

Pegaso emerges as cellular contender with IBM solution.

Overview

- **Challenge**
Integrate disparate business systems into a customer relationship management (CRM) interface to provide customers who use wireless devices with Web self-service capabilities
- **Solution**
Medusa, a common Web- and WAP-enabled interface designed to serve customers efficiently
- **Why IBM**
Familiarity with robust transaction server, IBM TXSeries™; ability of WebSphere® software from IBM to provide high-performance, scalable integration infrastructure
- **Key Business Benefits**
Cost reductions by implementing online prepay provisioning and reducing the use of phone cards and authorization center; rapid growth to 1 million customers in 3 years; increased revenue from customized marketing campaigns



Pegaso recently captured 5.5 percent of the Mexican cellular market when it acquired its 1 millionth customer.

Several years of double- and triple-digit growth have turned the Mexican wireless telecommunications market into a focal point for worldwide investment and competition. One of the newest contenders in the industry, Pegaso PCS, has quickly become Mexico's fourth-largest wireless services provider. Out of Mexico's 18 million wireless customers, Pegaso has consolidated a subscriber base of 1 million in Mexico City, Tijuana, Guadalajara and Monterrey.

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– Miguel Angel Ceballos, Senior Manager, Technical Support and Operations, Pegaso PCS

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Key Components

Software

- IBM WebSphere Application Server, Enterprise Edition, Version 3.5
- IBM WebSphere MQ, Version 5.2
- IBM VisualAge® for Java™, Version 3.5
- IBM Encina®, Version 4.3
- IBM DCE, Version 2.0

Servers

- IBM RS/6000®
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To increase its market share, Pegaso depends on innovative technology, including its fully digital CDMA (code division multiple access) network, which offers better quality sound and more privacy than competing network technologies. However, at its inception, Pegaso's billing, retail and financial systems were not integrated with one another or with its customer-facing applications. Customers were demanding the ability to go online to change calling plans, purchase air time and get answers to basic account queries, but the company had no efficient means for delivering these features. Despite its call center, Web site and interactive voice response (IVR) system, Pegaso still needed to integrate its business systems with its customer-facing applications. Furthermore, to get the traction it wanted for expansion, the company needed to make its data accessible to both customers and customer-service agents. "We knew that we needed a customer relationship management system that would integrate our billing, retail inventory and financial systems, but at the time we didn't have the technology we needed to implement such a system," says Miguel Angel Ceballos, senior manager of Pegaso's technical support and operations.

At an IBM conference, Ceballos discovered the products and solutions in the WebSphere software portfolio from IBM and realized it was the link he needed to completely integrate Pegaso's separate systems into a single CRM solution. Ceballos was familiar with the portfolio's transactional monitor, IBM TXSeries/ Encina, and he knew he could use it to integrate Pegaso's systems— application-by-application, with reusable components. He notes, "We also knew that IBM WebSphere Application Server would allow us to create applications and Web-based interfaces to give customer-service agents a 360-degree view of customer activity and enable us to offer customer services online."

Medusa, Pegaso's CRM system, has been in operation for two years and has been instrumental in speeding Pegaso's customer acquisition rate and helping the company to build loyalty among its customers. Because Medusa has reduced programming complexity through its utilization of reusable components, Pegaso has been able to quickly introduce new business functionality at minimal

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cost. Says Ceballos, "Today, in less than one hour, we can change a customer's calling plan. Other companies take several days, causing the customer a great deal of inconvenience. Our IBM solution gives us a critical advantage against our competition in the market."

User-friendly, customer-oriented services

Not only was Pegaso's CRM system the answer to its integration problems, but it was also able to accommodate new devices such as WAP-enabled phones and handheld devices. It was also ready to grow with the company's quickly expanding customer base.

Through Web front ends and IVRs, customers can choose the wireless plan that's best for them. For instance, customers who use pre-paid cards—a widespread payment method in Mexico—can change their service at any one of the many stores, pharmacies and newsstands where phone cards are sold. Through their point-of-sale systems, the merchant logs onto Medusa and allows customers to buy airtime online instead of having to deal with cards. Alternatively, customers can use a customer self-service Web site or call an IVR system and order their own pre-paid time.

"With these services, customers don't have to handle cards or go through an authorization center to make a call," says Ceballos. For Pegaso, the service saves costs in card production and authorization center staffing.

WebSphere software facilitates easy integration

To provide customers with pre-paid airtime from point-of-sales terminals, merchants use the Web to access Medusa and follow the transaction template. Pegaso used TXSeries and WebSphere MQ to integrate Medusa with its prepay, post-pay billing, rating and provisioning system. Says Ceballos, "Some transactions require realtime data and others can be performed asynchronously. We use TXSeries for realtime transactions and WebSphere MQ for assured, asynchronous messaging."

"IBM's integration technology enables us to provide better services. We're confident that this advantage will help us win market share."

—Miguel Angel Ceballos



Making it convenient for customers to prepay airtime has set Pegaso apart from its competitors.

On the front end, WebSphere Application Server contains the servlet-based business and presentation logic that provides Web-based application access to subscribers, merchants and Pegaso employees. IBM VisualAge for Java is Pegaso's Java development environment. IBM Distributed Computing Environment (DCE), running on an IBM RS/6000 server, is used to support transparent file access and secure resource sharing.

Pegaso briefly considered adopting the BEA WebLogic platform with Tuxedo as the transaction monitor. However, Ceballos found the IBM products to be more robust. "The performance of Encina was superior to Tuxedo," he says. "With Encina, we can perform multithreading programming and place the interfaces using two-phase commit, which is a highly dependable protocol for synchronizing components. Furthermore, Encina's implementation processes

are more efficient than Tuxedo's. We chose WebSphere Application Server over WebLogic for HTML application management because we found WebSphere to be more fully compatible with TXSeries."

Increasing profits

Part of Medusa's value comes from its ability to combine data from all of Pegaso's systems into an interface that offers a comprehensive view of customer activity. Using this insight, Pegaso is creating customized marketing campaigns to increase its business subscriber base, a more profitable strategy than pursuing consumer accounts.

With tools such as these, Pegaso hopes to grow its share of the Mexican cellular market. "IBM's integration technology enables us to provide better services," says Ceballos. "We're confident that this advantage will help us win market share."

For more information

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Corporate Marketing
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Armonk, NY 10504
U.S.A.

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04-02
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