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Podcast Document

Using Automation to Drive Profitability

From the Series: Top 5 Areas Service Providers Need to Act on in Today's Economy

This document is based on the podcast, “Remaining Profitable in Today’s Challenging Economic Climate Via Automation”, presented by Conor Clarke, NetCracker’s VP of Technology Solutions. It is part of NetCracker’s podcast series “Top 5 Steps Carriers Need to Take to Remain Profitable in Tough Economic Times”.

The podcast is available at NetCracker.com.

NetCracker is the leading solution company enabling Service Providers to quickly deliver and manage convergent and content-rich offerings. NetCracker offers comprehensive OSS solutions through its software and implementation expertise. We are the world leader in transformation projects for Wireline, Mobile, Cable, and Converged Service Providers.

Service Providers use NetCracker’s solutions to build an agile Service and Resource Layer that enables them to accelerate service creation and delivery, reduce operations costs, and build close customer relationships.

OSS has an important role to play as Service Providers face today’s challenging economic climate — a climate that is causing Service Provider customers to reduce spending. In fact, one could say that OSS is central to many of the initiatives that Service Providers need to undertake to remain profitable in today’s environment.

Lower spending by customers and a changing industry structure require a much more targeted effort at growing revenues, remaining profitable, and managing costs. In light of this, NetCracker has identified the five most critical areas that Service Providers need to focus on during these difficult economic times:

- Revenue Assurance
- Asset Maximization
- Customer Retention
- Automation
- Anticipating and Planning for the Future

The focus of this paper is Automation.

In the Service Provider community “automation” is a commonly used term. In the present context, we are talking about automation that targets errors. Lack of automation causes errors, and errors cost money. Automation, on the other hand, drives efficiency, accuracy, and profitability.

Typical measurements of automation include cycle times and success rates. Examples in Service Fulfillment include Mean Time to Activation and Percentage of Flow Through.

Going back to the basics, what are a Service Provider’s customers really looking for in today’s economy? Lower cost is the de-facto answer. But what else are they looking for, and can it be aligned with the goal of Lower Cost?

In addition to Lower Cost or Acceptable Cost, a Service Provider’s customers are looking for Customer Satisfaction — which results from a Service Provider “Getting it Right, First Time, Every Time”. Interestingly, the principles of lowering cost and getting it right are not orthogonal, but actually support each other.

If a Service Provider can Get it Right on their first attempt and can then repeat this consistently, that Service Provider has lowered its costs and laid the foundation for customer satisfaction.

Automate to Get it Right

What we mean by “Get it right” is removing the cost of errors. In the case of Service Fulfillment, examples include the cost of exception handling, order rework, etc. Errors are typically caused by manual processes,

manual decision making, fat fingering, etc. — the operative word being “manual”. Automation, on the other hand, drives efficiency, accuracy, and profitability — and is the way to “Get it right”.

So, let’s look at this from a different point of view. What if we were to turn typical measurements on their head? For example, instead of measuring Percentage Flow Through and variance to it on a monthly basis, what if we measured Percentage of Fallouts and its variance on the same monthly basis?

To illustrate this, let’s say a Service Provider has a baselined Percentage Flow Through of 98%, and in a given month it falls to 97%. In the typical measurement approach, the variance is 1.06% after rounding down. If we were to use the measurements just suggested, the Percentage of Fallouts would be 2%, and the variance would be 50%! A very significant variance! And this truly reflects the additional cost incurred for that month in Service Fulfillment!

Get it Right, First Time, Every Time

Not only is automation important in today’s economy, but it needs to be coupled with a “Get it Right, First Time, Every Time” attitude. That is, processes need to be repeatable and reusable. How else does one justify the investment, if it is not reusable?

Herein comes the leveraging of the principles that are inherent in NetCracker’s OSS Solution — that of a catalog-driven approach to Service Fulfillment. These same principles have also been developed under the auspices of the TeleManagement Forum.

What does Catalog-Driven Service Fulfillment really provide? At its core, it breaks down the Product or Service together with its fulfillment process into reusable components with a baselined business

Use a Catalog-Driven Approach to Service Fulfillment: *Create reusability and repeatability.*

measurement. The overall Service Fulfillment is now defined by the combination of these reusable component fulfillment processes and their baselined business measurements.

The reusability afforded by this approach, if integrated with a Business Activity Monitoring capability, then provides a solid foundation for the ongoing evolution of automation within the Service Provider.

The Golden Rule says “Do unto others as you would have them do unto you”. In other words, treat your customers with the respect that you would like them to treat you with, if you were their customer. Treat your customers with respect, and your chances of reducing churn and building loyalty increase significantly. Give them first class quality service at an acceptable price, and your likelihood of building loyalty increases significantly.

In summary, the soundest advice Service Providers can listen to is the following:

- **Automate:** Manual processes always take longer to complete, and they always generate a higher percentage of errors. This reduces operational efficiency and increases costs at the same time that it reduces customer satisfaction, customer retention, and profitability. The bottom line: Automate to drive efficiency, accuracy, and profitability.
- **Get it Right, First Time, Every Time:** Service providers want to increase customer satisfaction through improved quality of service and lower (or acceptable) costs. They can achieve these goals by ensuring accuracy, repeatability, and consistency in their automation, thereby bringing about predictability.
- **Take a Catalog-Driven Approach to Service Fulfillment:** A catalog-driven approach enables product and service attributes, including underlying processes, to become reusable components. When coupled with Business Activity Monitoring, this provides the right framework for the ongoing measurement and evolution of automation.

Hopefully this quick synopsis provided insights about where you can make a significant impact to reduce cost, build operational efficiency, and drive revenues.

If you need more information, or if you’d like to hear more about the capabilities offered by NetCracker in this area, please contact NetCracker or visit www.NetCracker.com.

We look forward to hearing from you.