

The Telecom Account Activation Connection

How Technology Has Redefined the Role and Impact of Onboarding

WHITEPAPER:
COMMUNICATIONS

Navin Sharma • Director of Global Product Strategy, Data Quality,
Pitney Bowes Business Insight



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ABSTRACT

YOU NEVER GET A SECOND CHANCE TO MAKE A FIRST IMPRESSION.

COMPLEXITY AND GROWING COMPETITION IN THE COMMUNICATIONS INDUSTRY HAVE TURNED THE SPOTLIGHT ON THE ONBOARDING PROCESS—A TIME WHEN COMPANIES CAN LOCK-IN CUSTOMER RELATIONSHIPS, PROACTIVELY TACKLE THE HIGH COST OF FRAUD AND CROSS SELL MOST EFFECTIVELY.

THE STAKES ARE HIGH, AND A SUB-STANDARD APPROACH TO ACTIVATION CAN LEAD TO CUSTOMERS ABANDONING THE PROCESS, REGULATORY FINES, DAMAGE TO YOUR BRAND AND HIGHER CHURN RATES.

FORTUNATELY, NEW TRENDS AND TECHNOLOGIES—PARTICULARLY IN THE AREA OF DATA QUALITY AND INTEGRATION—NOW PROVIDE FOR MORE EFFICIENT AND EFFECTIVE CUSTOMER ACTIVATION PROGRAMS. MARKET LEADERS HAVE DISCOVERED HOW:

- DATA VIRTUALIZATION IMPROVES THE WAY ORGANIZATIONS CAN INTEGRATE DATA ACROSS SYSTEMS
- MANAGING THE ONBOARDING EXPERIENCE USING BUSINESS-DRIVEN RULES CAN HELP INCREASE REVENUE AND REDUCE CHURN
- LOCATION INTELLIGENCE AND SPATIAL ANALYSIS PROVIDE THE REAL-TIME INSIGHTS NEEDED TO ACQUIRE, SERVE AND GROW CUSTOMER RELATIONSHIPS

THIS PITNEY BOWES BUSINESS INSIGHT WHITE PAPER EXAMINES THE CHALLENGES ORGANIZATIONS FACE, AND THE WAYS COMMUNICATIONS FIRMS ARE LOOKING TO CAPITALIZE ON TODAY'S BEST PRACTICES.

FEW POINTS IN THE CUSTOMER LIFECYCLE CAN AFFECT THE RELATIONSHIP AS MUCH AS ACTIVATION AND ONBOARDING.

Customer Onboarding has Become More Complex

Demand for telecommunications and cable service has traditionally lagged economic recoveries. Industry analysts expect that many of the same competitive and economic pressures that emerged in recent years will play a significant role in the foreseeable future.¹

Competition remains as fierce as ever, with telecommunications firms often going head-to-head against cable companies and Internet service providers. On the consumer side, organizations are making offers for in-home service, long distance, wireless, voice, data, content and video services—with even more options and network services available for commercial accounts.

The migration from land lines to wireless created an influx of new prospects over the past decade as each individual in a household could become a potential customer. As the market has become more saturated in recent years, however, organizations now need to work harder to achieve growth. The value of each prospect has increased in turn. Customer churn and attrition have become a significant issue, and no one wants to lose a deal because of shortcomings in the sign-up and activation process.

The complexity of today's service mix adds another challenge to onboarding, as agents need to understand what services the customer has, what programs are available and what price points to offer. Mobile contracts may include text, data or specific applications. Bundled offers, such as the “triple play” can fall apart if the experience on a single element is not perfect. And in today's economy, sales reps must often mix-and-match across plans to find price points that work for the customer and the company.

Adding to these customer-facing issues, marketers and operations heads must also step up to meet corporate demands, especially in the area of risk management. Unfortunately, poor data quality and ineffective data integration impede results.

The Right Approach to Onboarding Pays Dividends Across Four High-Priority Goals

Few points in the customer lifecycle can affect the relationship as much as the activation and onboarding process. Often, this represents the customer's first meaningful experience with the company or a particular service and every misstep is magnified. Operationally, organizations need to initiate a host of critical steps for corporate requirements, regulatory compliance and the proper set-up and installation of service. From a data perspective, the success of this phase depends on how well companies can leverage a relatively small amount of information, including name, address, date of birth and social security number, across four distinct business objectives.

Address Quality

One of the most important data elements captured during customer onboarding is the address—so it is surprising that so many customer addresses contain errors. Over 23% of all address records are incomplete or inaccurate, which can add significant costs down the road. Whether it's the wrong street suffix, a missing directional or the lack of a suite number, even small mistakes can affect delivery and postal discounts.

More significant errors—including misspellings, poor data entry or missing components—could lead to the wrong offer, incorrect information regarding service availability and returned mail. Customers may not receive important notices or billing statements, which will impact service delivery and revenue.

Address data is also important to data integration and accurate matching, and poor address quality may make it difficult to view or present a complete picture of the relationship.

Identity Verification and Credit Verification

For most customers, name verification is a non-issue. But in an industry where annual fraud losses are measured in the billions, telecommunications firms must be diligent and have mechanisms in place to recognize potential problems up-front, even if customers provide an alias or nickname.

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Nearly 70% of all telecom fraud originates as part of the subscription process, and companies must examine and cross-check customer-provided data as part of the onboarding process.

Client identity management has taken on a heightened role in recent years as government regulations now require communications firms to verify the identity of anyone who receives credit (as in the case of bill-later services). Under the US Patriot Act, companies must also check the account opener's name against government-provided lists of known or suspected terrorists or terrorist organizations. Red Flag regulations require companies to instill identity theft protection programs, including written policies, procedures and controls—including an independent audit function and compliance officers to review and measure program effectiveness.

Beyond compliance, identity verification also plays a role in a company's marketing success as the ability to accurately identify customers makes it easy to recognize whether this is a new account, an existing client or a returning customer.

Service Availability Check

Accurate data and real-time analysis can also help ensure that customers receive accurate information regarding the availability of different service offerings. In some cases, the distance from a network asset must be determined within a hundred yards or less to ascertain if the customer is capable of receiving service.

Organizations need an ability to understand spatial relationships with confidence and make that information available to sales agents, service reps and customers in real time. Poor data management during the new account process can easily result in missed opportunities or poor customer experiences.

Up-sell and Cross-sell

Onboarding and the first 90 days may represent the most critical time period in a customer relationship. In some industries, over 70% of all cross-sell occurs during this

period.² Given the investment of time and money spent acquiring a customer, one would think companies would prioritize this experience, but that is often not the case. According to industry analyst Forrester, "customer onboarding lags behind other business processes in both the quality of customer experience and costs."³

At this phase, understanding your customers can greatly increase the effectiveness of up-sell and cross-sell efforts. Neighborhood segmentation and cluster analyses can make it easy for marketers to pinpoint and target offers based on likely income, demographics, purchasing behavior and lifestyles—connections that often can be made from basic customer information such as name and address.

Every Organization will Face Systems Challenges

Data quality plays such an integral role in an organization's success. Especially during the critical onboarding and activation phase, companies must continue to make progress on the obstacles that impede progress. While most companies can point to specific improvements in recent years, underlying issues continue to linger:

- **System silos.** In many companies, the front end does not talk to the back end. Separate platforms governing order processing, fulfillment, billing and CRM create artificial walls between information.
- **Limited channel integration.** A single sales transaction may start in a retail outlet, move to the Web and require a call to a sales associate. In most companies, each channel entails vastly different access to customer information.
- **Sales complexity.** Problems are exasperated when a single sale involves services provided by different departments, such as voice, data or video. When more players are required to fulfill orders, issues with data integration move to the forefront.

TELECOMMUNICATIONS FIRMS MUST BE DILIGENT AND HAVE MECHANISMS IN PLACE TO RECOGNIZE POTENTIAL PROBLEMS UP-FRONT.

- **Insufficient customer memory.** Unfortunately, customers don't care how many departments, systems, applications or platforms an organization needs to run their business—they are simply frustrated when companies fail to employ the information and customer intelligence they already have on file.

In simplest terms, these challenges boil down to two related needs: better access to better data.

An Intelligent Approach to Data Management Provides a Distinct Competitive Advantage

The trend lines in activation and onboarding point to increasing complexity, more demanding customer expectations and continued pressure from corporate groups to cut costs, improve revenue and comply with regulatory requirements.

Marketers, operations heads and IT executives can no longer afford to let limitations in existing workflows and systems dictate the terms of engagement—especially when proven technologies make it easier to locate new opportunities, connect with new customers and communicate more effectively.

Today's technologies can redefine the role and impact of telecom account activation across three core disciplines: data integration, data quality and data enhancement.

Trends in Data Integration: Virtualization

Consultants call it “the 360-degree view”, the “single view”, or the “customer-centric view”; but buzzwords aside, your ability to strengthen relationships with customers depends on your ability to leverage what you already know.

The system silos and limited customer memory referred to above present obstacles for sure, especially when customers rely on you for multiple services, interact with you through multiple channels, or initiate contact through different

departments or subsidiaries. Customers don't always make it easy, either. They may subscribe to wireless, Internet, cable or wireline using different names: Bob one day, Robert the next. They may be a spouse or a child to an existing account holder, and this new service may be meant to be added onto the prior account, or not.

The root cause of these problems has been well documented: application functionality and business processes are often not designed to manage data beyond its own sphere, which affects data integrity, quality and governance. The issue, however, is not just a data problem—it's a process and function problem. Each silo has its own definition of a customer, a product and a service. Formats are inconsistent and redundant. And at the end of the day, data is often out of date, incomplete, duplicated and inaccurate across your applications. Not surprisingly, manual processes used to reconcile, correct, rationalize and combine this data can cost millions.

In the past, many IT groups have looked to overcome these integration challenges through the physical movement and consolidation of data. This traditional approach begins by designing a data warehouse scheme. An ETL process would be developed to extract data from various sources, transform that data to fit operational needs and then load this information on the data warehouse. The process would be repeated over time, often refreshing data on a batch basis. Across the enterprise, applications would reach out to the data warehouse whenever information was needed.

While such an approach can solve these challenges, new issues emerge:

- Slow development cycle
- Many moving parts
- Replicated data
- Batch latencies
- Overhead involved in physical storage

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Data virtualization can help organizations overcome the challenge of data integration—without the added baggage. With today’s technology, IT can bring data together without moving records to a physical repository. Data can be presented to any application on demand.

This database-to-application model makes it easy to integrate data from disparate sources so information can be consumed by a broad range of front-end solutions, including portals, reports, applications and search tools. Compared to database-to-database models, data virtualization offers several benefits:

- Faster time to solution
- Removes network constraints
- 24/7 availability
- Optimal performance
- Lower total-cost-of-ownership

In terms of improving the customer onboarding experience, data virtualization can enable organizations to overcome data silo challenges quickly and efficiently.

Trends in Data Quality: Business-Driven Rules

Anyone who works with customer data has seen the broad range of issues associated with data quality: duplicate records, incorrect addresses, non-standard formats, multiple names in a single field, mixed business and contact name, mislabeled data, missing data and typographical errors represent just a few of the typical problems.

During customer activation, when client identity management is so critical, such errors can make it difficult to check credit worthiness, detect possible fraud or match records against government watch lists. Unfortunately, bad data behaves like a virus, starting with one record then spreading to other databases; soon different systems supporting sales, relationship management, billing and servicing echo this poor data.

Professionals understand that there are no quick fixes—data quality is a process:

- Profile
- Standardize and validate
- Cleanse and consolidate
- Enrich data
- Monitor

What’s new in this field is that IT heads and data stewards are increasingly putting business users in the driver’s seat when it comes to data quality. Departments that help create processes and workflows around customer onboarding are getting involved in the up-front analysis, helping to profile data, analyze information and identify where data quality issues could hinder results. The same groups are then working with IT to define, create, change and re-use data quality rules, often simulating data flows before an important launch.

Leading data quality platforms enable rules to be published as web-services into modern Service Oriented Architectures, giving business owners control over rules definitions. Decisions around what information to capture and when to collect it can be coordinated around data quality functions such as normalization, parsing, matching, and de-duplication.



By defining data quality rules as part of the onboarding process, data quality becomes a means to an end: an improved customer experience, increased wallet-share and reduced risk.

DATA VIRTUALIZATION CAN ENABLE ORGANIZATIONS TO OVERCOME DATA SILO CHALLENGES QUICKLY AND EFFICIENTLY.

Trends in Data Enhancement: Location Intelligence

The third major technology trend around the activation and onboarding process involves the use of location data and spatial analysis to support real-time decision making.

By converting addresses into precise latitude and longitude geocodes, telecommunications firms can automate and streamline several mission-critical aspects of new customer activation:

- **Pre-qualification:** Validate whether customer are eligible for certain offers
- **Coverage locator:** Confirm whether your company can support wireless, DSL, cable, broadband, etc. at the customer's precise location
- **Tax jurisdiction assignment:** Pinpoint the exact state and local taxes required, even when tax zones do not match traditional boundaries such as ZIP Codes™
- **Risk analysis:** Identify customers who may be at risk for default, fraud or cancellation early in the process
- **Offer targeting:** Leverage neighborhood and street-level cluster analysis to assess customer needs and behaviors in to make the most relevant, most profitable cross-sell offers

Location intelligence delivers customer and network insight directly to the onboarding process—which lead to smarter decisions and more satisfied customers.

Pulling It All Together: a Seamless Activation and Onboarding Experience

Telecoms continue to roll out new services and expand into new regions. This makes service activations increasingly complex, which can result in lost customer opportunities. It may be new customers abandoning orders because CSRs and systems lack the instant service information they need. Or bottlenecks holding up the customer screening process.

Emerging trends and technologies, however, can provide for more efficient, effective activation of customer accounts and services. Real-time data quality and integration provide a more customer-centric view of relationships. Location intelligence and data-driven customer insights can help carriers identify such obvious telecom-centric issues as local number portability and serviceability, while also being used to perform the necessary address standardization, name checks and credit checks.

Pitney Bowes Business Insight can help telecom providers acquire, serve and grow relationships more effectively. Our data quality, communication, mapping and predictive analytics solutions work together to enhance business decisions, systems and workflows:

- Satisfy customers with consolidated billing, relevant offers and efficient self-service
- Improve network planning and instantly pinpoint coverage availability
- Comply with all tax, fraud reduction and reporting requirements
- Automate processes, streamline response and reduce postage expenses

FOR THE PAST 25 YEARS, LEADERS IN THE COMMUNICATIONS INDUSTRY HAVE GROWN PROFITS USING OUR SOFTWARE AND SERVICES TO LOCATE, CONNECT AND COMMUNICATE WITH CUSTOMERS. TO LEARN MORE ABOUT EMERGING TRENDS, CALL 1.800.327.8627 OR VISIT WWW.PBINSIGHT.COM.

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UNITED STATES

One Global View
Troy, NY 12180
1.800.327.8627
pbbi.sales@pb.com
www.pbinsight.com

CANADA

26 Wellington Street East
Suite 500
Toronto, ON M5E 1S2
1.800.268.3282
pbbi.canada.sales@pb.com
www.pbinsight.ca

EUROPE/UNITED KINGDOM

Minton Place
Victoria Street
Windsor, Berkshire SL4 1EG
+44.1753.848200
pbbi.europe@pb.com
www.pbinsight.co.uk

ASIA PACIFIC/AUSTRALIA

Level 7, 1 Elizabeth Plaza
North Sydney NSW 2060
+61.2.9437.6255
pbbi.australia@pb.com
pbbi.singapore@pb.com
pbbi.china@pb.com
www.pbinsight.com.au