

The Engaged Business:

What advantages does this offer

You've heard about Nortel Networks vision of an Engaged Business, one whose success comes from delivering outstanding anticipatory, personalized services that reach customers quickly, no matter where they are or which communications device they are using.

Let's say this concept intrigues you—you see it as key to keeping your business competitive, to being able to offer something distinctive that will keep customers coming back again and again. You also see it as a way to

eliminate network boundaries within your business—to interlink and collaborate dynamically with your customers, partners, suppliers, and employees.

You're ready to take the first steps towards becoming an Engaged Business, but you're not sure where you should start or how to make the transformation from your current situation. Furthermore, you want to better understand the advantages of taking this approach so you can be sure to realize these benefits as your own business evolves.



How is the Engaged Business different?

An Engaged Business leaps far beyond the typical reactive mode of even the best service provided today—where it is common to wait for customers to call, write or click, before they are helped—into the proactive mode. Your business can accomplish this by creating Engaged Applications that seamlessly combine your contact centers, self-service, and your business applications like CRM with your unique customer knowledge to deliver new, personalized, anticipatory services. Your previously disparate applications and systems now cooperate to deliver outstanding customer services. Seamlessly and consistently, you appropriately prioritize the workload between people and automation.

Four main factors influence every business, driving its focus and affecting its ability to strengthen customer relationships. These factors must be aligned in order for your business to maximize effectiveness and become an Engaged Business. These factors of influence include:

- Your customer strategy
- Your method of collecting, managing, and using unique knowledge about your customers
- Your business operations—the systems and processes you have in place to run your business
- Your measures of success



For example, your business cannot expect to see an increase in customer wallet share if you don't even know who your customers are, if you're not measuring their value to your corporation, or if you don't have the right expectations in place as to the measures of success that you should be using.

The Engaged Business model embraces the latest business processes, behaviors, and technologies. Companies realize value at each stage of business adoption. The model assumes that change is constant across your products and services and your channels to market—an excellent example is the explosion of the Internet as a new channel to market. It assumes that the transformation to an Engaged Business is an evolutionary process, leveraging the knowledge and investments you already have made.

The diagram on the following page depicts these concepts and the stages an enterprise is likely to go through as it becomes an Engaged Business. These stages represent an overall impression of where a business is, based upon the four business factors of influence. Some businesses may have a strategy that takes them to customer engagement—but are still at a linked level from a business operations or systems perspective. Most businesses currently operate in one of the first two stages, with the remainder in the Integrated stage. A few pioneering businesses are starting to capitalize on the full value of their customers—realizing maximum benefit or Return on Engagement as the ultimate goal.

Your business may be at different stages of evolution

	Siloed	Linked	Integrated	Engaged
Success metrics	Operational statistics	Customer satisfaction	Customer loyalty	Return on Engagement
Business operations	Independent transactions	Information sharing	Functional integration	Dynamically adaptive
Customer knowledge	Limited usage	Segmentation	Personalization	Anticipatory
Strategy	Cost containment	Customer service	Customer value	Customer engagement

Customer strategy:

Raise the bar so your customers are your advocates

Changing your focus from ensuring customer satisfaction to fostering customer engagement significantly raises the bar for all aspects of your business. This is what Return on Engagement is all about. Is your focus cost containment, or are improved customer service and loyalty your primary objectives? Moving forward means focusing on customer engagement. This means getting your customers involved, so they become advocates for your business. You make their life easier, so they think, “Why should I do business with anyone else?”

Customer knowledge:

Give customers what you know they want

How are you using your customer knowledge? Do you limit your view to name, address, and phone number or do you recognize the bigger picture of each customer’s relationship to your entire business and use the information to treat them differently from one another? Do you listen to customers

so you can learn more about them and their needs, using this information to solve problems or further develop the customer? Engaging your customers means your business will be able to effectively use customer knowledge to anticipate customer needs—to deliver innovative, personal services to customers anywhere, anytime, and in any fashion.

Business operations:

Leverage integration to improve overall performance

Are your business operations integrated? Or, do you have independent systems and processes, where your call center is not integrated with your self-service application, which is not integrated with your CRM solution? Do you have multiple networks for voice and data that limit your flexibility? Or, have you converged your networks to create a dynamic business infrastructure that eliminates boundaries? As an Engaged Business, your contact center, self-service, and CRM applications will be unified in a new cooperative way so that you leverage the power of integration to improve the overall performance of your business and you’re able to deliver outstanding seamless service dynamically to your customers.

As a result, Engaged Applications significantly increase the effectiveness of your business processes. For example, you can automate and deliver time-sensitive information to customers, partners, suppliers, and employees—in the right format for the communications device in use at the time (cell phone, PDA, e-mail, etc.). Engaged Applications can reduce your costs of handling customer interactions, while providing innovative services.

Success metrics:

Maximize Return on Engagement

Do you measure success with customers the traditional way—looking in your rearview mirror to report what has already happened between your company and your customers? This often drives company goals that are based upon operational statistics and customer satisfaction. This can be a big problem—for example, if for some reason the product your customers like disappears, or is out-classed, or if your offerings change—you may rapidly lose your investment in your customer. Or, have you taken it up a notch to adopt a model of customer loyalty and employ customer-centric programs and measures, expecting to capture the complete buying power of your customers?



If so, you have likely grown revenues and market share, but still are not capturing the full value of your customer.

An Engaged Business is savvy enough to concentrate on a comprehensive view of the life-time value of customers. In other words, your focus is now on the potential monetary value of repeat business plus referral business throughout your customer's alterations in needs, age, spending patterns, demographics, psychographics, etc. With this approach, your customers feel vested in your company. Your customers not only say, "Why would I do business with anyone else?" They eagerly tell their families, friends, and colleagues about the positive experiences with your business. Appreciating the full view of customer relationships helps your business maximize Return on Engagement.

Key indicators of business progression

As your business progresses towards an Engaged Business, you'll see significant shifts in how your business operates. The diagram on the following page, Engaged Business Progress: Key Indicators, is an aid to identifying where you are today—your focus, your technologies, your people and your processes—and the most reasonable place for you to go next.

Then you can plan accordingly to achieve your objectives as soon as possible by migrating in logical and manageable steps. Implement, test, and revise your plans as necessary. Remember that your customers' needs and expectations are dynamic and ever changing, so the same should hold true for your customer strategy. Think of the Engaged Business as an enduring, yet dynamic way of doing business.

What are the financial advantages to your company?

Engaged Applications drive higher customer loyalty and more effective business processes, creating two main sets of financial advantages for your company:

Increased revenue contribution

- New revenue from higher customer loyalty
- Increase revenue due to surfacing customer problems that would otherwise be missed
- Additional sales to an existing customer who has just been impressed by receiving extraordinary service
- New customers gained from word-of-mouth referrals by customer advocates

Reduction in lost revenue due to problems and lowered service costs

- Reduce number of customers lost from problems
- Reduce lost revenue associated with negative word-of-mouth experiences
- Reduce service cost due to problems
- Reduce service cost by increasing service system productivity

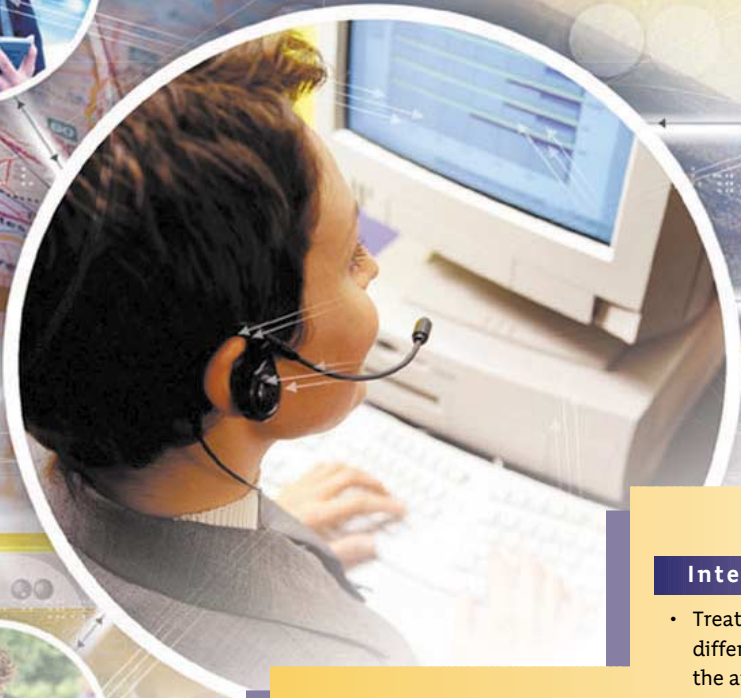
Take advantage of becoming an Engaged Business

What a significant difference when you become an Engaged Business. You have the means to differentiate yourself from the competition and to increase customer loyalty and profitability—by offering innovative, anticipatory customer services that give your customers what they want, when they want it.

Nortel Networks is ready to help you make the transformation. We offer a suite of solutions and range of professional services that enable you to evolve your business through the different stages of business adoption. These solutions allow you to create an anticipatory seamless, consistent customer experience, with rich collaborative capabilities while offering your customers and partners security in their relationships with your business.

Find out today how your company can take advantage of becoming an Engaged Business. Contact your local Nortel Networks office or visit our Web site at www.nortelnetworks.com.





Siloed

- Treat customers equally— one dimensional view
- All transactions handled independently
- Use technology to increase efficiency
- Focus on time and statistics
- Separate networks for voice and data

Linked

- Treat customers differently —two dimensional view
- Integrate applications to cross-sell and up-sell
- Monitor quality as well as quantity
- Share some customer information across lines of business
- Target marketing campaigns using data mining
- Focus on cost and profit
- Increase market share
- Improve customer satisfaction
- Integrate front office and/or back office
- Use Internet and wireless for some applications and consolidate some network bandwidth

Integrated

- Treat different customers differently and get them to the appropriately skilled person the first time— three dimensional view
- Develop customer relationship with technology as enabler
- Measure and manage customers effectively to build customer loyalty
- Recognize long-term and strategic customer value to the corporation with holistic view of customer
- Increase customer share and market share
- Unify front office and back office with knowledge base across enterprise
- Integrate self-service seamlessly with agent assisted service
- Build adaptive infrastructure using virtual contact centers teleworking, remote access and branch offices, and network consolidation

Engaged

- Anticipate customer needs to give them what they want, when they want it—make customers' lives easier— four dimensional view
- Listen, learn, and remember— act upon knowledge to help customer
- Create a cooperative environment across the enterprise and across business applications
- Deliver time-critical information no matter where a customer is, to the device he is using
- Engage customers to enhance loyalty and create customer evangelists
- Appreciate, measure, and manage Return on Engagement
- Easily manage and quickly deploy applications and systems to meet needs of dynamic, competitive environment
- Use multimedia communications as a tool for collaboration with customers, partners, suppliers, and employees
- Integrate Internet and wireless into flexible, secure, and cost-effective infrastructure
- Eliminate network boundaries to foster communication with customers, partners, suppliers, and employees, and improve business effectiveness





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Nortel Networks is an industry leader and innovator focused on transforming how the world communicates and exchanges information. The company is supplying its service provider and enterprise customers with communications technology and infrastructure to enable value-added IP data, voice and multimedia services spanning Wireless Networks, Wireline Networks, Enterprise Networks, and Optical Networks. As a global company, Nortel Networks does business in more than 150 countries. More information about Nortel Networks can be found on the Web at:

www.nortelnetworks.com

For more information, contact your Nortel Networks representative, or call 1-800-4 NORTEL or 1-800-466-7835 from anywhere in North America.

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