

POINT OF VIEW



SUTHERLAND

OEM, Semiconductors and Storage Companies:

How Technology-Enabled Process Transformation is Delivering Improved CX and Results in the New World of Cloudification, IoT and XaaS

Introduction

The “cloudification” of computing and storage and the resulting business disruption has impacted few industries more significantly than the Original Equipment Manufacturer (OEM), Semiconductor, and Storage industries. The movement of software products and services to the cloud began over a decade

ago and has been accelerating as the Internet of Things (IoT) and Everything as a service (XaaS) business model expands exponentially into a highly disruptive force for software and, now, hardware companies as well.

Cloud computing has accelerated the growth of the Software as a service (SaaS) model and has resulted in many other “as a



service” offerings including Infrastructure as a service (IaaS), Platform as a service (PaaS), Communication as a service (CaaS), Monitoring as a service (MaaS) and, now, the all-encompassing Everything as a service (XaaS).¹

According to an Ericsson estimate, there will be 16 billion active IoT devices by 2021.² McKinsey predicts IoT’s potential economic impact to touch 11 trillion USD annually in 2025 – this means IoT will account for a staggering 11 percent share of the global economy in fewer than 10 years.³

Increasingly, technology firms are having to reexamine the structure of their businesses and take bold steps to squeeze-out better financial performance as profit margins and market share are under siege from disruptive and often well-funded startups, a myriad XaaS companies, and other aggressive competitors.⁴

This Point of View paper looks at how OEM, Semiconductor, and Storage companies can leverage the power of Design Thinking and digital customer experience (CX) to enable holistic transformation of their business processes, sales and service delivery models, and relationships with business partners to realize superior outcomes.

Drive customer experience transformation across four key areas

OEMs, Semiconductor, and Storage companies must look at tapping into a connected ecosystem of new technologies such as advanced analytics, machine learning, artificial intelligence, and robotic process automation (RPA). This will help transform business processes and improve decision-making using real-time data insights, and optimize supply chains and costs. Specifically, here are four ways providers can incorporate design thinking and technology-enabled process transformation to differentiate themselves in an increasingly competitive marketplace.

16 billion

active IoT devices
expected by 2021²

¹ZDNet, Cloudy Concepts: IaaS, PaaS, SaaS, MaaS, CaaS & XaaS, accessed Mar 2017, www.zdnet.com/article/cloudy-concepts-iaas-paas-saas-maas-caas-xaas/

²Ericsson Mobility Report, Internet of Things to Overtake Mobile Phones by 2018 (June 2016), accessed Mar 2017, <https://www.ericsson.com/news/2016987>

³McKinsey, Unlocking the Potential of the Internet of Things (June 2015), accessed Mar 2017, <http://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/the-internet-of-things-the-value-of-digitizing-the-physical-world>

⁴Strategy & Industry perspectives, 2015 Technology Industry Trends, accessed Mar 2017, www.strategyand.pwc.com/trends/2015-technology-trends

1. Transform customer experience to meet the heightened expectations of speed and convenience for IoT connected customers

As customers have become increasingly mobile and connected via the IoT, delivery of an equally flexible, convenient, and consistent CX across multiple channels has become critically important, and is often the key differentiator driving purchasing decisions. Customer-centric Design Thinking, which includes customer research through contextual observation and interviews, is being applied successfully to answer the questions “Who

are our customers?” and “Are we delivering an exceptional and consistent CX across all channels?”. The immersive Design Thinking process can include the identification of a company’s unique Customer Personas and mapping of their Customer Journeys across multiple channels and touchpoints they interact with during their lifecycle. The process is always enlightening, revealing gaps in the customer journey, inefficient processes, and opportunities for improvement or enhancement of services and products that can improve the customer experience, while also reducing cost and increasing revenue and profitability.

SUCCESS STORY

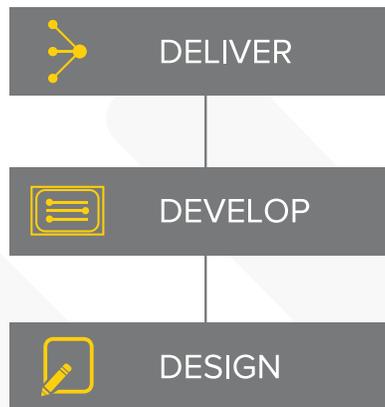
A leading search engine and cloud services company transformed customer experience through Journey Mapping at Sutherland Experience Labs

Challenges:

- Discover customer types across all products and services
- Identify gaps in CX journey to provide a transformed and differentiated user experience (UX)

Results with Sutherland:

- Developed new Customer Personas and mapped the Customer Journeys
- Revealed many process gaps and areas requiring improvement and enhancement, improving UX



Sutherland’s expertise reimagines and redesigns Customer and User Experience

Sutherland clients’ Customer Experience Transformation often begins in the Experience Labs in San Francisco and London, where experts conduct a customer-centric Design Thinking process which includes immersive customer research, Journey Mapping and Prototyping with Design, Development, and Delivery of innovative and transformational new processes, services and product enhancements that customers want.

2. Reduce total cost of ownership (TCO) while improving customer experience through Omni-Channel customer engagement, Digital Services, and live agent contact deflection

Over the past few decades, the technology industry has seen the transformation from traditional customer service delivery, to a broader more customer-centric, proactive vs. reactive, Customer Experience Lifecycle Management approach. With technological advancements, there has been

a transformation from limited Single Channel phone-based solutions to Multi-Channel in the 2000’s that still was limited with phone, email, chat, and social engagement operating within their own silos. Quickly becoming the new standard is the more holistic and seamless Omni-Channel customer engagement experience which provides the now “required” level of convenience for sales and support in our fast-paced IoT connected world. Studies show a lower Customer Effort (CE) results in up to 36 percent higher Customer Satisfaction (CSAT) and likelihood to recommend a

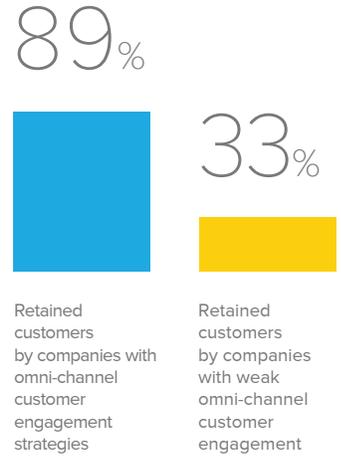
company's products and services compared to high effort transactions.⁵

And as the number of channel options and touchpoints have expanded, the relationship with the customer, cost of transactions, and ability to customize the experience for customers has undergone a sea-change which many companies are struggling to keep pace with because of limiting, legacy call center technology. Research indicates that companies with omnichannel customer engagement strategies retain on average 89 percent of their customers, compared to 33 percent for companies with weak Omni-Channel customer engagement.⁶

⁵TSIA, Pulse Session, Customer Effort Score (CES), www.tsia.com, accessed Mar 2017

⁶Business 2 Community <http://www.business2community.com/customer-experience/10-omnichannel-statistics-need-know-01261490#uBLHcDirFicMIREe.97>

Companies are demanding innovative solutions to transform the customer experience in such a way that their total cost is reduced through live agent call/chat/email deflection, applying the use of analytics, virtual agents, chatbots, and Robotic Process Automation (RPA) of repetitive processes and transactions at a fraction of the cost.



SUCCESS STORY

A leading entertainment solutions provider applied innovative, new digital assistant technology to reduce live agent call volume for a simple, repetitive process, reducing cost and improving the CX

Challenges:

- Discover gaps in the CX and UX journey
- Increase adoption of self-service password resets to reduce call volumes, cost, and improve the CX and UX

Results with Sutherland:

- Digital Assistant implemented, which handled 30 percent of the 80,000 monthly password resets at a cost savings of 70 percent

Sutherland leverages the power of Omni-Channel engagement and Digital Services in the era of IoT and XaaS

Sutherland's comprehensive solution suite includes customer service, technical support, sales, and renewals with a global workforce in 19 different languages, and digital service solutions including digital assistants, chatbots, dynamic IVRs, 360-degree customer view with platforms, system integration, analytics, and next best actions for end customers. These solutions dramatically improve customer experience, increase retention, reduce total cost of ownership, and increase profitability. The desired grand slam is significantly improving the CX, reducing CE, and increasing sales revenue, while reducing total cost of ownership (TCO).

3. Leverage Big Data and analytics to increase income by improving lead generation, sales, retention, renewals, and creating new revenue streams

The amount of data generated in our increasingly connected cloud and IoT world has never been larger, and harnessing the power of Big Data by use of analytics and other integrated tools has never been more important. Successful companies must implement analytics and modeling engines to leverage the power of Big Data in their

Manufacturing, Marketing, Sales, and Customer Service ecosystem to identify propensities to buy, to churn, to renew, and generate increased and, even new revenue streams. These integrated analytics engines have become integral to identifying, segmenting, and predicting customer behaviors, and luckily the connected consumer and IoT provide myriad opportunities for customer interactions, touchpoints, and transaction journeys that can be leveraged to determine Next Best Actions in Customer Lifecycle Management (CLM).

SUCCESS STORY

A leading Global PC Manufacturer implemented an Analytics engine for data cleansing, segmentation, and successful new marketing and sales campaigns

Challenges:

- Grow customer base and sales by reactivating a percentage of the 3 million customers who had not purchased in 2-3 years
- Increase contact, conversion, and renewal rates

Results with Sutherland:

- Customer contact rate increased to 50 percent and Conversion rate increased to 3 percent
- 25 percent increase in renewal rate of reactivated customers
- \$12 million in new customer base revenue

4. Transform financial processes to produce optimum value

The financial services sector is slowly waking up to the IoT revolution that threatens to upturn traditional business models even for this highly regulated industry. IoT is the chief enabler of RPA – a technology that is driving unprecedented levels of financial process automation. RPA can help manufacturing firms enable e-invoicing, streamline order-to-cash (O2C), procure-to-pay (P2P), record-

to-report (R2R), accounts payable (AP), and other industry-specific accounting functions. By providing real-time visibility into logistics' status, RPA can also help manufacturers efficiently manage connections with multiple suppliers and vendors across geographies. A recent Gartner Predicts report noted that by 2020, customers will manage 85 percent of their relationship with the enterprise without interacting with a human.⁷

⁷ Fonolo – Top 10 Customer Experience Trends for 2016, <https://fonolo.com/blog/2015/09/whitepaper-top-10-customer-experience-trends-for-2016/>

Sutherland's Analytics harness Big Data to fine-tune marketing and sales strategies for superior outcomes

Sutherland's comprehensive marketing services span marketing analytics, customer acquisition on web channels, social media monitoring & response management, and customer retention services powered by an analytics-powered retention platform. Significantly improve customer experience, enhance lifetime value, and boost long-term brand loyalty.

SUCCESS STORY

A leading Global PC Manufacturer with matured order processing operations wanted to reduce the total cost

Challenges:

- Reduce cost of order processing operations across the globe

Results with Sutherland:

- Reduced costs by 25 percent through acquisition of all order processing centers, centralization, and standardization of processes
- Robotics process automation reduced the needed resources and optimized the operation

Sutherland's expertise optimizes financial processes in the new world of Cloud and IoT connected consumers

Sutherland's Finance Transformation Practice services include order processing with trained consultants and proprietary RPA that leverage advanced analytics to enable better collections, provide real time visibility of products for forward/return logistics, automated reporting by product, geography, etc. Data-driven insights help C-suite executives make better informed decisions and provide low cost services to customers with value-added features.

The global electronics manufacturing giant Siemens makes great use of RPA in its manufacturing plant at Amberg, Germany, where 75 percent of the value chain is controlled autonomously by more than 1,000 automation controllers installed from one end of the production line to the other.⁸

Organizations that generate meaningful insights by applying intelligence, reimagine design of intuitive products and services, and enhance customer experience, will be in a stronger position to drive sustainable growth and competitive advantage.



⁸ IndustryWeek - The Internet of Things Will Make Manufacturing Smarter (Aug 2015), accessed Mar 2017, <http://www.industryweek.com/manufacturing-smarter?page=1>

⁹ Parature - 16 Customer Service Statistics, <http://www.parature.com/16-cust-serv-statistics/>

¹⁰ Zendesk - Omni-channel Survey Infographic, <https://www.zendesk.com/resources/omnichannel-survey-infographic/>

¹¹ Business 2 Community - 10 Omni-channel Statistics, <http://www.business2community.com/infographics/10-notable-omnichannel-trends-statistics-infographic-01520137#5b3g27Rm2WFpsijg.97>

¹² Customer Think - Customer Services Guide, <http://customerthink.com/customer-service-statistics-to-guide-you-for-2016/>

For more information on how we can help you transform your processes, visit us at www.sutherlandglobal.com, email us at sales@sutherlandglobal.com or call 1-800-388-4557 ext. 6123.

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As a process transformation company, Sutherland rethinks and rebuilds processes for the digital age by combining the speed and insight of design thinking with the scale and accuracy of data analytics. We have been helping customers across industries from financial services to healthcare, achieve greater agility through transformed and automated customer experiences for over 30 years. Headquartered in Rochester, N.Y., Sutherland employs thousands of professionals spanning 19 countries around the world.