



#### KPN TELECOM

A leading telecommunications company in the Netherlands with nearly 8 million fixed network customers and more than 14 million mobile customers.

**Industry:** Telecommunications  
**Geography:** Europe

#### Deployment Summary

- KPN deployed TIBCO's BPM software to automate all broadband/DSL customer requests and order processing.
- The solution integrates the new system with KPN's legacy applications.

#### Benefits

- The TIBCO-based solution reduced KPN's average time for order processing by 90 percent.
- KPN realized cost savings of between €150,000 and €200,000 a month due to the implementation.
- KPN estimates that the solution enabled a 95 percent reduction in errors, 80 percent order automation, and a 50 percent productivity improvement.



"One of the big benefits of working with TIBCO's BPM software is that by the end of the implementation, we knew exactly how our processes worked. In a company such as KPN, which has more than 29,000 employees, this gives us a huge competitive advantage."

**Jan Peter Speijer, Project Manager, KPN**

## KPN Prepares for Growth with TIBCO BPM Technology

With nearly 8 million fixed network customers, more than 14 million mobile customers, and more than 29,500 employees – 19,000 of whom work in the Netherlands – KPN is the clear market leader in telecommunications in the Netherlands.

In a similar position to BT in the UK, KPN is a wholesale provider of broadband/DSL. As the owner of the fixed line network in the Netherlands, it sells network capacity to other ISPs and telephone carriers.

KPN's core activities are providing telephony and data/IP services across its network to consumers and businesses in the Netherlands. In addition, KPN offers data/IP services in Western Europe through KPN EuroRings, its fiber-optic network in Europe, and mobile services across the Netherlands, Germany, and Belgium.

#### High demand requires change in systems

As in most other European countries, demand for broadband services in the Netherlands is growing at an extremely fast rate. This year alone, KPN expects to receive 600,000 new orders for broadband.

Two years ago, KPN anticipated the challenge of such high demand, realizing that if it did not update its system for managing customer requests and broadband orders, business would suffer. The existing system was entirely manual, so every order had to be produced in one system and passed to another by KPN employees. This process was proving to be very expensive and a waste of resources, especially since it was relatively straightforward.

As order levels continued to rise, KPN knew it had to act quickly to meet existing and future demand. Automating the broadband order process would enable KPN to satisfy demand quickly and efficiently. "The main driver was the expectancy of many more orders being processed through our systems," says Jan Peter Speijer, project manager at KPN. "We were simply unable to do that by hand."

#### KPN selects its BPM vendor

To prepare KPN for the growth in demand for broadband, the telecommunications provider began to search for a software vendor that could automate and improve KPN's customer order process.

However, the IT team working on the project was limited by not being able to change any legacy systems and having to manage an upgrade of its Oracle software and hardware platforms. System instability problems or any downtime during installation were simply not an option because they would have impacted heavily on the business and resulted in fines for errors from OPTA, the Dutch telecommunications regulator.

One of the vendors on KPN's short list was TIBCO Software Inc., a leading business process management (BPM) provider. The software vendor had previously worked with Contrado Technologies, a KPN subsidiary, to implement a local BPM solution. After evaluation, TIBCO's BPM software was considered to be the best choice for KPN.

"I'm delighted we chose TIBCO. The system is working well and is easy to use. We can now fully understand our business processes, which is very useful," says Speijer.

When KPN began working with TIBCO, the telecommunications provider was receiving approximately 10,000 new broadband orders every month – all processed manually. However, KPN expected these figures to increase at least threefold in the coming months, and the system needed to be in place and running by the start of a major marketing campaign.

In the required time frame, KPN implemented the TIBCO-based BPM solution to provide a robust platform for automating the customer order process.

Six months later, KPN deployed TIBCO's enhanced BPM engine, which can handle large volumes of transactions quickly and reliably.

With support from TIBCO, changes to the KPN system were implemented in less than two days. TIBCO's solution enabled KPN to address the ever-increasing number of orders for broadband with minimal disruption. "During the holiday season, we saw orders of 100,000 a month as customers bought broadband as Christmas presents," explains Speijer. "Using the old method, we would have required ten times as many staff, but there would actually have been no room for them because we would have needed ten times as many computers."

#### Automation helps KPN save money

KPN previously processed customer orders within two days. Now, it processes approximately 80 percent of orders automatically – and turns around most orders within two hours.

KPN has saved significantly, both in terms of time and money. "Before, we processed about eight orders an hour by hand," says Speijer "Now, the average time has been reduced by 90 percent." In addition, KPN is saving between €150,000 and €200,000 a month. This is excluding the additional profits KPN is making from the extra orders now being submitted. KPN has been able to generate these cost savings without reducing internal headcount. A full return on investment (ROI) is expected within a year of implementation.

On a practical level, KPN has learned a lot more about its business and how it operates. "Now we actually know exactly how our customer order process works," explains Speijer. "In a company such as KPN, which has more than 29,000 employees, there are a lot of processes and no one really knows what all these are. Everyone has a different way to do things, which adds more problems."

It is much easier now to implement changes in business processes using the new BPM software. Using the previous legacy system, it took KPN between four and six weeks to make any changes; now, any problems in the processes can be fixed in two weeks.

#### KPN implements BPM in other groups

The success of the project has led KPN to assess whether it can apply TIBCO's BPM software to other parts of the business. As a result, the telecommunications provider has recently embarked on Project Malt, which will see KPN apply TIBCO's solution to improve the way it processes customer orders for regular telephone lines such as ISDN lines.

Given that KPN handles more than 700,000 telephone line orders a year, the carrier expects to generate far greater savings than it is currently experiencing in broadband customer orders.



**TIBCO Software Inc.** (NASDAQ: TIBX) is the leading independent business integration software company in the world and a leading enabler of real-time business, helping companies become more cost-effective, more agile and more efficient. TIBCO has delivered the value of real-time business, what TIBCO calls The Power of Now®, to thousands of customers around the world and in a wide variety of industries.

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