

## Metrics and benchmarking identify improvements

**Summary:** Cosmote became the largest mobile network operator in Greece, although it was the third to enter the market, taking the number one slot just three and a half years after its launch. In July 2010, Cosmote had 8.5 million customers and a market share of about 46.77 percent. The company wanted to maintain its lead and continue to innovate, so it opted to continuously monitor some 1,000 procedures to improve its underlying processes and operational efficiency. It chose to use TM Forum's Business Metrics and Business Benchmarking Program in the interests of speed without risk. Cosmote has reaped big business benefits, taking, on average, a day less to handle merchandise sales orders and service activation, and three days fewer, overall, in managing requisitions, among other efficiencies.

Cosmote also has operations in Albania, Bulgaria and Romania, but in particular it wanted to improve its key business processes in its biggest market, Greece. It adopted TM Forum's Business Metrics to do so, then mapped the metrics to the Business Process Framework (eTOM).

Cosmote concluded that it needed to monitor its business continuously, rather than depend on occasional studies, to identify and adjust processes to make its operations more efficient. It had more than 1,000 procedures in many different, complex areas and wanted an holistic view of them so that it could make well-informed decisions about where to take action.

The company chose the Forum's Business Metrics because they had been developed collaboratively by the communications industry for the industry, and could be deployed quickly and without risk. It also participated in the Business Benchmarking Program to measure itself against industry performance norms in key areas, to help it make better business and investment decisions.

In addition, our Business Metrics and participation in the Forum's Business Benchmarking Program are free to service providers who are member of the Forum.

The core objectives of the project were to identify, measure and monitor the most important business metrics. It sought to align most of Cosmote's formal key performance indicators (KPIs) with the Business Process Framework's processes and

highlight the areas that could be improved. The company also wanted to find out where its strengths were and see how they could be built on, in part by benchmarking its KPIs against its peers, using the Forum's Business Benchmarking Program (see panel).

To achieve these goals, Cosmote created cross-functional committees for each Forum Business Metric domain (Revenue & Margin, Customer Experience and Operational Efficiency). They were tasked with identifying areas where problems were surfacing and to find ways of breaking down barriers within the organization to the adoption of the Forum's Business Metrics.

A committee was charged with aligning Cosmote's formal KPIs with the standard Business Metrics and defining them in terms of Level 3 and Level 4 Business Process Framework elements (see panel on page 14). New metrics were created where necessary. It was also important to make sure the 'owners' of the metrics were aligned with the process owners.

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As a result of the committee's work, Cosmote implemented KPIs for a number of customer-facing areas covered by the Business Process Framework:

- customer interface management;
- corporate customer fulfillment (order handling, service configuration and activation, merchandise invoicing);
- problem handling (corporate only); and
- supplier requisition management.

This led to specific improvements per meta-process. In fulfillment, new activation times were reduced by an average of one day, and the time taken to handle merchandise sales orders was also cut by one day on average.

Problem handling improved when analysis of the metrics were used to construct operational level agreements between organizations.

Overall supplier requisition management now takes three days fewer on average, while supplier requisition management (from the date of creating the sourcing purchase requisition to the payments received approval date) fell by an average of six days. A new corporate customer order system reduced the time between customer order creation and goods dispatch.

In addition, the handling of supporting documentation became more efficient and Cosmote was able to provide better customer experience through the introduction of more rigorous processes.

Committee members were also asked to suggest how improvements could be made to the Forum's Business Metrics team, in the spirit of collaboration, which is at the heart of all the Forum's activities. They are also exploring whether to implement other Forum standards, such as the Application Framework (TAM).

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## TM Forum Business Benchmarking

Understanding the performance of your business is a critical aspect of managing transformation. Knowing how you compare to the industry norm in key operational areas, such as web self-service or new mobile services, will guide your transformation investment. TM Forum's Business Metrics, mapped to the Business Process Framework, provide a way for you to measure success based on an holistic and balanced scorecard.

The scorecard covers:

- revenue and margin, which provides a view of fiscal performance;
- customer experience for measuring the impact of customers' reaction to service offerings; and
- operational efficiency, which can be improved by gaining visibility of cost and expense drivers.

More than 170 service providers from over 65 countries use TM Forum Business Metrics and Business Benchmarking performance data to facilitate business decision-making, assess the health of aspects of the business, discover problems and drive improvements, and to support business cases and budgeting.

It also enables you to track your business performance against best-in-class peers worldwide.

In October, TM Forum unveiled the next stage of its Business Metrics Automation program, launching the Business Metrics Automation Certification program.

Solutions conforming to the new certification provide data for industry standard metrics, ensuring consistent, 'apples-to-apples' comparisons for benchmarking studies and internal dashboards. It allows service providers to reduce costs by automating the manual data collection process.

Certified products can interact securely with the TM Forum Business Benchmarking database.

To learn more, please visit [www.tmforum.org/Benchmarking](http://www.tmforum.org/Benchmarking) or contact Tonia Graham, Program Manager, TM Forum Executive Decision Support Program, via [tgraham@tmforum.org](mailto:tgraham@tmforum.org)