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Amdocs is set to innovate telco interactions with its Customer Engagement Platform

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Introduction

Amdocs Ltd. recently expanded its relationship with Microsoft Corp., incorporating Dynamics 365, the Microsoft Power Platform and the Microsoft Azure Cloud, to create the latest Amdocs Customer Engagement Platform. The offering embeds Microsoft's marketing, sales and service capabilities with Amdocs' commerce and order management, product catalog, and CPQ (configure price quote) to provide a cloud-native, unified telco/communications service provider (CSP) industry-specific digital platform for both business-to-business and business-to-customer segments.

THE TAKE

The partnership between Microsoft and Amdocs aims to offer a comprehensive set of applications to enhance the customer experience in telecommunications, which aligns with the industry's top priorities. The acceleration of digitization, the cloud and data is underpinning innovation to meet the need for easier-to-use enterprise applications that securely empower lines of business with codeless capabilities. Execution is at a critical stage, and digital maturity matters as companies focus on investing in modern platforms to leverage generative AI and data-driven insight to deliver new experiences designed to be more immersive, frictionless and contextual.

Delivering these personalized experiences at scale can help enable transformational outcomes, with a key goal being to remain relevant to customers. Verticalizing generic horizontal applications is important because each industry requires integration into specific back-end platforms and customer data models, as well as the necessary training algorithms for AI, machine learning and newer generative AI initiatives.

Context

The combined products of the Amdocs-Microsoft partnership support key functions within the operations/business support system (OSS/BSS) stacks built by Amdocs, but with important assets integrated with Microsoft Dynamics 365 and verticalized for telcos by Amdocs, leveraging Microsoft's AI, cloud and automation capabilities along with Amdocs' portfolio of capabilities. Data from our Voice of the Enterprise surveys shows that the telco industry is prioritizing the ability to modernize and improve the customer experience.

This partnership has the potential to accelerate innovation in the telecom industry, aligning closely with industry requirements to drive transformative customer experiences. In our Customer Experience and Commerce, Organizational Dynamics and Budgets 2023 survey, 82% of respondents in communications and media organizations are rethinking their technology architecture to lower complexity and drive operational improvements; 90% have shifted or are in the process of shifting customer experience (CX) applications to the cloud; and a whopping 98% are creating a single source of truth of customer data, to know their customer better.

Amdocs has been a leading provider of media and communications technology software for decades, with as many as 400 worldwide customers using its services. It has over 30,000 employees globally to assist with the transition to the cloud, as well as with network automation and digitalization of the customer experience. Amdocs has been on the path to modernize its customer engagement platform, and Microsoft is one of the CRM, cloud and business application providers creating a robust offering as a foundation. Amdocs also invested resources to create industry-specific capabilities as part of Microsoft applications, not just integrations of its existing OSS/BSS technology modules.

Our Organizational Dynamics and Budgets 2023 data shows that 82% of telco and media respondents agree that they need more industry-specific capabilities from CX applications in order to differentiate experiences for their customers. The industry is increasingly competing in an experience economy where success is defined by the ability to generate and monetize sustained emotional engagement among consumers.

Products

The customer engagement platform is modularized to support the customer journey from first contact to care. It also adds depth for B2B customer journeys, including the care aspects required to manage customers, agreements and service life cycles. The marketing and lead qualification processes use the verticalized Microsoft Dynamics product for campaign and opportunity management workflows.

During the sales and ordering process, Amdocs CPQ and commerce modules are powered by its product catalog, which can operate centrally or federated for a unified product portfolio view and consistent pricing. Integrating the Microsoft Dynamics product with Amdocs' CPQ and commerce modules enhances business agility and simplifies the process, enabling faster definition and the launch of new offers. It also helps sellers with the right constraints, such as cost and budget targets, timeline, and delivery, to meet compliance demands in highly complex B2B product configurations.

The result helps ensure successful fulfillment and accurate billing. Customer care is a new agent and service experience powered by Dynamics with telco-specific processes and verticalization enabled by Amdocs. The industry requires a single pane of glass that provides agent-assisted and self-service customer care, commerce, and billing details. Customer interactions have also shifted to myriad digital channels that require a more personalized and interactive approach across mobile, social platforms and video channels.

As relationships between people become less transactional and more nuanced, tangled interactions between people and the systems and devices they use daily, using real-time conversation to discover, engage and transact through multiple modes of engagement, is increasingly the norm. Recent innovations in predictive and generative AI add efficiency to improve scale, contextual relevance for real-time personalization, and automation for routine tasks and processes, freeing up agents to focus on more complex or high-value customer interactions.

Considering that, according to our survey, 86% of CSPs find it extremely challenging to update their current customer and/or digital experience platforms, they need new approaches to solve both employee productivity and customer engagement, specifically for telco use cases. Modernizing the customer journey requires specialized expertise that follows TMF (TM Forum) principles and complex service life-cycle management to ensure proper handovers to ordering, fulfillment and ongoing monetization. It also requires a modern approach to application strategies, with growing investment in experiences that provide more context, collaboration and control for users.

By embedding Microsoft's collaboration and productivity tools (Teams and SharePoint), telcos can have a centralized hub for communication and enhanced user experiences with familiar tools. Once-aspirational goals of innovative and immersive digital experiences have become requirements for employees, customers and partners.

The top three main IT technology-led priorities for improving customer experience by telcos include updating systems to ensure employee applications work together as a single system (41%), adapting new digital experiences for personalized customer engagement (39%), and adding intelligent automation to orchestrate workflows across the entire CX application stack (37%). The partnership between Microsoft and Amdocs targets the industry's top priorities by offering a comprehensive set of applications to enhance the customer experience in telecommunications.

The platform also combines the Microsoft and Amdocs capabilities through the use of critical platform advancements, including Amdocs' AI and its telco-specific customer data platform, with Microsoft Dynamics 365 Customer Insights and copilots by both. Additionally, the development platform offers customers both the Microsoft Power Platform and the Amdocs Low Code Experience Platform to use for further customizations. The verticalized platform helps ensure that the use of the appropriate data models follows the TMF principles and enterprise customer hierarchy that support proper workflow-approval processes and customer care requirements.

AI and ML, including generative AI, are also taken into consideration, with both Amdocs and Microsoft advancements using cross-domain data and telco-specific use cases to improve the relevance of both predictive and generative intelligence across the entire platform for all marketing, sales and service domains. The use of Microsoft 365 Copilot and the Amdocs amAIz framework means it can assist with the development of multiple persona use cases that are also trained with telco taxonomy, customer context and policy enforcement, to improve accuracy versus standard large language models, as well as time to market and expected cost reductions with an optimized mix of predictive and large language models.

Our Organizational Dynamics 2023 survey shows the top telco use cases are product recommendations and offers, marketing analysis and optimization, next-best-action workflows, and customer service and support. These are important advances for the industry to automate both B2B and B2C processes for customer and agent journeys for sales, marketing fulfilment and support.

Individualizing and orchestrating unique customer journeys is key — our research shows that few telcos are optimized for real-time, data-driven customer journeys. Businesses that focus on experience-led growth require new technology investments to provide a foundation for improved digital experiences. To inform and support those technology strategies, companies need operational cultures that provide more data-driven, flexible and engaging ways to persistently align teams toward their targeted outcomes. The race for relevance means that organizations must measure and align investments with the latest expectations for CX.

Competition

Amdocs faces competition from the industry’s largest telco vendors, NetCracker, Nokia Oyj and Ericsson ADR, which provide products to help the industry enable more digital experiences. However, these vendors do not offer full customer experience capabilities. Additionally, Salesforce Inc., since the acquisition of Vlocity, is aggressively pursuing the telco vertical with specific customer engagement offerings. Oracle Corp., SAP SE, Huawei and ComArch SA offer similar or overlapping capabilities for a range of services, platforms and software-specific communication service providers to manage billing, operations and customer experience. The offerings may vary in terms of scale, functionalities and targeted segments within the telecommunications industry.

Power of the experience economy



Source: S&P Global Market Intelligence 451 Research.

SWOT Analysis

<p>STRENGTHS</p> <p>Amdocs, leveraging its deep telecoms expertise, and Microsoft provide CSPs with a comprehensive platform to facilitate transformation, while supporting gradual adoption. This approach streamlines the journey toward embracing more modern applications and achieving industry goals, addressing the diverse needs of both B2C and B2B segments.</p>	<p>WEAKNESSES</p> <p>The telco industry is conservative and traditionally slower to adopt new technologies, often leading to longer sales cycles that are challenging to bring to conclusion. This may hinder outcomes from the strategic partnership.</p>
<p>OPPORTUNITIES</p> <p>Many telcos are looking to improve their customer experience through unified customer data and generative AI capabilities with a more verticalized approach, accelerating time to value. In addition, it offers a cloud-native and componentized architecture and an agile digital-first approach.</p>	<p>THREATS</p> <p>As the partnership between Amdocs and Microsoft evolves, it is important to maintain strong product alignment for continued value. Because shifts in strategic priorities or business objectives could potentially challenge this alignment, proactive efforts synchronizing strategies and market approaches are key.</p>

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