

Boost Revenue in B2B

Case Study in the telco industry

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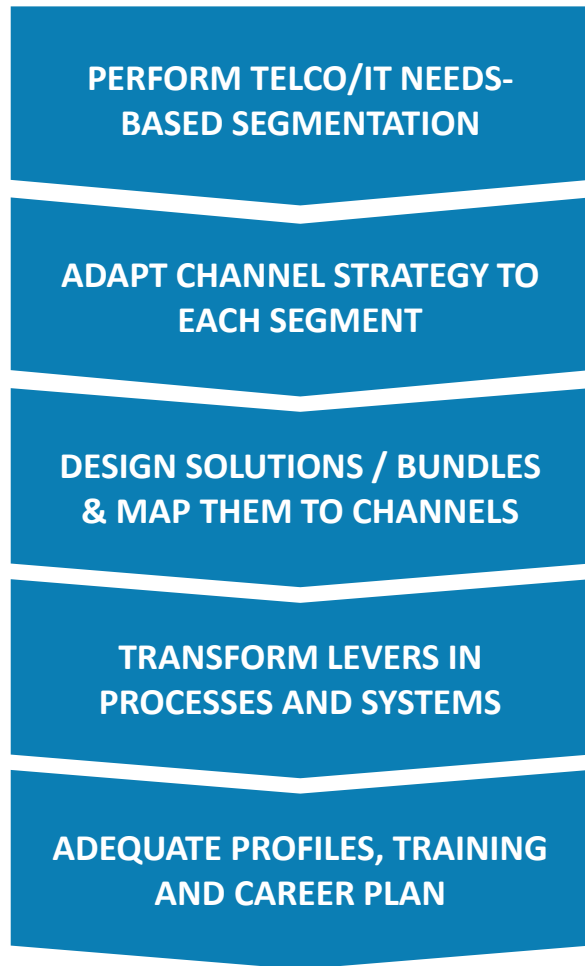


Case study: high level description of the context

- Telco operator market whose addressable market (reachable with own infrastructure) was ≈30% of households and companies → dependant on incumbent's infrastructure to reach rest of market
- Mobile offer launched initially under a full MVNO agreement. Initial value proposition based over fixed-mobile convergent handsets had low success
- Competitive situation deteriorated rapidly in Corporate Accounts: incumbent had developed an “all-inclusive” commercial strategy with a highly discounted full range of services (Fixed + Mobile + IT services). Situation specially dramatic in corporate multi-site accounts (e.g. retail banks) where most services were provisioned over the incumbents infrastructure → in low margins and poor SLAs
- SME segment in addressable market (over own infrastructure), offered an opportunity:
 - Incumbent did not have convergent offers or an unique / coordinated sales strategy (fixed + mobile)
 - Telco operator had an unique competitive advantage based on FBB that could be completed with a full convergent offer (FBB + mobile + VAS)

The telco operator was suffering to perform well on Corporate Large Accounts while it was well prepared to provide a compelling and profitable value proposition on the SME market, based around their unique FBB competitive advantage

Process to identify the key levers for SME “boost”



- Develop a corporate market segmentation:
 - Based on their telco needs – all services inclusive (fixed + mobile) + IT
 - Client centric
- Define the position (market share; churn; ARPU) and evolution in each segment
- Identify key GAPS to address

- Define channel mapping (sales / technical support / operations) for each segment
- Identify main GAPS
- Estimate resources requirements

- Define solutions / bundles per each segment combining:
 - Telco products (fixed + mobile)
 - Basic IT solutions
- Design mapping of solutions / channels
- Identify key challenges to adoption in each channel

- Identify the main impacts on processes and systems:
 - Service provisioning
 - Sales process automation
 - Integration with billing system
 - Other

- Identify main impacts on:
 - Target profiles to hire per each channel
 - Training plans on product
 - Career plans

The SME boost programme was designed following the five step process described above



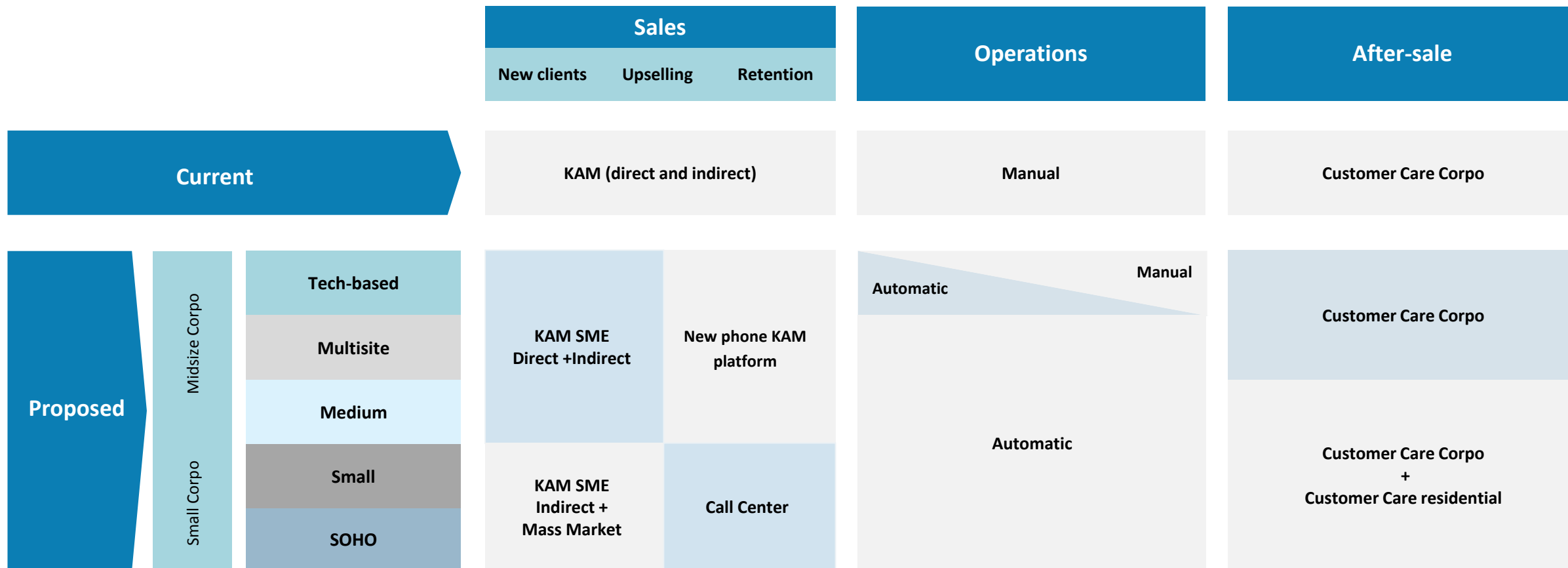
Telco – IT needs based segmentation: Illustrative

ILLUSTRATIVE		Segment	Description	Telco + TIC requirements			
				Key questions	Mobile	Fixed	IT
Revenues Size	MIDSIZE CORPO	Midsize Corpo - Technology Driven	<ul style="list-style-type: none"> • Midsize corpo client, mono or multi-site. • Intensive technology requirements • 4 – 100 employees 	<ul style="list-style-type: none"> • Advanced Telco – TIC requirements 	●	◐	●
		Midsize Corpo- Multi-site	<ul style="list-style-type: none"> • Midsize corpo client, multi-site (requires intersite connectivity) • 4-100 employees 	<ul style="list-style-type: none"> • Advanced requirements for site connectivity: point-to-point connections. Sophisticated, but not experts 	●	◐	◐
		Midsize Corpo – Mono site	<ul style="list-style-type: none"> • Midsize corpo client, mono site • 4-100 employees 	<ul style="list-style-type: none"> • Basic requirements • Search for reliable Telco solutions 	●	◑	◑
	SMALL CORPO	Small Corpo	<ul style="list-style-type: none"> • Small company, no intensive technology requirements • 2-11 employees 	<ul style="list-style-type: none"> • Mobile is key. Fixed-telephony and VAS might be valued • Basic requirements. Simple technology-agnostic solutions 	◐	◑	◑
		Self-employee/ SOHO	<ul style="list-style-type: none"> • Self-employee with or without office (working from home) • Mobility needs 	<ul style="list-style-type: none"> • Mobile is critical (vs. fixed line) • Simple bundle solutions • Fast and simple installation process 	◐	◑	○

In the case study, five different SME sub-segments were identified (plus Large Accounts & Public Administration)...



Adapt channel strategy to each segment: commercial channel reengineering



... a complete re-engineering of the commercial channels was carried out, based on the requirements and preferences, of each segment



Adapt channel strategy to each segment: channel characterization

SEGMENT	CHANNEL	Target Productivities				Target Portfolios			Sizing	
		CALLS OR VISITS/MONTH/KAM	% HIT RATIO	SALES/ MONTH (#.)	ARPU/NEW CLIENT (€/month)	INSTALLATION RATE	MONTHLY PRODUCTIVITY (€/month)	# CLIENTS / KAM	MIX, % POTENTIAL VS. ACTUAL CLIENTS	POTENTIAL MARKET, (#000)
Large Corpo	DIRECT	20-40	10%-20%						1,000	10
Midsize Corpo	DIRECT									
	INDIRECT									
	UPSELLING – CALL CENTER									
Small Corpo & Self-employees	INDIRECT									
	ONLINE+CALL CENTER PLATAFORM									

- For each of the channels, a sizing of the required resources was carried out
- In the case of commercial resources, objectives for the clients portfolio (# and mix), activity and productivity were defined



Design solutions / bundles & map them to channels: Products and sales channel map

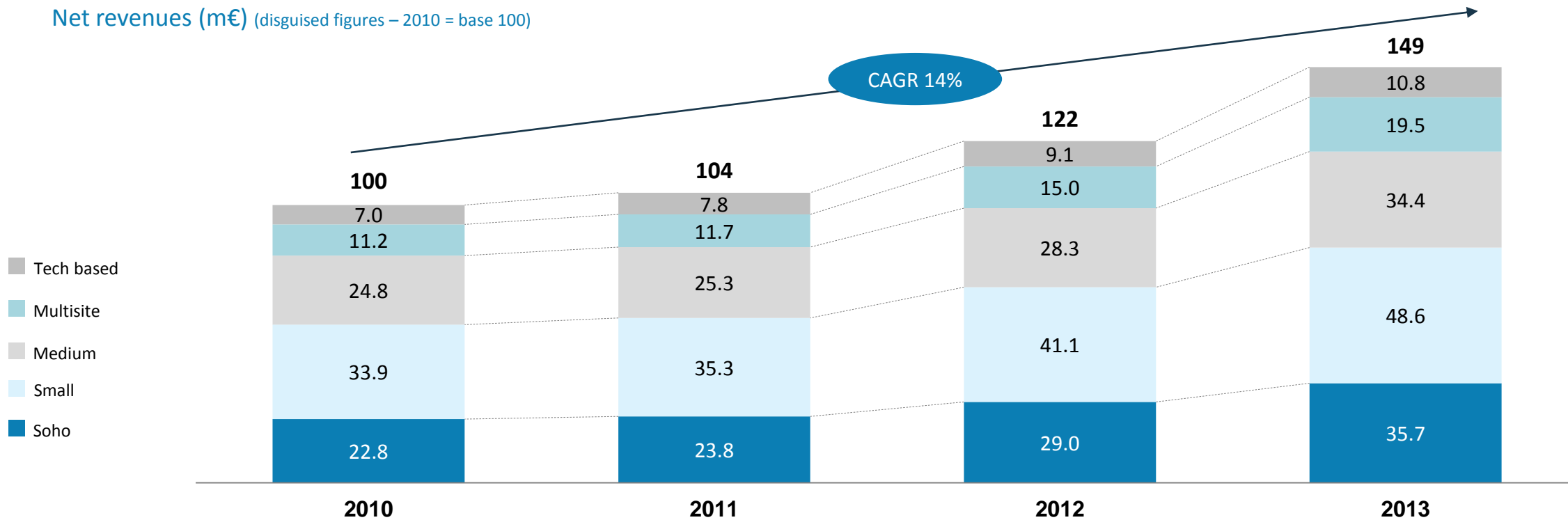
SOLUTION	DESCRIPTION	PRODUCTS																SALES CHANNELS						
		FIXED LINE	INTERNET (6, 12, 30, 50 and 100 & 300 Mbs)	MOBILE	CALL REDIRECTING	3G/4G DATA	BACKUP 3G/4G	SWITCHBOARD	OWN-NET TARIFFS	VPN	HOSTING	REPORTS	BACKUP	REMOTE CONNECTION	TV	PREMIUM NUMBERS	VIDEOSURVEILLANCE	DIRECT CHANNELS			MASSIVE CHANNEL			
																		KAM LARGE ACCOUNT	KAM SME - DIRECT	KAM SME - INDIRECT	TELEPHONE KAM	INTERNET	CALL CENTRE	CONSUMER CHANNELS
Duo (Fixed line + internet)	Basic duo of fixed + High Speed Broadband – up to 100 Mb	✓	✓															○	○	○	○	●	●	●
Mobile	Mobile solution with handset paid in instalments (options: Basic/ Android)			✓														○	○	○	○	●	●	●
Basic SOHO bundle	Duo fixed + mobile lines with call redirecting included	✓	✓	✓	✓													○	○	○	○	●	●	●
Advanced solution for SOHOS	3G data and 3G back up for connectivity	✓	✓	✓	✓	✓	✓											○	○	○	○	●	●	●
Basic SMES bundle	Fixed-mobile convergent offer with several lines of each Own net tariff and fixed-to-mobile call redirecting	✓	✓	✓	✓			✓	✓										●	●	●	○		●
Advanced SMEs solution	Basic SOHO bundle + dongle with 3G/4G data and router with 3G backup with capacity for several dongles	✓	✓	✓	✓	✓	✓	✓										○	●	●	●	○		●
Gold SME solution	Advanced SME solution + VPN through OpCo (access control, security, usage reports)	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓						○	●	●	○	○	○	○
Platinum SME solution	Gold solution + hosting in Opco's server, back-up and remote connection	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					○	●	●	○	○	○	○
Family office bundle	Residential offer integrated in business offer	✓	✓	✓										✓				○			○	●	●	●
Horeca bundle	Fixed line + Mobile line + Premium TV	✓		✓										✓				○	○	○	○	●	●	●
Video surveillance	Remote video surveillance Optional: video storage Optional: alarm																✓	○				○	●	●
Premium numbers	Non-geographical premium numbers														✓			●	●	●	○	○	○	○
VPN express	VPN for companies that only require connectivity between several sites and a central server																✓	●	●	●	○	○	○	○

- Bundles combined basic products (fixed – mobile – VAS) with standard bundling discounts. Extra discounts were offered at discretion of the salesrep. Additional discounts could be offered by higher hierarchical levels (KAM – KAM manager)
- Key point → train and communicate the different bundles to the Sales Channels



Three-year business plan and SME segment target revenues

Net revenues (m€) (disguised figures – 2010 = base 100)



Notes on business case inputs:

1. Acquisition ARPUS are obtained from forecasts for price and product mix per segment.
2. Contrast through benchmarking with the offer of a medium-sized company.
3. ARPUS are smaller initially due to acquisition promos and increase over time.
4. The sales force productivity is based on historic sales performance in each segment and on benchmarks.
5. Two external benchmarks were also used

The Turnaround Plan was structured and executed around the five large SME segments shown and helped to revert the situation and achieve double-digit revenues growth

Why Insight Solutions?

Why Insight

Deep knowledge of B2B segment

- We have executed successful B2B transformation projects in several industries including telco, industrial, chemical, and financial, insurance or services

Fast ROI for early results

- Insight's engagement model is designed to ensure positive ROI from early stages within the project:
 - Agile implementation
 - Strategy combined with execution
 - Insight's fee aligned with results

"A Class" talent that blends into your team

- Insight brings in experienced managers and strong analytically- minded consultants that blend with your team:
 - Former CXO executives
 - Consultants trained at best business schools / consulting firms
 - Work with your team to facilitate learning-by-doing
 - Strong analytics skills

Proprietary tools that accelerate results

- Apart from off-the-shelf solutions, Insight Solutions can provide the right tools to enable your team and accelerate results:
 - Technology partners that bring their tools and expertise
 - Proprietary solutions developed by Insight to cover specific needs

We help organizations identify the key levers for transformation in the B2B segment and accelerate its implementation

For more information on ways your B2B team can sell more please contact:

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***“Luck is what happens when preparation
meets opportunity”***

Seneca, c4 B.C. – A.D. 65

Let's build luck together

Insight, 2018