IBM | **Information Management** | software

IBM Customer Care Solutions:

Enabling the customer-centric enterprise

Competing in the high-stakes world of customer care

New market entrants grab market share not only with inno-vative product and services, but also with ever-improving ways of providing them to customers. Mergers and acquisitions create monumental problems around caring for customers—in both front and back offices. Increased commoditization of products and services requires compa-nies to be creative in differentiating themselves—to protect customer loyalty and generate new revenue streams. Business customers and consumers are increasingly dif-ficult to please because they have unprecedented access to information about where and how to make purchases.

The result is that today's businesses face some very significant information-intensive challenges in managing their operations—challenges that ultimately center around customer care. Line of business leaders are probing for answers:

- **Competition from new market entrants:** How can we identify our highest value customers and market segments? How can we attract customers and keep them from defecting to newcomers? How can we optimize marketing and promotional expenditures?
- **Managing mergers and acquisitions:** Who are our customers now that multiple companies are one busi-ness? What products have customers already bought across the collective lines of business? How can we cross-sell or up-sell—or even just provide a single, consolidated invoice?
- **Optimizing multichannel strategies:** How do we keep customers happy doing business with us, providing what they want, when, where and how they want?

- **Streamlining claims processing:** How can we enable policyholders to quickly and effectively file, track and complete their claims?
- **Improving patient care:** How can health insurance plan operators get a complete view of patients' treatment across various care facilities? How can we help patients manage their health through "self-service" visibility into the status of their treatments, tests, records and health plans?

Line of business leaders in many industries—banking, insurance, communications, healthcare, retail and manufacturing—find themselves facing these increasingly intense and difficult-to-resolve challenges around customer care. With current information management approaches limiting the ability to keep pace, companies need a better way to leverage customer (patient/policyholder/supplier/partner/employee) information—in real time—to gain insight into their business to make the right decisions at the right time as well as to fuel the processes for providing outstanding sales and service.

IBM recognizes the difficulties inherent in meeting this challenge. Through a comprehensive customer care solutions strategy, IBM stands ready to support executives as they address these questions and transform the way their companies address customer care. At the core of the IBM customer care strategy lies a flexible solution framework, designed to deliver rapid return on investment while providing a roadmap for the future. Drawing on IBM core strengths in Master Data Management, information integration, Service Oriented Architecture and the customer care models, in addition to deep industry expertise, the framework brings together a comprehensive combination of technologies and implementation services to support transformation.

The changing nature of customer care

Today's intensifying customer care challenges mandate a fresh approach to managing customer information. Without an effective data management solution, companies may have to contend with loss of market share due to missed sales opportunities, poor service across sales channels leading to high customer churn rates, underperforming marketing campaigns from data warehousing operations, lack of business insight on high-value customers and next-generation offerings, long integration times for data and processes after mergers and acquisitions, or the risk of violating privacy regulations.

The potential consequences of ineffective customer care systems

Improper management of customer information can translate directly into business losses. Consider these real world examples[1]:

- A telecommunications firm lost US$8 million a month because data entry errors incorrectly coded accounts, preventing bills from being sent out.
- An insurance company lost hundreds of thousands of dollars in annual mailing costs (postage, returns, collateral and staff to process returns) due to duplicate customer records.
- An information services firm lost US$500,000 annually and alienated customers because it repeatedly recalled reports sent to subscribers due to inaccurate data.
- A large bank discovered that 62 percent of its home equity loans were being calculated incorrectly, with the principal getting larger each month.
- A global chemical company discovered it was losing millions of dollars in volume discounts on supplies because it could not correctly identify and reconcile suppliers.

In light of these intensifying challenges, traditional approaches to customer data integration are no longer sufficient. Because customer data is often stored in multiple siloed line-of-business systems, the information is typically fragmented—generating several versions of the truth for each customer.

Without a single view of the customer, organizations cannot realize the promise and value of customer relationship management (CRM), customer information file (CIF) systems, operational data stores (ODS), or data warehousing (DW). To make the transformation to a true customer-centric model, organizations must consolidate customer knowledge and insight from back- and front-office silos at the enterprise level.

Master data management puts customers at the core

Companies must share key customer information across the enterprise as a set of customer-centric business processes and services to provide a seamless customer care experience. By organizing business processes around customers, gathering knowledge and insight surrounding customers' service and product profiles and implementing customer-management business services, organizations can transform to become customer-centric.

An enterprise-wide solution can provide the foundation for an operational customer-centric service and sales strategy. Customer-centric operations help enable organizations to achieve strategic business objectives such as:

• Increase revenue and wallet share
• Improve efficiency to reduce administrative costs
• Improve risk management
• Reduce merger and acquisition time and costs
• Achieve privacy and legislation compliance
• Provide better customer service with lower churn rates
• Improve marketing insight for campaigns and next-generation services
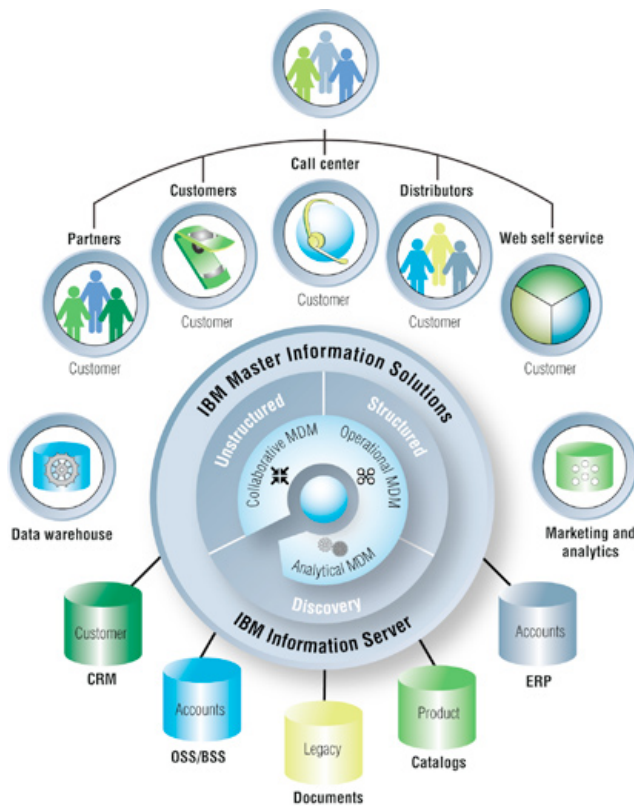
The IBM Customer Care platform unites unique IBM capabilities in Master Data Management information solutions with deep industry expertise.

The IBM Customer Care platform

At the core of the IBM customer care strategy is a flexible solution framework that is designed to deliver rapid return while providing a roadmap for the future. Drawing on unique IBM capabilities in Master Data Management information solutions and coupled with deep industry expertise, the framework brings together a comprehensive combination of technologies and implementation services to support transformation.

The framework is founded on an extensible and reusable platform and designed to provide accurate and timely customer information—in-line and in context. IBM® Information Server software enables clients to unlock information from application and database silos across the enterprise and beyond, optimize and integrate it, and place it in the context of IBM customer care process-enabling tools.

IBM information solutions offer industry-specific process, service and data models to help customers understand information in context and focus on critical business problems. These problems exist across a variety of industries; for example, reducing process cycle times in banking, improving sales and service in retail, optimizing supplier relationship management in manufacturing, addressing customer churn in telecommunications or detecting fraudulent claims in insurance. IBM information solutions enablers, such as Master Data Management, help accomplish this task with a robust set of capabilities for

defining and synchronizing critical master information on products, customers and accounts. These enablers also can provide this information as a service to drive business operations and insight. The platform can help companies retain customers, increase wallet share and improve the bottom line. In addition, IBM delivers deep industry expertise and best practices through the IBM Global Business Services organization.

When teamed with IBM WebSphere® Customer Center, IBM WebSphere Product Center, IBM Information Server software and industry models, these IBM Customer Care process enablers can help companies achieve several key business objectives by creating a single and right view of the customer:

- **Simplify organizational customer data management.** Companies can maintain an authoritative record of corporate customer data in a single location.
- **Create targeted, effective corporate campaigns.** By providing a complete portfolio view of customers' account and product information, as well as customer interactions, the platform helps identify unique customer characteristics and needs, opportunity gaps and new product opportunities.
- **Improve the product development life cycle.** Centrally managed customer data can be fed back to product development to help improve product features, quality and performance.

- **Improve customer operations.** Organizations can capture customer satisfaction metrics, issue resolution, order processing and product satisfaction through a central customer hub.
- **Improve cross-selling and service.** Organizations can improve marketing campaign effectiveness by capturing customer interactions from various channels to provide analytical and data warehouse systems with a complete and consistent operational view of the customer.

- **Improve customer service and retention.** Service and value profiles are determined from complete customer information to help ensure that high-value customers are treated appropriately across product lines and channels.
- **Help reduce operating expenses.** The platform provides all systems with a once-and-done processing environment for customer data, which can help significantly reduce expenses caused by a fragmented view of the customer.

Banking

A large regional U.S. bank wanted to create a consolidated customer profile and enable customer centric processing, as well as provide enriched customer data to service and sales processes and applications. At the time, the bank was in the process of implementing new Web based ATMs across the entire enterprise but it lacked the ability to easily store and manage ATM customer preferences with out significant costs for such modifications.

The IBM Customer Care platform gave the bank the tools it needed to cost effectively manage ATM preferences and enhance customer service. The bank now has a single, consolidated view of the customer across all channels and a flexible customer data integration infrastructure for future projects.

Insurance

When a large U.S. insurance firm elected to transform itself from a product centric organization into a customer centric financial services organization, it discovered that its client information was housed in multiple locations and frequently inconsistent. The company could not provide a seamless customer care experience or effectively use its data to support enterprise initiatives such as demutu alization, consolidated statements, eService, Privacy Act requirements and CRM.

Today, the IBM Customer Care platform provides the foundation for a true customer centric approach. As a result, the firm achieved reduced costs through service differentiation, e mail capabilities, consolidated mail ings, reduced mailing errors and reduced IT costs. It has increased sales opportunities through enhanced cross selling and tailored offers, as well as improved client man agement through service differentiation, decreased com pliance liability and client information at the point of sale.

Telecommunications

A major North American telecommunications service provider found itself facing month long latency periods to update its data warehouse. The company also could no longer track product bundles and client households. The IBM Customer Care platform is now the cornerstone

- **Reduce credit risk.** Companies can maintain risk scores across organizations, regions and product lines to more effectively manage accounts and reduce net credit loss.
- **Comply with privacy and legislative requirements.** The platform provides a central location to maintain customer privacy preferences, as well as enforce privacy and data-sharing business rules to help ensure consistency across all operational channels.
- **Help reduce merger and acquisition costs and time.** The platform helps integrate a newly acquired company's front- and back-office systems with the customer hub to help reduce integration time and improve customer service and cross-selling efforts.

Investing for the future

Through experience gathered from hundreds of client engagements and best-of-breed Master Data Management technologies, IBM has assembled the most robust and complete customer care platform and solutions currently on the market. But IBM is not stopping there—it is continuing to invest in both core client support capabilities and development of new features for the platform. Recent investments in multiform Master Data Management will help clients support a heterogeneous mix of customer, product, supplier, location and account information.

of the provider s "single view" strategy, designed to integrate households, billing and bundling. It is also the glue linking customer account information with the marketing data warehouse and the call center. Customer service representatives can now serve clients seamlessly with integrated portfolio, demographic and warehousing information. As a result of the enhanced customer experience, the company has seen increased customer loyalty and reduced churn.

Manufacturing

A major North American diversified manufacturing company lacked strategic decision making capabilities across its four siloed divisions. The organization needed help with identifying new sales opportunities, improving win rates and managing declining customer retention.

With the IBM Customer Care platform, the manufacturer consolidated its customer, vendor and Dun and Bradstreet records across all of its business units. The solution also supports business process for data stewardship, data governance, duplicate record processing and CRM

integration. The company can now provide service levels based on the client s relationship, and it has implemented customer data on demand across the organization.

Retail

One of the world s largest office product companies recognized that it needed to become more customer centric to meet its goal of doubling company revenue within five years. However, only by improving the quality of its customer data could the firm begin to improve customer relationships and acquire new, profitable and loyal customers.

Beginning with the marketing department, the IBM Customer Care platform is helping this retailer create a single view of its customers across various account systems, channels and business units. Today, users of this new, highly accurate customer data can gain deep insights from customer data analysis and create highly effective promotional campaigns and customer service. The platform also facilitates development of future key initiatives through reuse of existing development efforts and data compilation.

Innovation that matters from IBM Customer Care

In the future, the customer care struggles facing businesses will only become more intense. Tomorrow's customer care environment will likely be characterized by active and dynamic access to the full range of customer information—not only in-line and in context, but accurately and in real time—to help organizations improve their bottom line. IBM recognizes the challenges businesses are facing and—through its customer care solutions strategy—stands ready to support leaders as they confront these challenges and transform the way they improve customer care.

For more information

To learn more about IBM Customer Care solutions, please contact your IBM sales representative or visit
ibm.com/software/data/masterdata

TAKE BACK CONTROL WITH Information Management

IMB11838-USEN-00