

Case Study

France Telecom Business Intelligence in Action

"To win new customers and develop loyalty, we now base our action on a business intelligence process in which BUSINESSOBJECTS plays the key role of retrieving and analyzing data in our corporate resources. Today, the company has 130,000 workstations, nearly half of which will soon be running BUSINESSOBJECTS software."

*Kiet N'Guyen,
director of operations,
customer relations
information system,
France Telecom.*

Not long ago, France Telecom was France's only telecom provider. But soon after the company opened up to private investors in 1995, the telecommunications market was deregulated, and several competitors entered the arena. Since then, the company has developed a considerable amount of business to meet the challenge of a deregulated market. Fixed telephony, which accounted for 90% of France Telecom revenue back in 1995, now only represents 39% of business. Growth is now driven mainly by subsidiaries, notably the cell phone company Orange, the internet service provider Wanadoo, and the international carrier Equant.

Since France Telecom went public, exposure to international competition, mergers, and acquisitions, has led the company to streamline operating costs, and adopt a more global approach to management. Because France Telecom wanted to become more competitive and collaborate closely with customers and suppliers, the company placed its architecture and information system at the heart of its strategy. Standardization runs deep at France Telecom. In 1998, the architecture moved to a web-based model and in 2001, all business intelligence projects were standardized around Business Objects products, with a three-year plan to deploy 70,000 licenses to nearly half of the company's total workstation population.



The Cost of Heterogeneity

At the time when France Telecom was organized on a regional basis, each branch and business unit had its own tools and IT budget. The coexistence of so many dissimilar technologies, solutions, and versions made workstation and network administration a headache, and application implementation extremely complicated. Users took longer to learn and develop their skills, causing a decrease in overall productivity while development, operating, training, and support costs remained high. In 80% of the cases,



the data used by the different departments and business units was identical, but the access methods and interfaces were different. Each of these issues made it impossible for France Telecom to get maximum value from its mass of customer, product, and market data. The company had a fragmented view of its business and no way of introducing tools to enable global management.

Case Study



Turning the Information System Into a Competitive Advantage

In 1998, information systems became a major strategic weapon in the battle between telecommunications operators. Support for France Telecom's OS2-based architecture was running dry, and a major rethink was in order, along with a switch to a 100% web-based model. It was at this time that France Telecom repositioned itself as the "Net Company." This required standardizing the information system at the corporate level and, after that had been completed, standardizing throughout the company and its subsidiaries.

Standardizing on "Archimède" and "Aristote"

Two major strategic programs – Archimède and Aristote – spearheaded the standardization process at France Telecom. Archimède, launched in 1998, was designed to adapt the technical architecture and its development to the internet, giving employees standard and secure access to the information system via a web browser. All client-server applications are expected to migrate to this new architecture by the end of 2002.

Aristote was launched in February 2000 with the aim of defining the functional building blocks that could be reused in different business areas, thereby leveraging shared skills and know-how. This required the adoption of common definitions such as "customer" and "product" throughout France Telecom.

France Telecom also implemented a corporate standard policy for software. Selected software had to comply with technical architecture standards and globally address users' functional needs. The software also had to show proof that it could successfully penetrate and gain widespread use throughout the organization. Included among the selected software were BUSINESSOBJECTS™, for retrieving and analyzing data, Oracle Application for finance, PeopleSoft CRM and Genesys for CRM, PeopleSoft HR for human resources, WebMethod for EAI, and Documentum for document management.

Business Objects: a Unanimous Choice

The two most important factors that influenced the decision to go with Business Objects products were its high level of penetration within the company and end-user satisfaction. More than 140 Business Objects-based projects were already up and running, and most users in the company were already familiar with the software, when France Telecom selected Business Objects as their corporate BI standard and signed a corporate contract for 70,000 licenses. According to the contract, BUSINESSOBJECTS and WEBINTELLIGENCE® were to be deployed in a Unix environment in all of France Telecom's business areas: human resources, finance management, marketing, sales, and networks.



"We aren't going to enforce a solution if there's a very good reason for not choosing it. The Business Objects solution matched a very genuine business need. The software penetration rate within France Telecom was already very high, and so was the level of user satisfaction, so the choice was easy."

*Bernard Barral,
director of the decision
support information
system,
France Telecom.*

Standardization Equals User Support

The more information is understood, the greater its value. Once the decision has been made to standardize around a software package, the key to making that standardization successful lies in the quality of support that is given to both project managers and end users.

The four-person France Telecom “Business Objects Competence Center” is responsible for overseeing the business intelligence implementation. It is also their job to ensure and maintain the consistency of projects involving Business Objects, and ensure that each of the different teams share best practices. Most importantly, the Competence Center heads up several important tasks:

Two-part negotiations. All contacts between France Telecom and Business Objects are conducted via the Competence Center, which centralizes the opening of support case files, requests product upgrades, and certifies new versions.

License management. A contract for 70,000 licenses requires careful deployment. All user license requests must be sent to the Competence Center where a tool has been developed to track the number of licenses and their distribution.

Consulting and development. The Competence Center offers advice to project managers on deployment strategies (design, audit, installation, implementation, etc.) and guides them towards best practices in terms of reporting and universe design.

Support. The Competence Center provides support to project managers (architects, designers/developers, operators) via a Level One hotline, and has installed an intranet web site providing access to Business Objects news, tips, methodological advice, and installation documentation.

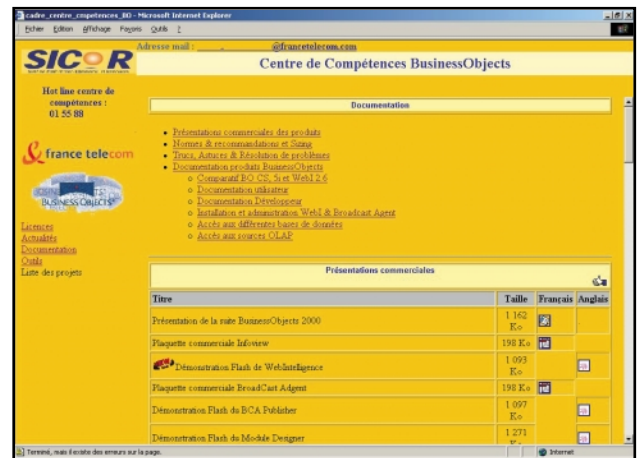
As a result, the Competence Center gradually builds up a complete Business Objects knowledge base, quickly detects the most common problems, and responds promptly by taking corrective action in the form of further training or reporting to Business Objects.

Supporting end users is the role of the France Telecom “Info Center.” Since the ultimate aim is for users to become fully independent, the Info Center provides users with a number of tools to help them become more autonomous: an intranet site dedicated to user support, online training, and the “Co-op Net” (based on MicroSoft NetMeeting), which provides interactive support on individual workstations to users who are building queries.

Two Keys to Success: Pragmatism and Communication

One of the key lessons learned from major standardization projects is “never start from scratch!” Always be practical and leverage what you have. The 140 Business Objects deployments implemented across France Telecom, and the related high satisfaction rate, dramatically increased the chance of success of the BI standardization project.

Consensus is a must. To standardize an application there must be something at stake for the business area. The project must be perceived as useful and represent an opportunity. Users must be consulted and convinced. Finally, standardization needs strong support. The introduction of a project requires communication, explanation, and, above all, training, to help users smoothly develop their skills.

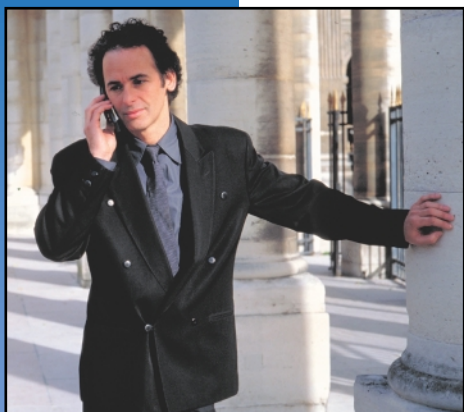


“The Competence Center concept is an essential part of any standardization initiative.

It provides users with the support they need to make optimal use of the product. In our different missions we gradually build up a genuine knowledge base around BUSINESSOBJECTS and gain increasing credibility with Business Objects users.”

*Etienne Audry,
manager of France
Telecom’s Info Center
and Business Objects
Competence Center.*





Experience Fast, Tangible Benefits

Just as desktop tools are now standardized, France Telecom has a standard environment that covers all its business intelligence needs. The corporate contract signed with Business Objects has enabled savings on license fees, now accrued at the corporate level and no longer for each project. The choice of a business intelligence solution and a single version, BUSINESSOBJECTS 5.1, for all workstations has enabled a substantial reduction in user training and support costs. Professional development is also a lot easier because the tools are the same for all business areas. This is crucial in a company where business areas are in constant flux. Another significant advantage is that applications are easier to deploy, upgrade, and maintain, saving time and money.

A Map for Tomorrow

The Business Objects Competence Center has opted for a step-by-step development. Right now, its priority is to conduct a complete survey of Business Objects projects within the company and to find ways to streamline internal business processes by consolidating them at branch and business area levels. The aim is to produce a comprehensive map of business intelligence projects to detect overlaps and gaps in the coverage.

Ultimately, the Business Objects Competence Center aims to think in terms of users and business areas, rather than projects. The goal is to pull the repositories together to make common reports available to a particular business area, and then build a business intelligence portal with WEBINTELLIGENCE.

France Telecom: Key Facts and Figures

France Telecom, one of the world's leading telecommunications operators, serves over 91 million customers in five continents (220 countries or territories) for a consolidated turnover of 43 billion euros in 2001. With a workforce of 190,000, and via brands of international stature such as Orange, Wanadoo, Equant, and GlobeCast, France Telecom offers the full range of telecommunications services: local, international, and mobile telephony, internet and multimedia, data transport, and cable TV broadcasting. The second-ranking mobile telephony operator, and Europe's third-ranking internet access provider, it is one of the world leaders in telecommunications services to multinational corporations. France Telecom (NYSE:FTE) is quoted on the Paris and New York stock exchanges.

France Telecom and Business Objects

- ▶ Customer since 1991
- ▶ Corporate contract for 70,000 licenses
- ▶ 15,000 to 17,000 licenses already deployed
- ▶ 140 BUSINESSOBJECTS projects throughout the company in all business areas: human resources, finance/management, marketing and sales, and networks.



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