



TELECOM ITALIA

Second-largest telecommunications company in Europe.

Industry: Telecommunications

Geography: Europe, Middle East,
North Africa, South America

Deployment Summary

- New system consolidates customer-related applications from 52 to 26 by eliminating redundancies.
- Project integrates Siebel customer relationship management (CRM) applications with homegrown applications and billing applications from Portal and Kenan, enabling real-time information sharing across disparate systems.
- Accenture led two-month implementation of first project phase.

Benefits

- System integration enables better up sell and cross sell of bundled services to customers and reduces churn.
- The solution allows IT to unlock value from existing systems such as Siebel CRM.
- Ease of integration reduces need for costly customization, enhances IT efficiency, and reduces maintenance and development costs.



“No part of Telecom Italia can function in a competitive, profitable manner if it is isolated from sales, billing, and customer data. The TIBCO solution allows us to understand our customers and our own business. It helps us increase profitability by cross selling our services in a highly competitive, targeted manner.”

Nicola Carolla, e-business manager, Telecom Italia

Telecom Italia Gets in Touch with Customers and Profitability

When Telecom Italia became a private company after years as the Italian state-owned telecommunications monopoly, the newly deregulated company faced two challenges: compete against other telecommunications companies and turn a profit on a consistent basis. But to ensure profitability in the long run, the focus of Telecom Italia’s internal organization had to shift from marketing separate product lines to satisfying customer needs with integrated offerings – a move it viewed as essential to growing new revenues.

With 27 million telephone lines, Rome-based Telecom Italia is the market leader in Italy. In recent years, 4 million customers have subscribed to its Internet services, and Telecom Italia has become the largest GSM mobile phone service provider in Europe, with 21.6 million lines.

When the company added Internet and mobile services to its product line, it was still operating as a government organization and viewed the market from a monopolistic, product-centric point of view. The addition of data and wireless services created two new departments, each with its own provisioning, planning, sales, and billing systems. As a result, Telecom Italia operated three parallel

companies – an arrangement that not only was inefficient but also hindered the company’s ability to share customer data across organizations and cross sell services to existing customers. In fact, even as traffic volume increased by 27 percent in 1999 and 2000, revenue fell by 5.9 percent.

Application consolidation would enable Telecom Italia to obtain a complete view of customers and become more effective in selling integrated service offerings. That meant the company needed to integrate customer relationship data among many applications so that it could target customers with relevant cross-sell offers – and turn a profit.

“We must make every customer count, and the secret to that is selling across our product lines,” says Nicola Carolla, e-business manager at Telecom Italia. “The only way to do that is to bring customer information together.”

Unable to afford abandoning systems already in place, Telecom Italia needed an integration framework that could tap the strengths of best-of-breed and existing legacy applications – especially billing systems from Portal and Kenan, CRM software from Siebel, and the provisioning system from Sodalia and Telcordia.

Integration of Siebel is Essential

Telecom Italia needed to integrate its Siebel CRM applications because they formed the core of the company's provisioning and customer service operations. Siebel CRM applications represented not just a key set of tools, but a major investment. "We would not accept any application integration solution that could not completely leverage Siebel," Carolla says.

Telecom Italia had a long-standing relationship with Accenture, which helped build the company's original data and wireless support organizations. Because of TIBCO's long history in business integration, Telecom Italia selected TIBCO as the business integrator that could meet all of its integration requirements.

Speedy Integration Leads to Faster Profitability

IT integration often simplifies systems. In this case, TIBCO's business integration solution enabled Telecom Italia to reduce the number of homegrown legacy applications, CRM systems, and billing systems – from 52 to 26 – by eliminating redundancies in the separate organizations. This also lowered support and maintenance costs. Siebel CRM applications play a prominent role, handling 80 percent of all transactions. This capability allows Telecom Italia to leverage past customer relationships when building future business. The project also aims to improve billing efficiency by providing invoicing in 30 days for 99 percent of contracts and reducing invoice errors to less than one percent.

Accenture and TIBCO completed the first phase of the integration platform

installation at Telecom Italia in just two months. "TIBCO's integration solution was well suited for what we wanted to accomplish, which was to knock down walls between the systems that supported different product lines and share data between them," Carolla says. "We anticipated that we could save money and become more profitable, but the speed at which these solutions were implemented means we are making faster progress than we expected."

The transaction-handling speed of TIBCO's solution made Telecom Italia comfortable that the solution could scale to accommodate the company's projected growth. It met Telecom Italia's requirement for handling 3,000 to 5,000 service activations daily, or about 24 million network events – calls, connections, and voice mail messages – per day.

Integration First Targets Larger Customers

To set its customer-focused strategy into motion, Telecom Italia first focused efforts on business customers. Although smaller than the residential segment, the business customer segment generates more revenue for the company. Telecom Italia knew that if it lost business customers, it would lose a significant portion of its revenue. By the same token, if the company did not capitalize on the worth of its business customers, it would miss out on potential increases in revenue through cross selling to these accounts. year of implementation.

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Groundwork Provides Springboard for New Services

Now that the integration platform is in place, Telecom Italia can add new applications easily. Next, the company will use TIBCO's solution to enable monitoring of the resale of network capacity to other telecommunications providers. The TIBCO-powered system will also help Telecom Italia provision ADSL for business and home use – a service that Telecom Italia expects to boom in the near future. In fact, based on the success of the first TIBCO project, Telecom Italia has selected TIBCO to provide the standard infrastructure platform for its domestic wireline operation. As part of this project, TIBCO's solution will support nearly 28 million voice and data lines in Italy.



TIBCO Software Inc. (NASDAQ: TIBX) is a provider of infrastructure software for companies to use on-premise or as part of cloud computing environments. Whether it's optimizing claims, processing trades, cross-selling products based on real-time customer behavior, or averting a crisis before it happens, TIBCO provides companies the two-second advantage™ – the ability to capture the right information at the right time and act on it preemptively for a competitive advantage. More than 4,000 customers worldwide rely on TIBCO to manage information, decisions, processes and applications in real time. Learn more at www.tibco.com

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