extend and change applications to meet clients' strategic business needs. Pega's clients report that Pega gives them the fastest time to value, extremely rapid deployment, efficient re-use and global scale.

For more information, please visit us at [WWW.PEGA.COM](http://WWW.PEGA.COM)