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ADOPTING AN ENTERPRISE PRODUCT CATALOG— MITIGATING THE RISKS

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EXECUTIVE SUMMARY

Significant emerging market forces are driving wireless, wireline, cable and satellite operators to rethink the way they roll out and manage their products. Product management transformation is inevitable; specifically, adopting an enterprise product catalog is critical. But how best to manage the risks and maximize the return on investment of what is sure to be a complex, organizationally challenging project? This paper outlines why it's important to centralize the product catalog now, and what service providers can do to minimize the adoption risks and ensure success.

THE NEED FOR A PRODUCT MANAGEMENT TRANSFORMATION

In today's market, service providers are faced with four fundamental forces that are driving change in their traditional business models: convergence, consolidation, competition and the customer, also known as the four Cs. These forces are changing the way providers do business and are creating new requirements that are compelling them to rethink their product management strategies.

Convergence – Service providers must be able to support offers based on convergent technologies that bundle different products from different lines of business. This involves leveraging product data that exists within silos across lines of business, applications and partners. For example, many service providers today offer multiplay bundles. In a siloed environment, bringing such offers to market is slowed by the struggle to bundle products scattered across systems and catalogs. In addition, with the growth of convergent technologies like IMS and WiMax, service providers must be equipped to not only support their existing offers, but also be prepared to deliver the unknown products and services of the future—at a faster rate of innovation. And, even as offers become more complex, service providers must still be able to ensure the integrity of the service and the device used to access it.

Consolidation – With ongoing consolidation in the communications market, service providers must strive to offer customers multiple services and offers under one brand. Unfortunately, consolidation often brings more new silos to the siloed environment many service providers already have. Following acquisitions, they find themselves struggling to make sense of a myriad of disconnected product catalogs across both functional domains and lines of business. In fact, it's not unheard of for large-scale service providers to have more than 150 product catalogs! Adding to the problem is the fact that each catalog often contains different variations of the same product, but requires vastly different methods for adding and updating product definitions. The result is a product management approach characterized by poor resource utilization, product data synchronization errors and manual business processes, all of which impede offer innovation and time to market.

Competition – Service providers are operating in an ever-changing competitive landscape, requiring them to keep their finger on the pulse of the market, and constantly create innovative, personalized offers and adapt to new business models and partnerships. Service providers must have the agility to modify existing offers and bring a high volume of new services to market quickly and more cost-effectively than ever before.

Customer – Customers are seeking innovative new products, and want a simple, seamless experience when consuming them. This includes ordering any service they choose any time, anywhere, via any channel: through their provider's self-service portal on the web or on their mobile phone, by visiting a store or by calling in to the company's contact center. Furthermore, they want their experiences to be highly personalized and error-free with access to consistent and up-to-date offer information across all touchpoints.

THE FOUR Cs: DRIVING NEW PRODUCT MANAGEMENT REQUIREMENTS



MANAGING COMPLEXITY: THE NEED FOR AN ENTERPRISE PRODUCT CATALOG STRATEGY

To effectively address the four Cs, service providers must transform their product management strategies with a focus on rationalizing their product catalogs and supporting business processes. This can only be achieved by adopting an enterprise or centralized product catalog. With an enterprise product catalog approach, service providers can consolidate all of their product information in a master data repository. In turn, they can more effectively manage their offers, speed time to market and unlock the profit potential of their product assets.

BENEFITS OF AN ENTERPRISE PRODUCT CATALOG

Removes The Barriers To Product Innovation

- > **Creates a cooperative and collaborative product management environment.** An enterprise product catalog allows different groups across the organization to actively take part in the product management process. For example, with an enterprise product catalog, a product manager can make updates without having to await the availability of IT resources. Also, with product information stored in one central place, an enterprise product catalog provides a complete 360-degree view of all products with a single point of entry for all product management activities.
- > **Flexible offer creation and product modeling.** An enterprise product catalog makes it easy for product managers to create innovative new offers by reusing existing product components that already exist in the database instead of having to create redundant components. It also enables flexible product modeling, as all necessary information is stored in one repository.

Empowers More Agile Product Strategies

- > **Creates a single product data master.** Replicating product data like pricing and equipment across company silos creates redundancies and bottlenecks. A consolidated master streamlines operations and improves agility.
- > **Integrates product data, business processes and IT investments across both legacy and new systems.** Integrating centralized product data with other systems and processes speeds time to market and yields greater ability to respond nimbly to competitive offers.

Enables Delivery of an *Intentional Customer Experience*[™]

- > **Improves the purchase experience.** By making accurate and consistent product data readily available across all channels, the enterprise product catalog enables providers to give customers an on-purpose (not haphazard or random) experience when purchasing products. It is more likely to be an experience that is simple and seamless, and one customers are more inclined to repeat.
- > **Fuels innovation.** An enterprise product catalog is essential to service providers' ability to create, deploy and modify the innovative product and pricing offers customers demand.

"The importance of the product catalog cannot be overstated. It determines what the operator can sell, to whom, for how much and under what terms. It is a key factor in determining how quickly an operator can define new products and respond to competitive offerings. It is where operators differentiate themselves. It is a fundamental execution element behind the operator's product and market strategy."

DR. MATTHEW LUCAS, VICE PRESIDENT, TELESTRATEGIES

ADOPTING AN ENTERPRISE PRODUCT CATALOG: THE RISKS & CHALLENGES

The benefits of taking a more unified approach to managing product information and the business value that an enterprise product catalog can deliver are clear. However, adopting an enterprise product strategy is a complex undertaking and of course, there are the adoption risks involved. These include:

- > Defining a common product data model that can support all existing and future services as well as all applications in the service providers' business and operational support systems (BSS and OSS)
- > Consolidating and managing potentially thousands of products within a centralized repository
- > Integrating multiple product catalogs across lines of business and applications
- > Identifying a unified, enterprise-wide product management business process
- > Gaining organizational alignment and managing change across the enterprise
- > Managing potential business disruption and costs incurred as a result of adopting an enterprise product catalog

ADOPTING AN ENTERPRISE PRODUCT CATALOG 101

To successfully adopt an enterprise product catalog, service providers require a strategy that mitigates risk and ensures current business performance. The elements of any adoption strategy should include:

Defining a Clear, Comprehensive Integration Roadmap

Providers' product catalog migration roadmap must be defined at the start. Mapping the migration involves deciding what data from which catalogs for which lines of business and applications will be migrated into the enterprise product catalog, how and when.

To minimize the risk of business disruption, it is wise to start small. Prioritize and order product data migration using hierarchies of data divisions, migrating discrete portions of data at a time. For example, data can be divided according to line of business. Ideally, either new lines of business or those that do not have multiple interfaces with other services whose data is more isolated from other product information should be migrated first. This data can be further divided by customer segment. For example, offers for corporate customers could be integrated first, leaving consumer products for a later phase. Another criterion that can be used to divide product data is setting the order of migration according to systems or applications. Migrate product data within billing and ordering applications first, and leave CRM for a subsequent phase. The key consideration here should be data dependencies: start with product data from applications that are more isolated versus data that spans multiple applications.

Identifying Integration Methods

There are several methods that can be used to integrate existing product catalogs and the enterprise product catalog:

Consolidation – The existing catalog is consolidated into the enterprise product catalog

Co-existence – The existing catalog remains active but retrieves information from the enterprise product catalog

Transactional – The enterprise product catalog only serves as a pipe to the existing catalog, delivering the necessary product information

The type of integration method used may vary by product catalog depending on its structure and type of information it contains. For example, a co-existence strategy could be used for a legacy billing system so that it retains its product catalog and creates a replica of common data in the enterprise product catalog. Whereas a consolidation approach is often taken with online ordering systems where catalogs are retired and the ordering systems query the enterprise product catalog for product information.

When determining the integration method to be used for each catalog, considerations should be given to:

- > Who uses the information?
- > How often is it updated?
- > How is the information shared between product catalogs, and how will the information be used by the enterprise product catalog?
- > Which legacy systems require integration and how flexible are they?

Developing a Common Data Model

It is critical to review the current product structure and models in the different catalogs, and try to define a new model that can be used across existing and future components. The ideal model is a flexible, reusable structure that will allow a “cleaner” information hub, but there are different views on what is the right common model. At one end of the spectrum: one model for all product information for all services and applications. This creates the cleanest, most “common” product model, but requires lengthy analysis to build. The other extreme: leaving product information from different catalogs “as-is,” not trying to find commonalities, and only pasting it all together in the enterprise product catalog. Although it takes the least time to build, this data model is highly inefficient as it clutters the centralized catalog with many inconsistent and potentially redundant data definitions.

A more reasonable approach is a canonical data model, which unifies and makes consistent common product information across different applications. For example, in a canonical data model, the name for a specific product is a key identifier that would be consistent across all applications. In an environment of multiple catalogs across applications, the same product might be named differently in different catalogs. With a canonical data model, a consistent product name becomes part of the shared product information across applications, however, some of the specific application data may be left as-is in different system catalogs. A canonical data model is ideal as it does not require a significant resource drain on the service provider to create and it provides the flexibility to easily support current as well as future products. Another advantage of this data model is that it frees a service provider's product managers to focus on creating innovative products and offers rather than expending valuable resources trying to create offers within the confined parameters of a restrictive data model.

Analyzing and Scrubbing Product Lists

Product and product components might be redundant in the same catalog or across multiple catalogs. For example, the same product might be input in the product list in the same catalog several times under different names as part of different offers or bundles. This exponentially increases the product list and volume of data, in turn increasing maintenance costs. In the initial phase of any adoption project, conduct a comprehensive analysis to eliminate as many product list and data inconsistencies and duplications as possible.

Finding an Executive Sponsor

For the adoption of an enterprise product catalog to be successful, executive sponsorship and commitment is critical. Individual departments responsible for specific catalogs might not see the long-term benefits of evolving to an enterprise product catalog, especially if it has near-term impacts on their day-to-day work environment. Executive-level sponsorship provides the management direction and guidance to ensure that all groups work cooperatively and contribute to the adoption process. It is critical that each organization understands the benefits of an enterprise product catalog and the key role it will play in ensuring optimum, profitable operations.

Measuring Success

A detailed business case should be built prior to the start of an adoption project. Building the business case itself forces project stakeholders to articulate and formalize the integration roadmap, adoption strategy and approach. Careful consideration should also be given to measuring the project's progress, including key performance metrics that will be used to show that the enterprise product catalog is achieving the goals set out in the business case, such as lower costs, faster time to market for new offers, etc. Ongoing measurement throughout the various phases of the adoption process will help to build and maintain buy-in from different stakeholders in the organization. It will also help to gauge the success of the project throughout its lifetime, revealing opportunities to make adjustments along the way.

Getting Help

Adopting an enterprise product catalog is a complex project that can greatly benefit from specialized expertise and applied best practices. Working with a partner that is experienced in product management transformation and familiar with the unique requirements for building an enterprise product catalog can maximize return on investment (ROI) and minimize business risk. The ideal transformation partner provides:

- > A holistic view of the product management lifecycle and path to transformation
- > The ability to address the people, process and technology barriers to change
- > Proven experience in enterprise product catalog projects with specific communications-industry expertise

Amdocs, the leading provider of software and services to enable integrated customer management and the *intentional customer experience*[™], is uniquely positioned to help service providers realize a successful, low-risk enterprise product catalog adoption. Amdocs' leading Enterprise Product Catalog has been selected by top-tier service providers to enable their product management transformation. Leveraging this success and more than 25 years of experience in the communications industry, Amdocs also provides the required consulting expertise to help service providers identify their optimal path to a successful enterprise product catalog strategy.

SUMMARY

With competition, convergence, consolidation and customer pressures intensifying, service providers need to transform their product management strategies now. Adopting an enterprise product catalog is key to this transformation. Are there challenges and risks? Of course. But success can be ensured through a well-thought-out adoption plan that includes developing a common data model, deciding on an integration roadmap and methodologies, gaining executive sponsorship, and enlisting the help of a transformation partner that has proven, communications-specific expertise in enterprise product catalog strategies. A trusted partner like Amdocs can bring a deep understanding of the migration risks and insight into mitigating them and maximizing ROI, while also providing guidance on how to build organizational alignment and support.

To find out more about how Amdocs can help enable your product management transformation and ensure a successful enterprise product catalog strategy, please visit us at www.amdocs.com or contact your Amdocs account executive.