

The order matters

Increasing value in order-to-cash begins with order management

Telecom service providers are being pressured to improve margins, reduce time to market and retain customers. At the same time, they are being squeezed by price pressures, high cost of business processes, multiple nonintegrated legacy back-office applications and compliance with Sarbanes-Oxley regulations. Order-to-cash transformation encompasses the processes and applications from ordering through collections and focuses on addressing those challenges. For example, in one recent engagement, we were able to help a service provider achieve savings of over 30 percent in the cost per order by simplifying order management processes and rationalizing products/offers, which will also help enable more rapid introduction of new, revenue generating services. It is anticipated that transformation of the front-end will also help enable more effective end-to-end automation and consolidation of billing and other back-end systems.

Succeeding in a converged world

Despite improving market conditions, telecom service providers continue to face significant challenges in finding new sources of revenue growth, controlling costs and integrating

operations from the latest round of industry consolidations. While service providers are banking on convergence to drive revenue growth through new services, the ability to introduce new services and channels with diverse pricing structures creates serious challenges within the order-to-cash process:

- *To succeed in a converged world*, service providers will have to develop the capabilities to deliver an enhanced customer experience, including achieving a single view of the customer, a single point of contact and an integrated bill.
- *Complexity will not decline* in a converged world as operators integrate third-party content and services to drive new revenue growth.
- *Exponential growth* in pricing options, products and channels leads to operational inefficiencies, frustrated customers and revenue leakage.
- *Complexity from silos and unsynchronized databases* leads to process breakdowns, which cause expense and customer dissatisfaction.

Eight imperatives driving change in order-to-cash

Transformation in order-to-cash presents significant opportunities for service providers to enhance performance, in terms of both costs and revenues. We have identified eight imperatives that can help telecom service providers overcome strategic challenges – and we believe that starting the transformation up front, with the order, will produce the greatest return:

1. Provide online, realtime, accurate and zero-touch service management
2. Create multichannel, intentional, differentiated customer experience
3. Simplify and optimize products and offers
4. Enable accelerated and adaptive new product introduction
5. Allow integration of partner content and offers, including micropayments
6. Integrate customer and network databases to optimize offer configuration



7. Drive change across the organization, steadily eliminating silos and mitigating transformation risk
8. Deploy on demand, converged business support systems that are responsive, variable-cost and resilient.

order transformation and product/offer simplification setting the foundation for more effective transformation and consolidation of billing systems and transformation of the order fulfillment process.

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07-05
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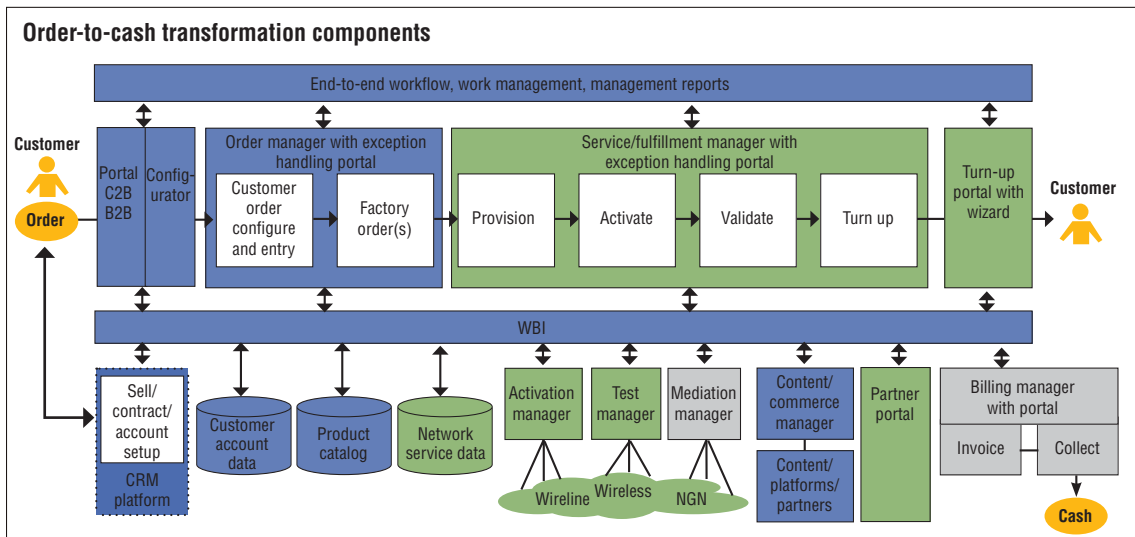
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Order-to-cash transformation begins with order management

We believe that achieving these imperatives will require a three-step approach (see Figure) that begins with

We anticipate that the transformation in order-to-cash will enable significant improvements across critical measures, including improved cost performance, back end billing, collections and customer satisfaction, while accelerating cash to the firm.



	Delivery model	C&SI	C&SI plus apps/ IT outsourcing	BTO
Step 1 →	Order transformation and product/offer simplification	✓	✓	Order management outsourcing (contact center BTO)
Step 2 →	Billing and cash consolidation and transformation	✓	✓	B-to-B A/R & collections outsourcing through Equitant
Step 3 →	Fulfillment transformation and process simplification	✓	✓	

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