

A Clear Signal that Customers Matter

Case Study 1

02 Case Study

Business Challenges

- Stand out in the increasingly competitive mobile communications marketplace
- Win new corporate accounts without slashing prices
- Retain customers by improving customer satisfaction and loyalty
- Automatically track compliance with SLAs
- Proactively manage service performance by detecting problems before they impact service levels

Solution

- Digital Fuel's ServiceFlow application
- Digital Fuel Professional Services

Results

- Increased customer loyalty
- Attracted new corporate customers
- Became the mobile provider with the largest U.K. subscriber base
- Improved service performance for all customers, both corporate and retail

About 02

02 is a leading provider of high-quality mobile communications services to customers in the U.K. and Germany that range from individual consumers to global businesses.

Since emerging from British Telecom to become an independent company, 02 has focused on building a brand that stands for setting high quality objectives—and consistently exceeding them. Today, the company offers a broad range of mobile communications products that encompass everything from wireless games and music downloads to 3G business data services suitable for the largest corporations. Every step of the way, 02 has stayed ahead of the pack by offering innovative new service options and flexible pricing attached to service level agreements (SLAs) guarantees, combined with industry-leading customer care.

02's commitment to meeting customer expectations is embodied in the SLAs they offer as part of their premium business services. Digital Fuel's ServiceFlow application allows 02 to know in near real time where they stand relative to each customer's SLA, to proactively manage service levels and prevent SLA breaches, and to make service performance transparent to large corporate customers. ServiceFlow also lets 02 track internal service quality metrics, so they can deliver the best possible service to both corporate and retail customers. As a result, 02 has improved customer loyalty, dramatically improved service performance, and attracted quality-conscious new accounts, leading to increased revenues and market share.



"During the first year of using ServiceFlow, we significantly increased customer loyalty and retained accounts representing millions of euros in revenue."

—VP of Marketing
02

The challenge: Standing out in a price-competitive crowd

In 2003, as the mobile services market began to heat up, O2 was facing a brutally competitive environment, in which large corporate customers would routinely switch mobile communications providers to get better rates—and better service quality guarantees. Increasing brand loyalty and satisfaction amongst O2's corporate customers and differentiating O2 from the competition by offering the best service levels became top priorities. After talking with customers and analyzing the problem, O2's managers concluded that offering SLAs to key corporate accounts—and sharing SLA compliance data with customers—could help O2 stand out in a crowded marketplace.

According to O2's head of strategy, "Our business customers wanted stronger guarantees and greater service transparency, and our marketing group wanted to position O2 as the quality leader, so we began designing SLAs and compliance reporting procedures." But soon, the company discovered that implementing the SLA program was going to be more a lot more complex and time-consuming than they'd bargained for. To measure all the performance metrics that O2's marketing, customer care, and IT teams care about, they needed to collect large amounts of data and compare it with each customer's SLA. And projections showed that manual data collection and performance management would be both costly and time consuming.

The search: Finding the right SLA management software

But O2's managers didn't give up. Instead, they changed their approach. They concluded that they needed an SLA management application that could automatically collect data from many different sources and track compliance with multiple SLAs. They also wanted to learn about potential service problems



before they could impact customers. To kick off the search for the right SLA management solution, representatives of O2's marketing department worked closely with the Operations Systems and Support (OSS) group to establish and prioritize business and technical requirements, and to develop an RFP.

Once the selection team had evaluated the RFP responses, they invited a short list of vendors to provide demonstration systems for user testing and technical evaluation. Criteria included flexibility, ease of use, multi-platform compatibility, support for complex SLAs and multiple data sources, and rapid ROI. Many different stakeholders—including marketers, service relationship managers, and even the legal department—participated in the evaluation. At this end of this process, one solution had clearly outscored the others—Digital Fuel's ServiceFlow application.

The Digital Fuel solution: A flexible blueprint for SLA management

Choosing ServiceFlow, however, was only the first step. Before O2 could start using the system, their services and marketing teams needed to identify key performance indicators (KPIs)—including internal measures of service performance—and to establish SLAs for each customer. Digital Fuel collaborated with the O2 team to define KPIs as well as the technical data needed to calculate them, and to roll KPIs into customer-specific SLAs. According to O2's lead product manager, "Digital Fuel's professional services team helped us translate general performance indicators into quantifiable metrics and then use these to build customer-specific SLAs." KPIs included network and planned coverage availability, calls dropped and completed, and time to fault restoration.

After the KPIs and SLAs were defined, the next step was to identify the data required to measure them and connect those data sources to ServiceFlow. At O2, this meant obtaining data from nine different monitoring systems, including Vantive, Cramer, TEMS, Concord Network Health, Orbitel/MARRS, Metrica, Jyra, Anite, and Inet. Digital Fuel's professional services team worked with O2's IT group to quickly configure ServiceFlow to accept data from each of these data sources. Because ServiceFlow reads information from data views rather than directly from database tables, O2 can upgrade monitoring systems without having to rebuild their connections to ServiceFlow.

The results: More—and happier—customers

When O2 rolled out ServiceFlow to manage services for their top corporate customers and track internal performance measures, results were immediate. Before ServiceFlow, O2 was the fourth largest mobile communications provider in the U.K. Since then, the company

has become the U.K.'s market leader. ServiceFlow contributed to this achievement by allowing O2 to:

Boost customer loyalty. During the first year of using ServiceFlow, O2 significantly increased customer loyalty and retained accounts representing millions of euros in revenue. Since then, O2's customer renewal rate continued to grow, leading to approximately millions in additional revenues per year.

Win new business. ServiceFlow has also helped O2 acquire new customers by promising stronger service guarantees, thereby adding tens of millions of euros to annual revenues.

Offer new, more flexible services. Because ServiceFlow makes it easy to create SLA templates and modify them for individual customers, O2 has been able to offer service guarantees. In addition, O2 uses ServiceFlow to support its Network Manager service measures, which offer a mixture of voice, SMS, mobile office, and data services reinforced by robust service guarantees.



Improve SLA compliance. With ServiceFlow, O2 has been able to track service performance—and respond to potential problems before they impact corporate customers and result in breached SLAs or worse.

Enhance service performance. By using ServiceFlow to track internal measures of service quality, O2 has been able to improve service performance for all its customers—including corporate and retail accounts. As a result, O2 is known in the marketplace as delivering superior service quality.

Automate customer reporting. ServiceFlow automatically generates SLA compliance reports—which means that service relationship managers no longer have to manually gather data and create Excel-based reports to understand service performance. This saves time and money—and makes it easier for relationship managers to respond to customer requests for performance data.

To learn more, go to our website at:

www.digitalfuel.com

Case Study 4

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