

Case Study: Communications

Mobile App Makeover Sparks 150% Growth in Use

When a major communications service provider sought to rev up its mobile app, it wanted more than a new look: It wanted an all-digital front end.

A sleek, modern customer experience (CX) for its subscribers was a must. In addition, the telco planned to position the app as its primary channel for customer engagement. The app would be mission critical for everything from self-service and payments to promotions and upselling. The redesign had to be fast, dynamic and strategic.

To help the telco achieve its objectives, Cognizant and the company partnered on an innovative, outcome-based delivery model. The contract kept the focus on the company's strategic goals by setting business key performance indicators (KPIs) as targets for the delivery team and including financial incentives for meeting them. The resulting collaboration produced a powerful app that saw customer use soar by 150%.

At a glance

A major mobile operator envisioned a new app that would deliver a modern CX and serve as the company's primary channel of customer engagement. We partnered with the client on an outcome-based delivery model that rewarded the team for meeting business KPIs. The company met its goals. And the app received high ratings from customers.

Outcomes

- **150% growth** in use of the app for recharges and payments.
- **4.5 rating** for the mobile app in the Google Play Store, up from 3.3 in one year, and 4.3 rating in the Apple App Store, up from 3.3.

A New Way of Working

Outcome-based contracts are distinctly different from traditional service-level agreements (SLAs) because they focus on business value. While SLAs measure IT services such as availability, outcome-based metrics evaluate KPIs like revenue and market share.

For clients, the difference is key – and takes some getting used to. Business KPIs involve financial details that are typically more confidential to customers than technology KPIs. Sharing sensitive company information with an external partner requires a willingness to trust. Because the outcome-based model is built on shared risk and reward, it demands a strong relationship between the customer and service provider.

The telco's willingness to partner on new ways to work played an important role in the engagement's success. In particular, the procurement office's interest in structuring a deal based on risk and reward was a key contribution.

Upfront Setup Time: Worth the Wait

Our first task was assembling a cross-functional team. It was critical that we gain a holistic view across the client's organization, including business, architecture and development. Because back-end integration with legacy IT stacks can potentially hurt overall CX, it was important that our team's perspective include the application landscape and integration architecture.

Executive-level sponsorship was also key. Outcome-based contracts involve proprietary business information, so their success depends on project champions that are vice president or higher within the client organization. The telco operator's VP of Digital Services served as executive sponsor and helped guide a mutually beneficial contract and ensure smooth governance.

I Sub-2 second average customer log-in time. Reduced from eight.

Working together, the team agreed on business and technical KPIs. To accommodate the interdependencies between these different KPIs that often influence each other's success, we designed a risk/reward framework that ensured value for both partners. For example, achieving business KPIs – such as improved ratings in the Google Play Store and Apple App Store – was rewarded financially. Failure to meet technical KPIs like log-in time resulted in financial penalties.

Agreeing on the baseline and target numbers absorbed the most time for our combined team. The accurate baseline was key to chart the steps needed to achieve the target numbers.

Although the up-front work required a significant investment of time, the collaboration gave our team time to develop the trust that's at the heart of the outcome-based model.

Developing a Digital Front End

Our use of Agile methodology led to regular iterations that provided big impact through small improvements. For example, to identify bottlenecks, we mapped out the call flow journey from the front end to the application server, and then to the back-end legacy system. The process helped us spot bottlenecks such as database calls that were slowing response time for users. We prototyped and validated a fix. Then put it into production. The result for users was faster log-in time and page loading.

Outcome-based contracts are a win-win for clients and service providers. They set common goals and focus.

About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 194 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at www.cognizant.com or follow us [@Cognizant](https://twitter.com/Cognizant).

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