CUSTOMER CENTRIC MANAGED SERVICES
HELPING BUSINESSES THRIVE THROUGH JOINT STRATEGIC PARTNERSHIPS
AN EVOLVING MODEL

Managed services are evolving, and with them the model of business relationships that sustain them.

10 to 15 years ago, the managed services industry was driven primarily by cost-efficiency. With many operators facing cost pressures, they began to look for partners who could operate their networks more efficiently and in a more affordable way.

Now, with these cost-efficiencies in place, the role of managed services has changed. Operators are searching for further values and benefits. Today’s model is not only based on financial savings, but also on creating sustainable business differentiation. More than ever, operators are looking for new ways to stand out from the growing competition.

It all comes down to the customer experience. In its top 10 communications service provider trends for 2011-2012, Gartner identified customer experience as a key focus area. The customer-centric managed services model focuses on customer expectations and demands, aligning service delivery in accordance with these requirements.

STARTING FROM CUSTOMER EXPERIENCE

BUSINESS OBJECTIVES

END-USER EXPERIENCE

> Right measures beyond traditional KPIs
> End-user service assurance
> Best-in-class tools

MANAGED SERVICE EXPERIENCE

> Joint strategic framework
> Value assurance
> Business innovation

Holistic scope – network and IT – end-to-end delivery

THE FIVE PILLARS OF CUSTOMER EXPERIENCE:

> Defining and delivering the specific experiences you want for your customer
> Linking the customer experience to your brand and customer promise
> Driving culture and decision-making within organizations
> Adapting and evolving over time
> Underpinning the above with informative tools
What is considered important often changes, and managed services models must observe these changing objectives in order to remain relevant. Over the course of a managed services contract, discrepancies can sometimes emerge between the real value of an agreement and its perceived value. Although the perception of value may diminish, in reality performance improves.

Through measuring, tracking and assuring business benefits in addition to meeting specific technical requirements, Ericsson ensures that such gaps are avoided.

Today, technology-centric measures make up 95 percent of the managed services model, and service measures just 5 percent. Moving forward, service measures will take on a more significant role and customer experience measures will be introduced.

The customer-centric managed services model has a mix of technology, service and customer experience measures. This will result in a much stronger focus on business outcome as well as network performance.
When we harness the combined horsepower of two organizations in the context of solving real business issues, amazing things can happen. The new model is built on a joint strategic framework between supplier and customer. From this framework comes the potential for value assurance and business innovation.

A successful managed services agreement must be based upon common goals from a strategic, business and operational perspective. It is through this mutual understanding that aligned, tactical choices can be made. Sharing a common goal is the key to fostering closer cooperation, pro-activity and innovation – and unlocking the potential of both supplier and customer.

Bradley Mead, Head of Network Managed Services, Ericsson, explains the necessity of creating a win-win relationship: “Without that shared alignment and the opportunity to share in success, the way of working becomes very transactional, which in my experience leads to a win-lose relationship. Over time, what this means in reality is lose-lose.

“Both sides need to understand that and ensure that we are always driving things in a way where we both win, we both share in the benefit and we’re ultimately doing things that drive the right culture and business outcomes. Managed services is a different business model and relationship which has the potential to realize value far beyond the initial expectations of both parties.”
The recent data explosion and consumers’ desire to be constantly connected has put a lot of pressure on operators to provide high-speed, high-quality data services on a broader scale. In order to accommodate this rising demand, operators have had to invest heavily in their networks, while at the same time striving to differentiate themselves from the competition.

This is where managed services can play a vital part in operators’ strategies as it frees up resources and makes room for specialization, putting a greater emphasis on user experience and customer relationships and enhancing innovation, agility and speed – as well as creating cost savings. These are all key to sustainable business differentiation.

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Bradley Mead
Head of Network Managed Services
To accommodate the customer-centric managed services model, there must be a competence shift. In today’s world, technology is a multi-layered architecture. In the wake of convergence, consumer services work across an end-to-end infrastructure. As operators transform their networks they need people who have a breadth of skills and who understand how services work across the spectrum, in addition to those with specialist knowledge.

“It’s an adjustment on both sides,” explains Bradley Mead, “both in terms of how we manage the relationship from a business and strategic perspective, and then how we lead our organizations to create the context. We aim to promote an environment where innovation, flexibility and agility are a natural part of everything we do.”

We are working to achieve superior alignment between business demand, technical roadmaps and forward workload forecasting, using a range of innovative components and deliverables. Our partnership strategies are designed to help us improve communication, understand cultures, deliver quality initiatives and increase internal customer satisfaction.
Ericsson has been a managed services thought leader and industry leader for 15 years, and is currently delivering on over 300 commitments in 100 countries worldwide. More than 25,000 of our employees originally transferred from operators, including 6,000 employees from Sprint in the US. Together we have defined and are redefining the role of managed services within the telecom industry.

Our managed services agreements are designed to create sustainable business benefits for both parties. In the last decade we have invested heavily in tools and processes, developing effective methodologies and setting global standards. Our scale and flexibility has allowed us to adapt to customers in very different geographies, keeping us one step ahead of the competition.

“Change is happening faster than it ever has in human history,” says Bradley Mead. “That’s the case today and it’s only going to get faster. Being adaptable, flexible and agile in this business is key to success.

“Through the combined knowledge and experience that is available in a managed service relationship, and by having the courage to jointly innovate and learn from both success and failure, the right business results and benefits will be generated for all parties.”

We have a proven track record when it comes to handling human resources transformation. Our acceptance rate is nearly 100 percent, with almost no attrition in the first year of operation. Our human capital index is also above the industry average.

We understand operations, and we’ll make sure yours are ready to face the changing market.

Join the largest managed services community in the world.
Ericsson is the world’s leading provider of communications technology and services. We are enabling the Networked Society with efficient real-time solutions that allow us all to study, work and live our lives more freely, in sustainable societies around the world.

Our offering comprises services, software and infrastructure within Information and Communications Technology for telecom operators and other industries. Today more than 40 percent of the world’s mobile traffic goes through Ericsson networks and we support customers’ networks servicing more than 2.5 billion subscribers.

We operate in 180 countries and employ more than 100,000 people. Founded in 1876, Ericsson is headquartered in Stockholm, Sweden. In 2011 the company had revenues of SEK 226.9 billion (USD 35.0 billion). Ericsson is listed on NASDAQ OMX, Stockholm and NASDAQ, New York stock exchanges.

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