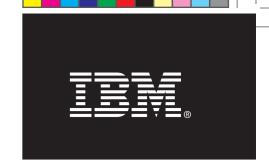# IBM WebSphere helps Globe Telecom ring in new levels of innovation, unprecedented product-to-market times and lower costs

Overview

- **Challenge**
  As a research-intensive institution In the highly-competitive Philippines mobile telecommunications environment, Globe Telecom needed to set itself apart by slashing its product-to-market time, reducing new product development costs to protect margins, and sparking innovation through better collaboration across different lines of business.

- **Solution**
  Globe Telecom implemented IBM WebSphere Business Process Management platform – including WebSphere Process Server, WebSphere Enterprise Service Bus, IBM Telecoms Operation Pack and WebSphere Telecoms Web Services Server.

- **Key Benefits**
  - *The solution has helped shorten time-to-market for new products from an average of six months to 40 days.*
  - *Product development costs have been reduced by up to 90%, allowing Globe Telecom to improve margins and significantly reduce financial risks of new product launches.*
  - *With greater information sharing, insight and collaboration, Globe Telecom can better segment customers for more targeted offers.*

Globe Telecom – enriching everyday communications

Globe Telecom, Inc., commonly known as Globe, is the one of the leading telecommunications company in the Philippines, providing a diversified set of fixed-line and mobile telecommunications services to its 26 million subscribers country-wide.

With a strong reputation for delivering top-notch customer service and innovative products, Globe has revolutionised the mobile telephony market with value-added services such as GCASH - a cashless, cardless method of money transfer via text messaging - and Share-A-Load - where mobile phone credits can be transferred to other users through SMS.

Staying ahead of the mobile curve

In the Philippines, telecom consumption is an essential part of daily life and is regarded as a necessity rather than discretionary spend. With over 300

million text messages sent a year, the Philippines market is second only to China for the highest volume of text messages in the world. Prepaid services are the preferred choice for most Philippines citizens, with only four percent of users opting for post-paid services.

In recent years the Philippines mobile landscape has matured from its heady days of exponential growth to one that is now seeing moderate growth and an increasingly discerning customer base. Intense competition from other major mobile telecommunications providers have also led to higher churn rates. This, combined with high market penetration, a sluggish economy and low GDP have contributed to declining average revenue per user (ARPU) and growing pressure on profit margins.

"In order to maintain our position as a leading telecommunications provider in the Philippines, we need to continually

deliver new and innovative mobile services to retain the loyalty of our subscriber base and to win new ones while keeping costs in check," explained Mr. Mario Domingo, Head of Product Design & Creation, Product & Service Delivery Group, Globe Telecom. "Yet, the inflexibility of our existing infrastructure meant that it took us up to 30 weeks to design and launch a new offering, putting us at a distinct disadvantage in a fast-moving mobile market with high opportunity costs."

The inflexibility of Globe's mobile network services architecture grew over time as IT managers added more point products into an increasingly complex maze of information silos in order to address new requirements from different lines of business. The challenge was underscored by the fact that product development costs had also escalated to six figures, which raised the financial risk of Globe's product portfolio. "Innovation can result in successes as well as failures. That's why we need to ensure that the cost of new product development is kept as low as possible, and our ability to innovate successfully is sharpened," said Domingo. "If we think of product development like a game of baseball, we have to raise both our swing speed – our speed-to-market – as well as our batting average, in order to attain more successful hits."

Globe had set itself ambitious targets of reducing its product-to-market time to 40 days, doubling its product subscription rate, and reducing the costs of development by at least 60 percent. "Our ability to achieve these goals was hampered by the need to work through a complicated mesh of software and hardware," explained Domingo. "We needed to transform the way our infrastructure worked into one that would allow various lines of business to collaborate more effectively, and to more closely align IT with business requirements. To achieve this, we would need to visualize our service delivery architecture as a series of business processes rather than technical components."

IBM Service Provider Delivery Environment and WebSphere

Globe embarked on a multiphase transformational initiative to reduce time-to-market for the development, collaboration and launch of new, innovative services. The company turned to IBM to provide a Service Provider Delivery Environment (SPDE), based on service-oriented architecture (SOA) principles, which incorporates open IT and telecom industry standards, including Next Generation Operational Support Systems (NGOSS).

"We saw SPDE as the blueprint that would provide Globe with horizontal integration across our key business functions. It gave us a strong foundation for standards like Web 2.0, ITIL and NGOSS, so that Globe's infrastructure could easily adapt and scale to handle industry evolution and web convergence," said Domingo.

At the heart of Globe's SPDE are IBM WebSphere Business Process Management (BPM) platform – including WebSphere Process Server, WebSphere Business Services Fabric, IBM Telecoms Operations Content Pack, and WebSphere Telecoms Web Services Server – which provide Globe with flexible application integration and connectivity to allow information to flow freely across processes, fostering collaboration, insight and cost-effective re-use of data and knowledge.

Because an SOA maps IT services to business goals, it encourages the examination of business and IT processes and tends to make them more rational by minimizing redundant or inefficient tasks. However, this also means significant change for Globe, both in terms of the underlying architecture, as well as the behaviour of IT and business units.

"An SPDE implementation requires a big shift in the way we work across the entire business, and sudden changes can be hard for the organisation to handle all at once. This is where IBM's experience and expertise really came through," said Domingo. "The IBM team helped us to define our key business needs, map our journey into a sequence of projects that could deliver immediate results, and help establish adoption and buy-in from the rest of the company."

IBM's industry experience, with proven deployments for leading service providers around the world, were incorporated into the SPDE in key focus areas that defined not only software, but also the best practices and services needed to bridge the gap between Globe's business and IT requirements. Instrumental in the fulfillment of IBM WebSphere solutions was IBM business partner Fritz and Macziol. The winner of IBM's 2009 Beacon Award, Fritz and Macziol helped to ensure the timely delivery of the solution to meet Globe's objectives.

A world-class infrastructure for a world-class institution

The first phase of the SPDE deployment has already delivered results beyond Globe's original expectations. Globe has reduced its time-to-market for new mobile services by more than 80 percent, allowing Globe to create and deliver services and campaigns for its customers faster than ever before.

"Thanks to IBM WebSphere, we were able to launch our first new service offering in two and half weeks, instead of the usual six months," said Domingo. "Since then, we have gone on to achieve unprecedented levels of project turnaround times. What's more, the cost of each new product development project has been slashed by up to 90 percent!"

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Another success has been the automation of processes across the mobile services lifecycle. For instance, in order to subscribe to a prepaid card service, approximately 800 process events – such as verification, consolidation, and order billing – needed to take place over a period of several weeks before Globe's resellers were paid under the old infrastructure. The new WebSphere-enabled architecture has simplified, automated and optimized the bulk of these processes, slashing the cost of processing new subscriptions by up to 40 percent, and reducing the time-to-payment to merely a few days. Domingo said, "Not only has this translated to great ROI for Globe, it also positions our company as the preferred partner for resellers in the Philippines market. Many resellers are small businesses which depend on a constant cash flow to keep their businesses afloat. Our ability to significantly shorten the time it takes us to pay them is a tremendous benefit to them."

Globe's integrated infrastructure has also led to stronger business intelligence capabilities, which have in turn enabled the company to maximize the value of its customer relationships through better cross-selling and market segmentation. For example, Globe's data analysis has shown that mobile roaming visitors to the Philippines tend to use voice-over-IP (VOIP) services to make outbound calls. With Globe's newfound capabilities, its network can now automatically generate text messages to these customers, offering free Wi-Fi services in return for purchasing prepaid cards during their stay to tap into this underexploited market.

A smarter future for mobile telephony in the Philippines
The next step is to further enhance Globe's business intelligence and analytics capabilities by deploying IBM Information Management software, supplemented with IBM WebSphere ILOG Business Rules Management Systems (BRMS).

"The ability to better understand and micro-segment our customers is the key to greater success," said Domingo. "By infusing advanced business intelligence, smarter analytics, and automated business rules into the SPDE, we will be able to rapidly analyse and accurately predict customer behaviour, and make more relevant cross-selling offers to them in order to boost service take-up rates and revenue."

"The SPDE framework has opened up a new world of integration and product development options. It supports our go-to-market strategies and brings us closer to our goal of becoming a stronger and more focused player in the Philippines market," said Domingo. "We look forward to working strategically with IBM to completing the next phase of its development."

For more information
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To learn more about IBM Websphere, visit: **ibm.com/software/websphere**.

For more about Globe Telecom, visit: **www.globe.com.ph**.