

transforming responsiveness and service for customer satisfaction and success



To stay competitive in a fast-changing market, telecommunications providers need to respond almost instantly to service requests from customers, while delivering a richer mix of media and content options. As a long-term managed service partner, Atos is helping KPN to meet and exceed expectations and stay ahead of the rest

KPN is one of Europe's leading telecom companies, with a 45% market share for fixed line telephony in the Netherlands, while being either market leader or strong challenger for mobile communications in the Netherlands, Belgium and Germany. KPN operates in a rapidly-converging market, delivering television and business services as well as mainstream telephony.

Competitive advantage today lies in a relentless focus on the customer, delivering a faster response and higher quality than competition in order to achieve outstanding satisfaction levels. And the rules of the telecom game are changing at extraordinary speed.

Basic telephony services have commoditized and a growing number of people organize their lives around a range of devices: smart phone and tablet when travelling, desktop or laptop PCs at work, smart TVs at home. There is no longer a hard divide between fixed and mobile phones, while the distinction between communication and entertainment devices is also becoming blurred.

In this very different landscape a new kind of business approach is needed to achieve the right balance of agility, cost and quality that customers demand. This has driven KPN to rethink key aspects of its partnering approach and invite Atos, a managed service provider to KPN since 2000, to become an even closer and more strategically important partner.

New vision, new strategy

In response to the big trends that are reshaping the market KPN took the decision to focus on strategic vision and demand management, leaving virtually all aspects of service delivery and fulfilment in the hands of managed service providers. Atos is KPN's top-level strategic partner for mobile services.

Making this radical change in structure and direction was not a decision that KPN took lightly. They realized it would not be possible to meet the necessary levels of speed, agility and responsiveness to customers without accessing additional specialist skills and innovation potential. Their goal was to make all key processes leaner and more streamlined, reducing cost to serve, delivering a better experience to customers and transforming cost base.

This was the challenge that KPN presented to Atos when the new strategy was implemented in 2012.

KPN's sourcing strategy has changed dramatically in order to align IT provision more closely with business goals. The aim was to streamline the IT landscape by reducing the number of systems integrators, while replacing legacy standalone systems for fixed line and mobile with a completely integrated approach to service provision.

In the mobile space Atos is the sole managed service provider, with KPN taking care of service supply in response to market demand. The aim was to improve service, reduce cost and achieve real competitive advantage through reduced total cost of ownership (TCO) and greater agility, enabling faster market response.

The new relationship between KPN and Atos is based on clear definitions of accountability and responsibility. Atos today is accountable for provisioning new services to customers at world-class speed and quality standards, while KPN is responsible for delivering the services, once Atos has set them up. In practice this leaves Atos in control of key management and administration areas, which includes providing the development platforms on which new and innovative customer services are developed and tested.

KPN's strategic vision is bold and aggressive, taking to market a new approach that aims for greater speed, lower cost to serve and a more customer-centric approach across a rapidly-converging, highly competitive communication world.

Building a strategic relationship

Working as a key strategic partner, Atos is now helping to transform service standards, customer satisfaction and cost efficiency, freeing KPN to become a more innovative and competitive player.

Under the terms of the managed service agreement, Atos takes full responsibility for setting up and aligning business management with innovative services. Customers, whether individuals or KPN enterprise partners, all gain real benefit from the added speed and responsiveness that Atos brings to service delivery.

Within the Atos Managed Service Model, Atos is fully responsible for business critical Business Support Systems (BSS) processes, managing the customer experience from set up to delivery, while being accountable for the smooth running of processes and process chains, end to end. The model operates on four levels:

End-to-end service integration: managing business process chains, including third party involvement; service management, which also involves proactive monitoring and remediation; architecture management; and business project support, covering new service development and release to the market.

Application Management: including technical management (covering existing applications, upgrades and deployment); application maintenance; with continued development of legacy business applications for mobile.

Infrastructure management: covering management of all core system elements, including servers, storage, network and database.

Data Center housing: managing operations for KPN's infrastructure as it relates to mobile operations.

The result is a low-risk, high efficiency, integrated framework for efficiently managing all aspects of current services, while making it faster and easier to develop innovative new services. This approach is not only based on well-understood IT Service Level Agreements but also on true business-related Key Performance Indicators. The quality of Atos service is measured, therefore, in business outcomes, and costed accordingly. Failure to meet business KPIs leads to a credit to the client, and this ensures that Atos is absolutely tied-into the true competitive performance of KPN in the marketplace - a quite new way of defining and measuring our business partnership.

Service delivery and management comes in many different forms. For individual customers this relates to the need for a new service or significant service change (like acquisition of a new handset) to be actioned as fast as possible. Today, Atos makes it possible for customers to buy a handset and have it connected and running within three minutes. This is a level of speed and integrated process efficiency that could never have been possible until the recent past.

The Atos Managed Service Model is vertically and horizontally integrated, ensuring dynamic and scalable provision of IT resources to support each new development, without ever losing a single-minded focus on customer satisfaction, based on delivered quality of service. The engagement between Atos and KPN has also led to significant service innovations, some of which are now being taken to other players in very different market sectors.

The role of business process chains

To deliver one service to customers, a chain of different applications is required. To set up a new account or to change a handset, for example, involves a number of different applications, each of which needs to connect with the others to ensure a seamless and rapid flow of data and actions across the interconnected chain.

To meet the increasingly tough requirements for speed and accuracy in handling these processes, Atos quickly realized that it is necessary to take a comprehensive and holistic view of all IT requirements needed to deliver the right service outcomes. In this way, we build up a clear picture of the complete process chain: that is, every process and process stage relevant to a particular service action.

In order to manage service to any one of KPN's millions of customers, a range of process chains need to be managed, monitored and integrated. They include:

- ▶ Fulfillment (opening an account, acquiring a handset, allocating a number, connecting the handset to the network, ensuring that all account data has been gathered, setting up the necessary client records)
- ▶ Customer service (covering the store network, contact centers, online service management and data management- including needs and usage analysis)
- ▶ Billing (monitoring usage, applying appropriate rules based on the customer agreement, raising accurate invoices, following up on discrepancies or non-payment).

As more customers start to download mobile data or even subscribe to TV on demand services, so the complexity of the chains involved increases and the need for advanced techniques for chain management grows, as well.

The vital importance of Business Process Chain management within the Telecommunications sector, and for KPN in particular, led Atos to develop one of our most important service innovations: The Bridge- arguably the world's most advanced proactive monitoring service. The Bridge is a true three-dimensional command center, based in our Indian business hub, which scrutinizes operations across all business process chains, every minute of every hour of every day.

The Bridge makes the normal, reactive help-desk approach to service support obsolete, because our proactive vision enables us to spot potential issues before they turn into problems, right across the chain (including third party networks). The Bridge cuts down the number of incidents, reduces the need for head count and radically improves the customer experience by reducing service failures. The combination of Business Process Chains and Bridge Proactive Monitoring is having a transformational effect on wider service standards inside the KPN business, and is providing a reusable technique that can be taken to many other verticals.

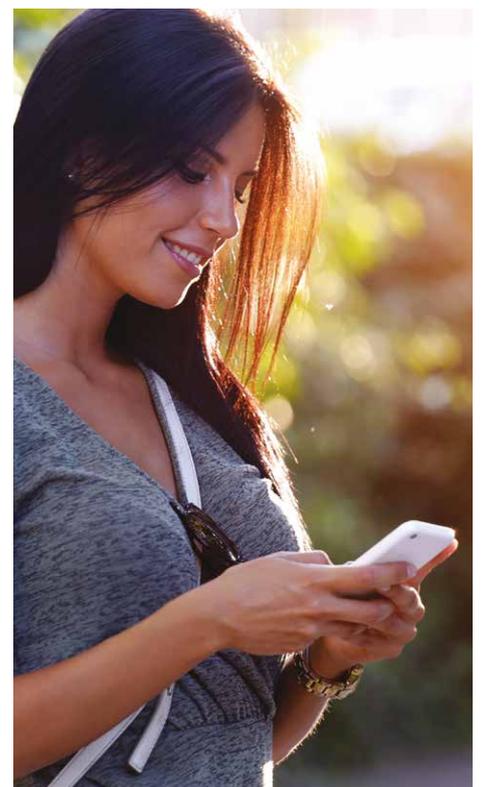
The positive impact of the Atos approach on KPN's business is a matter of public record. Customers can now use their handset within three minutes of leaving a shop, while service outages in shops and contact centers must not exceed three hours each month. Order time in shops or via contact centers must be kept to 10 minutes, while major incidents across the network have been greatly reduced. 80% of incidents are now resolved within two days and less than 5% of requested service changes will be delayed due to lack of resources.

These already excellent standards are being improved all the time, with the key indicator always being customer satisfaction (which must never drop below 7 out of 10 and is moving up all the time).

Delivering true competitive advantage

KPN recognized the changing nature of the telecommunications market early, as a result of the very costly 3G auctions that took place across Europe in 2000. The cost base of the industry is changing all the time, while emerging technology is driving demand for innovative new services higher and customer expectations for reliability and quality of services to sometimes unrealistic levels.

As strategic Managed Service Provider to KPN, Atos has made rapid progress in developing a new approach to leaner, faster, more integrated service management. Now KPN is able to focus on service innovation, knowing that the IT environment will be able to support their ideas, and that the Atos approach to Business Process Chains and proactive monitoring through The Bridge will keep service standards at the highest level.



About Atos

Atos SE (Societas Europaea) is an international information technology services company with 2013 annual revenue of €8.6 billion and 76,300 employees in 52 countries. Serving a global client base, it delivers IT services in 3 domains, Consulting & Technology Services, Systems Integration and Managed Services & BPO, and transactional services through Worldline. With its deep technology expertise and industry knowledge, it works with clients across the following market sectors: Manufacturing, Retail & Services; Public sector, Healthcare & Transports; Financial Services; Telco, Media & Utilities.

Atos is focused on business technology that powers progress and helps organizations to create their firm of the future. It is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and is quoted on the NYSE Euronext Paris market. Atos operates under the brands Atos, Atos Consulting & Technology Services, Worldline and Atos Worldgrid.

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