
BUSINESS PROCESS OUTSOURCING FOR TELECOM SERVICE PROVIDERS

Economics of business is leading Telecom Service Providers to find ways to reduce costs, improve productivity, and integrate stubbornly diverse operating systems. At the same time, competitive pressures require these organizations to elevate quality, improve customer service, and create new, improved services.

This white paper brings out the benefits of outsourcing non-core business process elements, infrastructure systems and customer service to proven global outsource organizations with multiple offshore assets.



WHITE PAPER



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INTRODUCTION

The telecommunications industry is challenging conventional wisdom as it struggles in the face of significantly reduced growth, excess capacity, a dizzying array of new technology, and dismal financial projections. CEOs are looking for ways to reduce costs, improve productivity, and integrate stubbornly diverse operating systems. Incremental capital expenditures are approved only when they project substantial reductions in operating expenses. If that isn't difficult enough, these same organizations are further challenged to elevate quality, improve customer service, and create new, improved services.

While this type of challenge traditionally brings out the best in the industry's collective ability to engineer, operate and innovate, it will also require telecommunications companies to reach outside their organizations for virtual assets that can accelerate the process and mitigate the expense of implementing a new generation of business efficiency. Increasingly, this means turning to creative service providers and strategic business partners to manage non-core business process elements, infrastructure systems, and customer service organizations. These partners are available as proven global outsource organizations with multiple offshore assets. Outsourcing as a way of managing inefficiency of constant change, embracing the power of innovation, and most importantly, maintaining the focus of core competencies, has become a very important operational necessity.



BPO AND TELECOMMUNICATIONS INDUSTRY

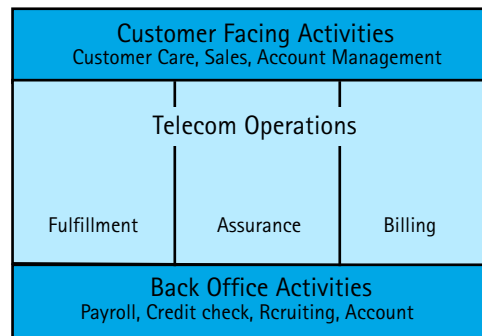
For the telecom industry, there are many business activities that can be efficiently and cost effectively transferred to offshore outsource locations. Business processes that truly enable mission critical service or operational activity will not initially be offshore outsource candidates. Non-core business functions such as travel administration, payroll management, accounts receivable/payables, HR administration, and numerous call center applications are remarkably similar across different industries. These are back office processes that represent excellent opportunities for business transformation to offshore locations run by experienced partners that can emulate the quality of internal captive process organizations at 50% of the cost. Some back office processing is unique to specific industries of companies, but they too with experienced partners, patience, intense project management, and mutual trust can be moved offshore.

Telecommunications companies can realize significant cost reduction by taking specialized process activity that is very labor intensive and moving it offshore. These processes require ongoing operating expenditures to maintain their utility and thus represent significant potential for efficiency improvement and cost savings. A business transformation strategy to address the unique dynamics of the telecommunications industry is the focus of this document.

Core	Non-Core, yet critical	
<ul style="list-style-type: none">- Bill Rating- Bill Printing & Collection- Network Management- Network Operations Center- Provisioning- Interconnection Services- Revenue Assurance	<ul style="list-style-type: none">- Inbound Customer Service & Technical support- IT Help Desk- Application Maintenance- HR, Payroll & Accounts- Financial Reconciliation- Outbound telesales collections and customer call backs	Static
<ul style="list-style-type: none">- New Services- Long Term Strategic Planning- Market Research	<ul style="list-style-type: none">- Sales Support- Field Force Management	Dynamic
Telco Process		

Offshore process outsourcing is a viable strategic option for customer facing activities (front office), telecom operations management (middle office), and numerous back office functions within the telecommunications industry. Customer facing processes such as billing, reporting, and customer care, critical to branding and customer service, are labor-intensive back office activities. Telecom operations processes define organizational effectiveness and responsiveness but require constant manual intervention.

Substantial gains in terms of cost reduction and process efficiency are possible by outsourcing network-facing activities such as order entry, provisioning, service roll out, and field maintenance. As these processes are specific to the telecom industry, the knowledge gained from other industries is not readily applicable in a telecom environment. The learning curve for an evolving BPO service provider can increase the risk of outsourcing to companies that don't have the domain knowledge and operational experience of working with telecommunications companies.



Telco Process

BENEFITS OF OUTSOURCING

Most organizations that embrace BPO partnerships look for immediate cost reductions. As they expand the role of their outsource partner, they find that the long-term implications are much more strategic. A BPO service provider that understands unique business imperatives can play a major role in expanding a competitive advantage by improving processes quality and managing the integration of new technology and specialized expertise. Process and technological obsolescence is mitigated through shared accountability. BPO leverages process-driven efficiencies in four ways:

- **Operational Excellence**
It takes time, money and sustained effort to build process capabilities in-house, and no organization can perform them all masterfully. A BPO partner specialized in these activities typically undertakes to deliver agreed-upon results.
- **Financial Efficiency**
The outsourcing of process capabilities improves the financial efficiency of a telecom organization by increasing the return on its capital employed. BPO provides the opportunity to add process capabilities without adding capital or employee overheads. The financial benefits increase when these processes are run efficiently from offshore locations.
- **Branding and Customer Relationships**
BPO helps a telecom organization extend its own brand customer relationship capabilities. A simple example is the new account creation and number administration process, which can often be faster and better handled - from both the customer's and company's perspective - through best practice BPO than through in-house processing.
- **Organization Responsiveness**
In the growth era of the business cycle, speed became the very currency of innovation. In the down cycle, it remains as critical for the company to be able to respond quickly when it cannot predict outcomes. When business volumes of activities and transactions can vary widely, BPO could add flexibility, adaptability and ability to scale.



WIPRO – YOUR SELECT BPO PARTNER

Wipro engages its clients with the objective of becoming a valued business partner in a long-term strategic relationship. We strive to understand client businesses and their internal operating imperatives. Our people and our unique service delivery methodology offer compelling operating options and unique value in the implementation of a successful outsourcing service strategy.

- **BPO Expertise**

Wipro is a leading third-party business process outsourcing company. Our initial focus on customer contact center service provisioning has yielded significant client value in terms of enhanced quality, improved efficiency, and reduced operating costs. We are increasingly parlaying our management expertise, experience, process integrity, and skilled labor resource pool towards expanding our process management scope to BPO applications across various industry verticals. Wipro has worked with major US based global hardware and software service providers in transitioning core customer service and technical support applications to India.

- **Telecom Heritage**

Wipro has on-going relationships with nine out of the top 10 equipment majors and six out of the top 10 service providers and handles the entire product life cycles from business process definition to implementation. Wipro has proven expertise in telecom networks & processes, products and services and offers customer service as well as technical support for telecom service providers.

- **Quality**

Wipro has adopted the rigorous Six Sigma business process for achieving optimal quality and has attained COPC certification. Our Six Sigma quality approach utilizes performance dashboards to measure shift, agent, and team performance for each client process. Dashboards utilize simple 'Red-Amber-Green' indicators to clearly communicate employee and supervisor performance. Embedded in our comprehensive quality culture is the incremental contribution of Kaizen, or 'Pragati', which engages the entire staff in identifying and implementing innovative process improvement opportunities.

- **Robust Service Delivery**

Our service delivery model seamlessly integrates client projects into a result oriented performance environment through a meticulous process of qualification, analysis, transition, and operations acceptance. The transition team coordinates diverse functional execution in areas such as technology utilization, operations emulation, training, quality, and effective project management. Once the transition team has initiated, completed, and thoroughly tested the process solution, the operations team assumes responsibility for performing to client SLA specifications. Day-to-day performance accountability is a function of operations and quality working together to assure customer and end-user satisfaction.

- **Infrastructure**

Wipro has world-class infrastructure to service its clients. The infrastructure has redundancy and back up plans to provide near-100% uptime and reliability. Wipro also has a detailed disaster recovery procedure and business continuity plan in place to meet any eventuality. We are certified under BS: 7799 to assure compliance to global standards. This addresses risks such as natural disasters, war, technology & human failures; and ensures minimal downtime of operations.

- **Cost Savings**

Wipro's superior quality & execution excellence coupled with productivity gains through innovative people practices, world-class business processes and global delivery model provide savings of at least 30 - 35%.

- **Innovative Business Models**

The risk - reward equation can be skewed in favor of our clients by engineering the business model in the context of the objectives for outsourcing. From a fee for service to committed cost savings, our clients can choose a financial arrangement that suits their needs.



HIGHLIGHT: CASE STUDY

Technical support services for a leading ISP

The primary objective of this engagement was to integrate customer relationship processes, improve customer experience and reduce contact costs. As part of this engagement, Wipro implemented an ICM solution to route incoming calls to its locations and migrated customer support processes for DSL, cable and dial-up connections. The processes were stabilized within two months of the production phase and service window was subsequently increased to 24x7 process and volume was increased to 30x from the pilot stage. This engagement resulted in reducing the contact costs by 30% and SLA improvement by 20%.

HIGHLIGHT: CASE STUDY

Technical support services for a leading global PC manufacturer

The primary objective of this engagement was to reduce contact costs, improve service levels for support of PC products and improve first time resolution. As part of this engagement, Wipro mapped the existing client processes and provided e-mail as well as voice support to the end-customers. The volume was increased to 30x within three months of pilot stage and the service window expanded to 24x7 for L1 as well as L2 support for retail and SME customers for desktops, portables and peripherals.

This engagement resulted in reducing the contact costs by 30%. Wipro was named #1 in FTR SLA worldwide across call contact centers of the customer.

WIPRO'S BPO SERVICE OFFERING FOR TELCOS

Wipro's primary BPO offerings for telecom service providers include the customer facing processes, back-office functions and application management & operations services.

- Customer Facing Processes

Wipro works with leading organizations across all the industry verticals to outsource customer service processes enabling its client to achieve significant cost savings and incremental revenue at lower cost (e.g., telesales).

Highlight:

Customer Facing Processes

- Inbound Customer Service
- Technical support
- Inbound order entry
- Sales screening
- Service renewals, up selling, and cross-selling
- Customer invoicing
- Outbound telesales, collections and customer call-backs



- Back Office Processes

Wipro works with several vertical industries to identify back-office that yield very successful results when transferred to an outsourcing partner. These activities include accounting and HR activities.

Highlight: BackOffice Processes

- Internal IT help desk
- HR and accounts payable/receivable;
- Financial reconciliation and expense reimbursement management
- Service warranty management
- Document management

- Application Maintenance & Operations

Wipro's strong IT lineage and extensive partnerships with telecom equipment vendors gives a good understanding of our telecom IT infrastructure. We leverage our expertise by providing end-to-end maintenance and operations services for telecom service providers.

HIGHLIGHT: CASE STUDY

Application outsourcing for a US telecom operator.

The objective of this engagement was to reduce maintenance and application lifecycle costs for OSS/BSS applications. As part of this engagement, Wipro mapped the applications at the management layer, OSS/BSS layer and the Network layer. The transition was completed in 65 days with a team of 200 consultants.

This engagement resulted in reducing the maintenance cost by 35%, application lifecycle cost by 40% and SLA improvement by 20% over a 3-year period



THE WIPRO OFF-SHORING ADVANTAGE

IT outsourcing has proved that leveraging the process capabilities and benefits of labor cost arbitrage offered by offshore service providers delivers significant business benefits. These same benefits can be realized by deploying BPO. Initial successes of business transformation to India and Wipro have corroborated these business benefits. The Wipro 'global' approach to operations allows our partners to select the optimal location for basing outsourcing operations. Centralized processes with a high degree of process standardization/automation, and limited industrial relations or regulatory issues can be efficiently run from offshore locations. Our worldwide presence facilitates executing other processes close to your geography.

Process	Onsite/Offshore	Comments
Customer Facing Process		
Inbound Customer Service	Offshore	Low Interaction
Technical Support	Offshore	Standard process without local physical interface
Inbound Order Entry, Sales Screening	Offshore	Standard process
Service Renewals, Cross-selling	Offshore	High Interaction without local physical interface
Customer Invoicing	Offshore	Low Interaction
Outbound Telesales, Customer Call-back	Offshore	High Interaction without local physical interface
Back Office Processes		
Internal IT Helpdesk	Offshore/Onsite	Centralized Process
HR and Accounts Reconciliation	Offshore	Automated process, low Interaction
Service Warranty Management	Offshore	Standard process, low Interaction
Service Warranty Management	Offshore	Centralized process
Application Maintenance & Operations		
Application Maintenance	Onsite	Physical Interface required, high Interaction
Performance Monitoring	Offshore	Standard process, low interaction
Operation Support	Offshore/Onsite	Remote co-ordination, local physical interface



Business Process Outsourcing for Telecom Service Providers

The critical success factor of business transformation utilizing an off-shoring operations model is process maturity and robust system infrastructure. Wipro's processes are widely recognized as the best in the industry. Wipro has also made a large investment in developing the global infrastructure that enables seamless execution.



CONCLUSION

Economics of business and increased focus on operating efficiencies is leading Telecom Service Providers to outsource BPO non-core business process elements, infrastructure systems, and customer service organizations. This has gathered momentum as the process understanding and technology platforms have evolved. Telecom Service Providers could benefit immensely by looking at Business Process Outsourcing as a way of managing inefficiency of constant change, embracing the power of innovation, and most importantly, maintaining the focus on core competencies.

ABOUT THE AUTHOR

Nitin Bhandari is a Telecom Solutions Consultant at Wipro Technologies. He is involved in defining innovative business solutions for telecom service providers geared towards improved operations efficiency and cost savings. He has been involved in architecting the BPO processes for the Service Providers.

Vikas Maniar leads the Telecom Solutions Development Group at Wipro Technologies. He has over a decade of experience working with diverse organizations in the telecom value chain. He has worked closely with Service Providers on defining the requirements as well as analyzing the impact of next generation services on BPO activities.



ABOUT WIPRO TECHNOLOGIES

Wipro is the first PCMM Level 5 and SEI CMMi Level 5 certified IT Services Company globally. Wipro provides comprehensive IT solutions and services (including Systems Integration, IS Outsourcing, Package Implementation, Software Application Development and Maintenance) and Research & Development services (hardware and software design, development and implementation) to corporations globally.

Wipro's unique value proposition is further delivered through the pioneering Offshore Outsourcing Model and stringent quality processes of SEI and Six Sigma.

WIPRO IN BUSINESS PROCESS OUTSOURCING

Wipro is India's leading Business Process Outsourcing and Remote Processing company. With capabilities to provide voice, non-voice and Web based services; we are a full spectrum service provider and offer end-to-end solutions covering a wide range of industries. Wipro has offices in India and the US and has a delivery capability of 3,000 Production Associates. Our clients include Fortune 100 technology companies, financial institutions, banks, global charge card and credit card companies.

For further information visit us at: <http://www.wipro.com/bpo>

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