



## EFFICIENCY GAINS

With the global economic slowdown sapping confidence and leading many telecom companies to re-assess headcounts and the need for costly technology deployments, Dr. Wassef Masri, CEO and telecom sector head of systems integrator Optimiza Jordan, tells *CommsMEA* how regional operators – and particularly incumbents – can use tools such as workforce management and customer relationship management to improve efficiency and reduce churn.

### COMMSMEA: WHAT EXACTLY IS 'WORKFORCE MANAGEMENT'?

*Dr. Wassef Masri:* It's about efficient operation of the workforce to cut costs and provide better efficiency and service for customers. Sometimes it means cutting the workforce because it means better use of staff, which results in a smaller workforce. Workforce management is important for savings.

### COMMSMEA: DO SOME OPERATORS SIMPLY HAVE TOO MANY STAFF?

*Dr. Wassef Masri:* Yes, and more so in the older operators. The incumbents may have inherited some structures that were semi-governmental, but the newer companies have managed to maintain leaner organisations. It is usually the technical divisions that have too many people.

### COMMSMEA: HOW MANY STAFF MIGHT BE SURPLUS TO REQUIREMENTS?

*Dr. Wassef Masri:* Up to 8000 staff in some operators. 40% to 50% of staff can be reduced in extreme cases. Some operators in the region are making reductions, especially now and in deregulated markets such as Jordan.

There is increased competition so they are reaching saturation in their markets and they are looking for more ways to cut costs, plus the growth in revenue and profits has leveled off, so they are resorting to reducing their workforce.

### COMMSMEA: HOW CAN CRM SYSTEMS BENEFIT OPERATORS? DO YOU THINK THERE IS A LACK OF UNDERSTANDING OF THESE SYSTEMS AMONG OPERATORS?

*Dr. Wassef Masri:* With heavy competition, telcos are looking for solutions to improve their performance and we are seeing an increased interest in CRM, and this is an area we can help them to improve customer retention. Implementing a CRM system is very important for controlling churn and maintaining customers.

It gives operators a very good indication about their clients, such as client trends and needs, and helps them develop better plans to retain their customers – especially their high ARPU customers. CRM is a good way to communicate as a one-to-one marketing tool with customers.

### COMMSMEA: ARE OPERATORS IN THE REGION FAILING TO IMPLEMENT CRM SYSTEMS PROPERLY?

*Dr. Wassef Masri:* CRM is a big concept and usually the tool itself is not enough. There is always a certain level of customer relationship management in any organisation, but the practice in itself is not mature in the region.

For many operators, even if they implement the tool, it does not mean that they are practicing CRM. It is an evolving practice that needs to be honed over time.

### COMMSMEA: WHAT MISTAKES ARE COMPANIES MAKING WITH THEIR CRM SYSTEM?

*Dr. Wassef Masri:* The classic mistake is implementing a system without having a culture and internal processes that allow you to communicate with your customer, such as segmenting the market, targeting the right customers, designing the right plans for retention, and analysing data that comes from the CRM.

### COMMSMEA: WHAT OTHER AREAS CAN OPERATORS LOOK AT TO INCREASE EFFICIENCY?

*Dr. Wassef Masri:* Many operators, particularly incumbents, face issues with network quality. We are now seeing more projects with technologies such as fibre-to-the-home and WiMAX, which are sometimes competing models, and it could unravel in the next year. The jury is out on which model will be most successful.

### COMMSMEA: HOW DO YOU THINK OPERATORS SHOULD RESPOND TO THIS CHALLENGE?

*Dr. Wassef Masri:* It is important for operators to understand the market and do the proper analysis to what the market needs and what services it needs.

The demand for new services that are delivered over fibre or WiMAX require proper demand analysis. Before launching these services or developing the infrastructure for them, operators should do the analysis and develop a sound understanding of the best business model.

Most companies in the region are implementing these new services, such as IPTV, and this is where there is a struggle between the incumbents who provide the traditional services and the new entrants who are trying to win over the market with the new technology.

It remains to be seen whether all these investments being made in technologies such as WiMAX and fibre-to-the-home will be justified.

### COMMSMEA: HOW DIFFICULT IS IT FOR OPERATORS TO PREDICT DEMAND FOR SERVICES AND TO ASSESS WHICH INFRASTRUCTURE WILL BE MOST SUITABLE?

*Dr. Wassef Masri:* The model that works for Europe does not necessarily work for this region and this region is still very young in terms of telco deregulation and trialing these different business models, so while fibre-to-the-home is standard in Europe, it is still new to this region, and the feasibility of this solution is to be tested. Helping companies decide which technology to use is a combination of technology and business consulting.

Before technology you need a good business model, and a good business model is always built on a thorough understanding of the market.