

Accenture and Siebel Systems:

Helping Clients Achieve High Performance Through Better Customer Data Management



High performance. Delivered.

The road to high performance rarely follows a straight course. It curves in response to new strategic priorities. It rises and falls in tandem with fluctuating economic conditions. It may be temporarily blocked by budget constraints.

Customers, demanding satisfaction at every turn, can make your journey to high performance even more complicated. If you disappoint them, they can stop you in your tracks. If you gain their loyalty, however, they can propel you to long-term business success.

To achieve higher levels of customer satisfaction and greater "wallet share," you first need a comprehensive and accurate understanding of your consumer base. Who are your customers? Where do they live? What are their preferences? What are their purchasing behaviors? How enthusiastic are they about your products or services? Gathering such information can be a daunting task, especially if such data is fragmented and housed in disparate systems across your organization. Harder, still, if the data you need exists somewhere outside your four walls.

Accenture can help.

• Consulting • Technology • Outsourcing

A "Customer Master" is a comprehensive customer profile repository that unifies customer information across multiple business units and functionally disparate systems. It acts as the authority on what data values an organization will store.

In partnership with leading software providers, such as Siebel Systems, as well as service vendors such as Acxiom, we can deliver a customer data management solution that assimilates information from across your enterprise and beyond.

The Value of Customer Information

Accenture's ongoing research reveals that a common characteristic among high-performance businesses is an obsession with winning the battle for the customer. These companies are able to act more quickly on a clear understanding of customer behaviors and preferences. Specifically, these companies operate more effectively because they are able to use high-quality customer information to better:

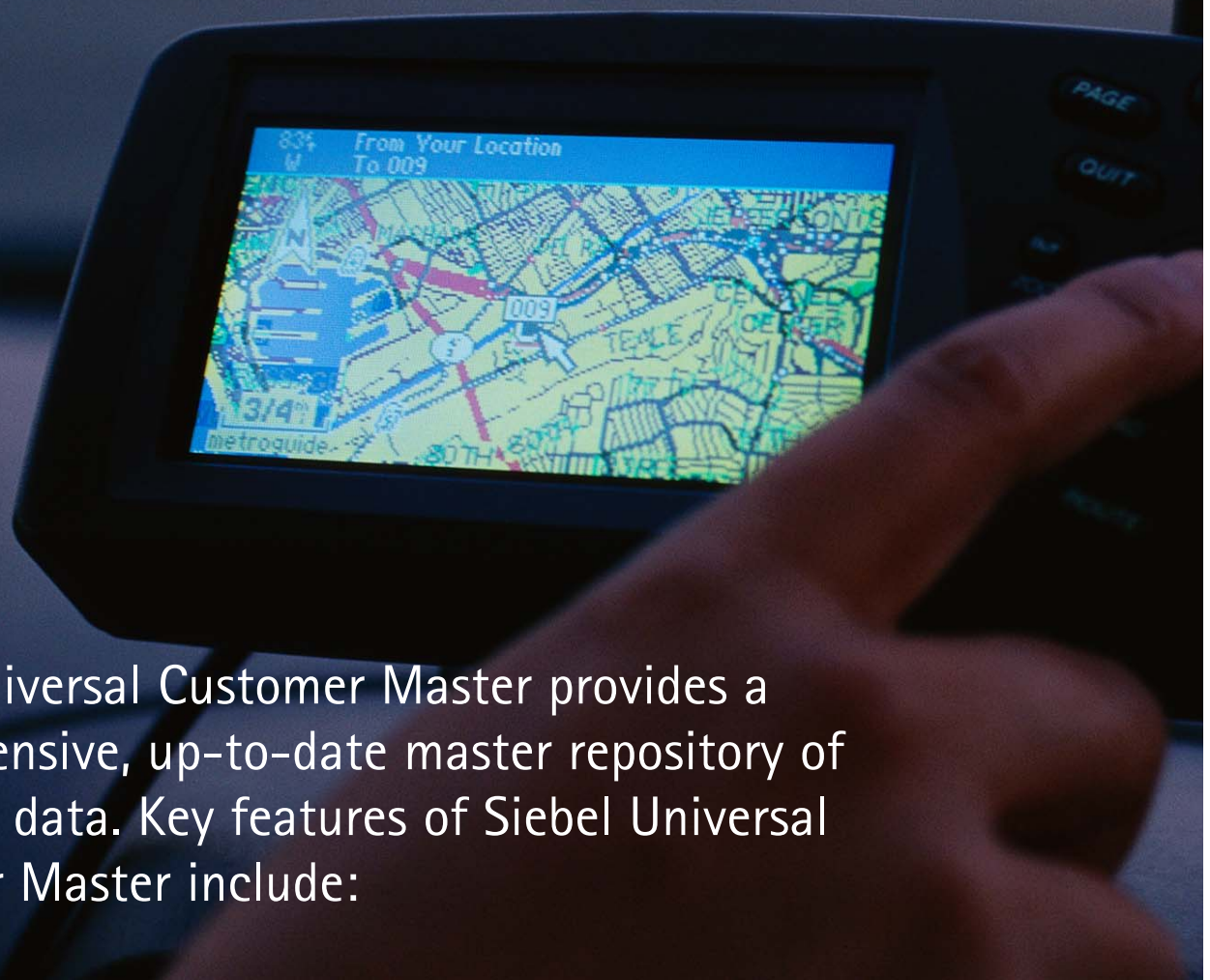
- **Maintain and build customer loyalty.** The cost of acquiring new customers is up to seven times higher than the cost of keeping existing ones. For that reason, it is important for companies to do whatever they can to build a loyal customer following. High-performance businesses excel in this area. They are particularly adept at identifying their best and worst customers. This means they are better able to design and deliver the right mix of loyalty programs to the right customers at the right time.
- **Capture a greater share of customers' wallets.** In a highly competitive environment, simply keeping customers is not sufficient. Superior companies continually develop methods to increase the frequency of visits and purchase volume for each customer relationship.
- **Optimize value and profitability.** Industry leaders improve profitability by designing and delivering differentiated service based on specific customer needs and value. They distinguish customers who generate profit from those who actually cost money. Then they focus their resources to optimize service delivery, value and profitability.
- **Manage channel complexity.** Never before have companies had so many ways to interact with their customers. The most successful companies understand this. They identify the right sales, marketing and service channels to reach specific customer segments. They then effectively use those channels to optimize the value of each customer relationship.

The value of high-quality (accurate, consistent and complete) customer information cannot be overestimated. Without it, companies face a number of risks. For example, they are more likely to miss revenue-generating opportunities because they are unable to segment their customer base accurately, differentiate their treatment approaches or target their promotions correctly. They are likely to experience higher customer attrition because faulty information hampers their ability to provide the level of service required. They are more likely to expose themselves to losses by extending credit multiple times to the same customer or above the designated limit. And perhaps most significantly, they are likely to incur higher operating costs.

According to the Data Warehousing Institute, data quality problems result in US companies losing more than \$600 billion each year.¹ The largest contributor to this expense across all industries is the cost of rework required when a task is completed using inaccurate customer data. For example, mail returned due to faulty addresses must be reprocessed. Similarly, when companies dispatch skilled technicians to incorrect locations, they can incur substantial expense in rerouting and rescheduling. Misdirected mail and "truck rolls" can add up to tens of billions of dollars every year. In addition, the costs associated with managing information privacy are rising dramatically. The most obvious example in this cost category relates to the recently established "do not call" registry in the United States. Fines for noncompliance can run into hundreds of thousands of dollars per day.

Despite the enormous potential cost burden associated with inaccurate information, most large companies find it exceedingly difficult to deliver the quality of customer data they need. This is because customer information is fragmented and duplicated across business units, product silos, geographies and marketing channels—or even separate companies when mergers or acquisitions occur. When systems are unrelated, companies are unable to link customer profile information. As a result, the organization finds it difficult to present a consistent "face" to the customer. Customers may have an entirely different experience with the company, depending on whether they interact via the phone, the Internet or face-to-face. Or they

¹The Data Warehousing Institute, *Data Quality and the Bottom Line*, Wayne Eckerson; www.dw-institute.com.



Siebel Universal Customer Master provides a comprehensive, up-to-date master repository of customer data. Key features of Siebel Universal Customer Master include:

- A rich data model that includes specific attributes for 19 industries
- Complex hierarchy and relationship management functionality
- Privacy & Regulatory Policy Management
- Complete record history and audit trail
- Cross-key indexing support
- Unique Universal Identifier (UUID) support
- Sophisticated customer profile matching and de-duplication capability in either real-time or batch mode
- Intelligent merge and un-merge
- Robust Data Stewardship functionality and user interface
- Application authorization to establish a hierarchy of trust among customer information sources
- Packaged integration to the leading address-cleansing, standardization and data-enhancement services from trusted third-party providers
- Event-based and data-decay workflow services
- Pre-built integration based on Universal Application Network (UAN)
- Service-oriented architecture supporting Web Services standards
- Support for multiple integration modes, including real-time, near real-time and batch

may receive dozens of uncoordinated—or unwelcome—marketing promotions and account statements that vary widely in their formats. Clearly, such a fragmented approach to customer data management does little to promote operational efficiencies or customer loyalty.

Optimizing Customer Data Management

To deliver superior insight/interaction results, companies need capabilities that enable integrated customer information across product lines and communication channels. Such capabilities—known collectively as "customer data management"—define, coordinate and deliver continuously accurate and complete customer information across all lines of business and customer touch points. Customer data management capabilities ensure that customer information is:

- **Unique.** When customer information exists in various systems across an enterprise, mistakes are common. For example, customers may appear in different systems under slightly different names or with different addresses. To win the battle for the customer, companies need to be able to uniquely identify each customer. Only then can they deliver a superior experience and maximize the lifetime value of the customer.
- **Consistent.** Large companies need to access customer information to run dozens, if not hundreds, of enterprise applications on a daily basis. Multiple applications will often use the same customer data, such as name, address and billing or service history. In these instances, it is important to have a single repository that stores data values for those customer attributes that must be consistent across all applications that use the information.
- **Correct.** One of the primary reasons companies find it difficult to maintain high-quality data has to do with the speed with which data becomes obsolete. Customers move. They change their phone numbers. They marry. They divorce. They die. These events make it difficult for organizations to keep their records up to date. Data entry errors and systems migrations can also contribute to the creation of information that is inaccurate or obsolete across systems, or even within a single data source. To generate accurate customer insights that lead to better experiences, companies must have correct information. A "clean" customer master can ensure that all applications are using the most reliable data when it comes to serving (and selling to) the customer.

- **Compliant.** It is increasingly important that companies manage and use all customer information across the enterprise in compliance with industry regulations and laws. With potential fines ranging into the hundreds of thousands of dollars per day—not to mention the fundamental risk to a brand's market equity—companies are recognizing complete customer information compliance as an imperative.

Customer Data Management Capabilities

Businesses can demonstrate their world-class customer data management capabilities in several important ways. For one thing, they are more likely to establish clear, fact-based assessments of current data quality problems and the impact these problems have on the core business. Then they develop pragmatic strategies to solve these problems and generate greater value throughout their organizations. They also tend to implement enterprise—and operating group—level customer data management governance and stewardship processes and teams to ensure that the business is continuously delivering high-quality customer information across the enterprise.

Perhaps most importantly, companies with superior customer data management capabilities invest in infrastructure technologies and services that will enable them to capture, cleanse, store and manipulate customer data that exists within the organization. Specifically, they evaluate, refine and—in some cases—replace existing technologies to better enable enterprise-level customer data management processes. This is a critical step to achieving customer loyalty and higher levels of business performance.

However, networking and streamlining internal information repositories may not be enough. At Accenture, we have seen that companies achieve the greatest value when they blend very focused, targeted and controlled internal customer data management solutions with external customer information cleansing, integration and updating services. In short, getting customer information right is no longer solely about sanitizing information within the organization. It is about building an internal customer data management capability and technology infrastructure that links an organization to external information stores.

Accenture has long recognized that the most effective customer relationship management solutions incorporate strategic thinking, state-of-the-art technologies and flawless integration.

Customer Data Management Technology

To solve their internal customer data management challenges, companies typically explore three technology options—custom building a customer master application, designating a business application to be the customer master, or managing customer data via a data warehouse. While each of these approaches can improve an organization's use of customer data, each has significant shortcomings.

- Building a customer master application from scratch is difficult and time consuming. It requires more sophisticated IT skills than most companies have in-house. And it can be quite costly to create a customer master from the ground up—easily topping \$5 million.
- Designating an existing business application to serve as the customer master is less expensive than building a customer master, but companies that choose this approach typically have to settle for substandard functionality. That is because the designated application is usually not designed to be a customer master. It will lack at least some (if not all) of the necessary functionality. And it will typically not be flexible enough to structure accounts appropriately or manage information across the customer life cycle.
- Using a data warehouse as the customer master is also not an optimal solution because data warehouses are typically updated in "batch" mode. This means they are unable to support users trying to access real-time data from operational systems. Also, because a data warehouse generally does not update an organization's operational systems, those data sources continue to be marred with duplicate, incorrect and inaccurate customer

information. Finally, customer-facing employees—those who are best positioned to cleanse data—are typically unable to directly modify the master customer profile. Rather, companies need to dedicate other resources to correct core customer information. Given the overhead costs involved, coupled with the complexity of the task, many simply fail to update information on a regular basis.

Accenture and Siebel Systems propose an alternative approach.

Siebel Systems' Universal Customer Master

Accenture has long recognized that the most effective customer relationship management solutions incorporate strategic thinking, state-of-the-art technologies and flawless integration. That's why, a decade ago, we formed an alliance with Siebel Systems to shape the very best customer relationship management solutions for clients around the world, in every industry. Today, we are building on our long-standing relationship to deliver the comprehensive customer data management solution that high-performance businesses demand.

The cornerstone of this solution is Siebel System's Universal Customer Master. This comprehensive and up-to-date customer profile repository unifies customer information across multiple business units and functionally disparate systems. It offers complete data matching, de-duplication and cleansing. It also offers data standardization, validation and enhancement through deep integration with trusted external data sources.

By offering one accurate source of customer information across all applications, Siebel Universal Customer Master helps ensure data quality and integrity, while successfully maintaining a single identity for each customer. This provides companies with a single view of their customers at every touch point and facilitates smarter, fact-based decision-making that enables a differentiated customer experience and increases customer satisfaction.

Grounded in best practices, Siebel Universal Customer Master enables companies to improve critical business processes, including those related to:

- **Acquiring Customers.** When new customer information is captured in a company's systems, Siebel Universal Customer Master ensures the quality of the data and maintains the integrity of the customer profile as new data is added from other applications or external data sources.
- **Developing and Retaining Customers.** Throughout the customer life cycle, Siebel Universal Customer Master synchronizes modifications to key profile information, such as contact details and communication preferences, regardless of where the updates are made.
- **Modeling Customer Groups.** As customers move through the life cycle, they might choose to form households or associations that impact the type and frequency of interactions they have with a given business. Siebel Universal Customer Master enables the company to track the formation, evolution and disbanding of these types of groups.
- **Managing the End of the Customer Life Cycle.** Siebel Universal Customer Master oversees the administration of customer data during mergers, bankruptcies or other situations that potentially terminate customer interaction.

Siebel Universal Customer Master has several noteworthy features that allow organizations to manage their entire enterprise information life cycle, maximize cross-selling opportunities, improve customer experiences and reduce data management costs. For one thing, its data model and batch integration capabilities allow companies to unify and standardize customer data across the enterprise. It supports real-time fuzzy searching and matching, as well as de-duplication administration and configuration. It also offers centralized data validation, standardization, and geo-coding, leveraging third-party solutions with best-of-breed data

The main function of any customer master is to distribute high-quality customer profiles for use in business applications or for analysis.

quality tools. Equally important, Siebel UCM enables enterprise data validation and enhancement, utilizing deep integration with data enrichment providers. Siebel Universal Customer Master also provides a cross-referencing capability that enables validation against external data stores and associates customer IDs from multiple systems to a single master profile. And it delivers application-level authorization that enables differentiated treatment of customer information depending on its source and content. This is important because some data sources are more authoritative than others—for example, websites are notoriously bad sources of customer information. Siebel Universal Customer Master allows customers to build business rules and logic about how to create the best version of the customer profile upon receiving information from multiple (internal and external) sources.

The main function of any customer master is to distribute high-quality customer profiles for use in business applications or for analysis. Siebel Universal Customer Master does just that via real-time integration. Coupled with Application Services Interfaces (ASIs) that can be published as Web Services, Enterprise Java Beans or high-speed batch interfaces, this capability dramatically reduces the cost of integrating the master data applications across disparate systems. Siebel Universal Customer Master also enables proactive responses to customer lifecycle events—for example, change of address or opening of a new account—with meaningful alerts and triggers. It can also be used to define and execute privacy and regulatory rules to ensure compliance, and manage and audit policies across the enterprise. Finally, the Siebel customer master solution leverages Siebel Analytics to provide rich data-profiling capabilities and is built in to the Universal Application Network (UAN) Customer Life Cycle to provide business process control and feedback to the entire data management process.

Armed with these features, Siebel Universal Customer Master is a powerful product that companies can use to not only tackle the customer data challenge, but also dramatically increase customer lifetime value. However, it is important to point out that simply installing the application will do little to drive bottom-line results. Companies need to be able to use high-quality customer data to drive the creation of accurate customer insights. They must identify

Siebel Systems' Universal Customer Master is uniquely engineered to take advantage of these Customer data integration services.

Customer data integration services from third-party providers—such as Acxiom, an industry leader in this space and an Accenture alliance partner—establish a powerful link between a company's internal customer data management systems and the external world of customer information.

opportunities to leverage this information to optimize customer interactions at each touch point. And they must modify—or create from scratch—customer-facing processes that will take optimal advantage of unique, correct and complete data.

To achieve these ambitious goals, companies are now realizing the value of integrating their systems and applications with new data repositories and services provided by external vendors. After all, standardization of internal customer information is only relevant if the information is correct.

Extending the Reach of Universal Customer Master

As businesses and information technologies have grown more complex, data content volumes have skyrocketed and become increasingly unwieldy. Large enterprises can have hundreds of disparate systems embedded with reams of customer information. Complicating matters is the fact that that information is in constant flux. For example, it is estimated that 10 percent of customer location details—such as address and phone numbers—change each month.

A robust customer data management solution, such as Siebel's Universal Customer Master, is necessary to ensure

that internal data is unique, consistent, correct and compliant. But internally focused solutions have their limitations. The average company validates its internal data to one or two external customer information sources. Imagine how much more accurate a company's information would be if it was matched to thousands of reputable external sources?

Customer data integration services from third-party providers—such as Acxiom, an industry leader in this space and an Accenture alliance partner—establish a powerful link between a company's internal customer data management systems and the external world of customer information. Customer data integration providers offer a variety of services to help companies improve their business performance. These services include:

- Aggregating external data and reference data sets
- Customizing processes and pre-configured technologies to continuously update customer information and manage the flow of customer data between a company and the provider's external data stores
- Hosting the development and maintenance of the internal/external integration technologies for companies that want their IT departments to focus on other strategic initiatives.

Siebel Systems' Universal Customer Master is uniquely engineered to take advantage of these Customer data integration services. In addition to supporting real-time searching and matching as well as "de-duplication" to purge multiple copies of the same customer profile, Siebel's Universal Customer Master offers centralized data validation, standardization, and geocoding, leveraging third-party solutions with best-of-breed data quality tools when needed. This helps ensure data quality over the long-term because the Siebel solution allows companies to build business rules and logic that dictate how to create the best version of the customer profile when receiving information from multiple sources.

The Benefits of Effective Customer Data Management Capabilities

Accenture's deep industry, integration and customer relationship management solution implementation expertise,

coupled with the power of Siebel Universal Customer Master and Acxiom customer data integration services, enables users at all levels of a client organization to extract optimal value from their customer data. We start with an understanding of the unique position our clients occupy in their markets, as well as the unique make-up of their customer base, and then work with them to determine how customer data management improvements can drive insights and influence more profitable interactions. Every step of the way, we help ensure that a client's data management capabilities align with their strategic goals and functional, technical and budgetary requirements. As a result, we can help our clients:

- **Reduce costs.** By deploying effective customer data management capabilities, including Siebel Universal Customer Master, Accenture can significantly reduce our clients' customer service costs associated with bad customer data. Faulty customer information can increase costs in a number of ways. For example, companies with inaccurate data often extend credit multiple times to the same customer (or above the designated limit), thereby exposing themselves to greater credit risk. Also, bad data must be corrected. The cost associated with such rework can be substantial. Superior customer data management capabilities allow companies to minimize the costs associated with such problems.

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- **Achieve greater revenue per customer.** By leveraging the unique, complete and correct customer information managed through Siebel Universal Customer Master and other services, Accenture can enable companies to develop much more accurate insights, effectively position cross-sell opportunities and respond more appropriately to customer needs.
- **Attain higher customer satisfaction.** Accenture can help clients improve customer satisfaction and loyalty by providing companies the information and customer relationship management insights they need to deliver a superior customer experience. We can also enable companies to differentiate service levels based on relative customer value.
- **Lower their total cost of ownership and speed delivery.** Custom developing a customer master can cost millions of dollars and take up to two years. In this scenario, companies need to mobilize a team to identify, evaluate, test and select data quality and integration technologies. They then need to buy, install and configure the technologies and train users on the new system. Accenture can help companies get started with Siebel Universal Customer Master in a matter of months. The Siebel solution is pre-built, pre-configured and pre-integrated. This dramatically lowers development and hardware/software expenses. In addition, our longstanding alliance with Siebel Systems enables us to help clients benefit from ongoing functional improvements to Universal Customer Master. This lowers the lifetime costs associated with this powerful customer data management solution.

When coupled with external customer data integration services, these benefits become amplified. Specifically, data quality improves due to more thorough data validation against global, external sources. Data access is faster due to pre-configured technologies and processes that easily integrate with a company's existing internal customer data management system. Flexibility improves because of easier extensions of service to new product lines or acquired companies. And costs drop due to less capital required for start-up and maintenance, as well as innovative pricing structures that allow a company to pay for set usage or files delivered or corrections made.

Accenture: Your Partner in Effective Customer Data Management Solution Delivery

Just a few years ago, you controlled your business. Now, it's likely that your customers are in charge. Thanks to the volumes of information now at their disposal, they are more

savvy, informed and aware than ever before. Customers are increasingly demanding that you operate on their terms. If you don't, they will go elsewhere. That's the bad news. The good news is that you too can now use information to regain control—control of the customer agenda. Even better news: in the process, you can achieve higher levels of business performance.

There are many reasons clients turn to Accenture for help when it comes to implementing effective customer data management solutions:

- **Our proven experience.** Accenture is a leading provider of customer relationship management and business intelligence solutions. For years, we have helped clients in all industries generate actionable insights that drive value. Drawing on our historic alliance with Siebel and our substantial client experiences, we have channeled our knowledge of what works (and what does not) into a core framework that helps drive higher levels of productivity and quality into our Siebel efforts. Complementing this framework are Siebel-specific methods, tasks, tools, processes and job aids that guide our global teams to drive consistency during any implementation and high performance throughout the solution life cycle.
- **Our skilled resources.** Our Siebel practice harnesses the combined expertise of dedicated Customer Relationship Management, Siebel, Customer Insight, Business Intelligence and Data Warehousing practitioners. We rely heavily on our network of global delivery centers, through which we offer cost-effective, round-the-clock support anywhere in the world. Our Siebel training curriculum is best-of-breed. It fuses detailed training materials and practical implementation experience, which means our resources are able to successfully tackle the most challenging Siebel Universal Customer Master implementation.
- **Our world-class methodology.** Accenture Delivery Methods for Siebel—contained within the Accenture Delivery Suite and critical components of the Accenture Strategic Delivery Model—make it possible for us to deliver reliable and consistent Siebel Universal Customer Master solutions. These methods are based on standard frameworks, languages, estimating models and guiding principles. They are extremely flexible, designed to support powerful stand-alone solutions or a combination of application implementation methodologies to meet any business requirement.
- **Our tailored approach.** Rather than applying a "cookie-cutter" approach to the delivery of Siebel Universal Customer Master, we tailor each implementation to align with our clients' needs, strategies and technical architectures. For example, we can deploy the Siebel solution as an independent application for organizations that need design, implementation and upgrade autonomy in their master application deployment. This approach is useful for companies that want to keep the master data separate from their customer relationship management data or prefer distributed performance loads. We can deliver Siebel Universal Customer Master as an add-on module to an existing Siebel application. This option is most appropriate for customers that prefer a simpler IT topology and are comfortable managing the customer relationship management and master applications in the same environment. And we can extend the power of Siebel's Universal Customer Master by integrating a company's internal customer data management solution with external, highly reliable data sources and services.
- **Our innovative offerings.** Accenture can help its clients improve or transform their end-to-end marketing, sales and service capabilities. We offer a number of cross-industry solutions, such as the Accenture Next Generation Customer Contact Solution, which integrates customer channels and enables intelligent interactions—all while increasing revenue and reducing costs. We have also developed a range of pre-configured solutions that improve capabilities within a particular industry. For example, our Accenture Communications Solutions for Business Intelligence can help telecommunications companies extract valuable information from their organizational data and plan and execute their strategies accordingly. Similarly, for clients in the financial services space, we offer our Accenture Insight-Driven Marketing, Sales and Service solution, which can help companies improve their customers' experiences, drive revenue growth and reduce interaction costs. Regardless of which solution is most appropriate, our clients realize their business goals faster, with less risk.

Above all, Accenture is committed to helping our clients become high-performance businesses. Siebel Systems helps us achieve this goal by providing a next-generation data management solution that enables organizations to unleash the value of their customer information. Together, we are revolutionizing customer relationship management—helping companies generate the customer insights that will drive immediate and lasting financial performance improvements throughout their organizations.

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About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills and technologies to help clients improve their performance. With more than 100,000 people in 48 countries, the company generated net revenues of US\$13.67 billion for the fiscal year ended Aug. 31, 2004. Its home page is www.accenture.com.

