

How Torch Telecommunications used Kognitio WX₂ to open up the possibilities

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Ian McKellar, financial director, Torch Communications

Building and retaining business

Torch Telecommunications is a young, high-growth company that is making a very successful business out of meeting the needs of tightly-defined target markets. With a high-value customer base, Torch needs reliable information to treat each potential customer individually to win and retain their business in a fiercely competitive market.

Torch has grown eight times its size in three years. The key to the company's success, according to Ian McKellar, financial director, is "... not to position ourselves as a commodity supplier, but as a customer-focused, value-added telecommunications partner."

In order to execute that strategy, the company must truly understand customer needs, which means accurate analysis of the data generated by customer call records.

Even for a young company like Torch Telecommunications this is a daunting task. Its customer calls already generate over 30 million rows of data every month, the result of more than 10 million minutes of calls every week.

When it began operations in 1996, Torch was able to analyze call data semi-manually, using PC programs. But as it grew, this task became increasingly difficult and commanded more resources. The crunch came when Britain's telecommunications regulatory body, Ofcom, asked Torch for specific information. According to McKellar

Analytical and statistical expertise

"For us to have provided that information using existing methods would have been a real problem. Instead we looked around for data analysis help, both in terms of a better system and analytical and statistical expertise."

Torch turned to Kognitio. "We knew that Kognitio had the technology to load and analyze data very quickly, but what was most impressive was the way in which their staff understood so quickly just what we wanted to achieve. They worked with us to satisfy the regulator's requirements in just a few hours," McKellar explained.

Having witnessed how Kognitio had taken the massive customer database and loaded it onto a Kognitio server and then provided answers with lightning speed, Torch's thoughts turned to other possibilities. There was very valuable information contained in its data that was difficult to extract using desktop programs. What kind of profitable information could they gather from this data?

Generating profitable information

Kognitio experts went to work. They made a detailed analysis of individual customer calling patterns. When customers sign with Torch, prices are set using jointly agreed assumptions about the volume, timing and destination of calls. Torch's previously limited analysis had suggested that actual call patterns often do not match assumptions.

The power of Kognitio WX₂ made it possible to look in detail at all of a customer's calls over a period long enough to be statistically reliable. The results, for Torch, was not only the revealing truth about pricing assumptions, but also the raw material for individual customer profitability analysis.

Now, Torch realized the real value of a company like Kognitio. As prudent business people they did open the search to other suppliers but found that none offered the speed or flexibility of Kognitio.

"We were not just looking for someone to supply hardware and software," stresses McKellar, "We

The Challenge

How does a telecommunications company that's already gathering over 30 million rows of data each month, access, manage and translate that data into profitable information and develop precise knowledge of individual customer needs?

The Solution

Using Kognitio WX₂, Torch Telecommunications has the technical, analytical and business muscle to turn oceans of weekly data into valuable, actionable information that forms the basis of decisions that build new business and customer loyalty.

The ROI

Fast data analysis has led to a definite competitive advantage and a significant increase in profits.





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also wanted to form a relationship where we were sure that we would get the right technical, analytical and business support from the supplier. In the end, Kognitio was the only logical choice.”

Immediately, Torch was impressed with how easily Kognitio WX₂ integrated with existing computing architectures.

“Kognitio WX₂ was installed, our data loaded and our staff were instructed how to use the software within just two hours. I was so surprised at how easy the process had been that I called the Kognitio CEO and complained that I expected a software solution that would take days or even weeks to install!”

Bottom line relevance

Constant analysis of business data is becoming standard practice at Torch Telecommunications since the adoption of Kognitio WX₂. The company continues its highly detailed customer analysis and now includes careful examination of the exact nature of inter-carrier traffic where calls originated by Torch customers are completed using other carriers’ lines, or when Torch completes calls coming in from other telecommunications companies. This has bottom-line relevance for negotiating contracts with those other carriers.

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About Torch Telecommunications

Torch Telecommunications was formed as a joint venture by Yorkshire Electricity and Kingston Communications, who obtained a Public Telecommunications Operators license to provide advanced telecommunications services exclusively to businesses and public sector organizations in Yorkshire and Humberside.

Kingston Communications has since acquired Yorkshire Electricity’s shareholding and established Torch as a stand-alone business within the Kingston Communications Group.

Kognitio provides solutions to business problems that require acquisition, rationalization and analysis of large and/or complex data

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