

Chapter 1
Project Udaan & Dosti

Project Udaan and Dosti

Introduction:

PSTN or landline service continues to serve the people across the world, though its significance is getting diluted in wake of the growth of mobile services. Lot of improvements have happened in PSTN since its invention. Landline services contributed the most to overall revenue of Incumbent players, which day by day is eroding, threatening the survival of such operators. Although in declining phase, landline still has wide reach and acceptability in the market. Moreover with the introduction of VAS on landline it has promising potential for many more years. This handout dwells upon the strategy adopted by BSNL for strengthening its landline business.

Lesson Objective:

- Understand the need for special attention towards landline service
- Know the BSNL's strategy: Project Udaan & Dosti
- To understand and be able to contribute towards success of Project Udaan & Dosti

Need for Special care of Landline business:

If we look at the revenue contribution from landline Connections V/s revenue in comparison to mobile service since inception, it is obvious that, landline ARPU has declined tremendously but still is very high as compared to mobile. If we add broadband to landline revenue, the ARPU will further increase.

Year	#Landline customers	Landline revenue	#Mobile customers	Mobile revenue
March 09	2.93 crore	9173 crore	4.67 crore	9828 crore
March 01	2.81 crore	22630 crore	-	-

- Share of Broadband subscription in total Internet subscription increased from 46% in Mar-09 to 47% in June-09. 86.66% of the Broadband subscribers are using Digital Subscriber Line (DSL) technology.
- ARPU for dialup Internet usage increased by 2.97% from Rs.236.47 in QE March 2009 to Rs 243.50 for the quarter ending June 2009
- Rural Wireline subscription has been declining at a faster rate than Urban subscription, leading to decline in the share of Rural subscription
- The landline growth chart shown below indicates that BSNL/MTNL customer base is on the decline.

Service Provider	Mar-09	Jun-09	Net Additions	Rate of growth	Market share- Mar-09	Market share- Jun-09
BSNL	29.35	28.79	-0.55	-1.9%	77.30%	76.73%
MTNL	3.57	3.55	-0.02	-0.6%	9.41%	9.46%
Bharti	2.73	2.83	0.10	3.7%	7.18%	7.54%
Reliance	1.11	1.13	0.02	2.0%	2.92%	3.01%
Tata	0.92	0.95	0.03	3.7%	2.42%	2.54%
HFCL	0.16	0.16	0.00	0.2%	0.43%	0.43%

Above discussion make it amply clear that dialup internet & broadband has strong potential and a strong strategy is required for saving landline.

Key issues identified for poor performance

- Present approach of service delivery – not customer centric
- No proactive effort to capture potential customers
- At the time of booking the feasibility status not informed to customer
- No clear demarcation between feasible and non feasible cases
- In case of non-feasible cases , process for refund of registration charges cumbersome
- Lack of effective monitoring of provisioning process leading to delays
- Cables team not a part of provisioning process
- No cross check on the feasibility report given by Outdoor JTO
- No accountability/ responsibility assigned to Cables team to make the connection feasible
- No record maintained of the non- feasible cases not booked/ cancelled due to non-feasibility
- No monitoring of stage wise/ process wise time taken
- Targets for individual process/ activity not fixed and not monitored
- Sales in BSNL: The three primary reasons identified for decline of landline customer base are poor customer service, un-economical landline tariff and increased mobile penetration. Since the customer experience of a product or a service is the sum of all encounters with the company, it is very important to understand the customer expectations and his emotional requirements. The key priorities for increasing fixed access business in BSNL will be better marketing

and product management, efficient sales & distributions mechanisms, faster service provisioning and grievance redressal and wider coverage. A sales professional should have extensive knowledge of the product/services, maintain high standards of conduct and be market focus /customer oriented. Consequently proper sales reporting has become very important as it facilitates analysis of information, identifies the areas of strength/ concern, improve performance by taking timely corrective action, monitors the volume of sales and provides planning input to other departments.

Project Udaan

As part of Project Shikhar, A special strategy titled Udaan has been launched. The main objective of this project is to rapidly expand broadband customer base while reducing churn of wire line voice customers and increase usage from existing customers. A pilot Project was started in three areas of Bangalore Telecom District with a view to create new sales force, make customer service processes more friendly and optimize service delivery/fast provisioning. In this Project special teams are constituted to focus on customer segmentation, product & pricing, sales & alliances, customer services and service delivery.

- Customer segmentation
- Product / pricing design & concept testing
- Customer service processes
- Service delivery & service assurance processes
- Sales force design

- **Customer segmentation**

Create discrete segments of customers based on their usage profile. For each customer segment, understand the key requirements from fixed access services and the issues being currently faced by them.

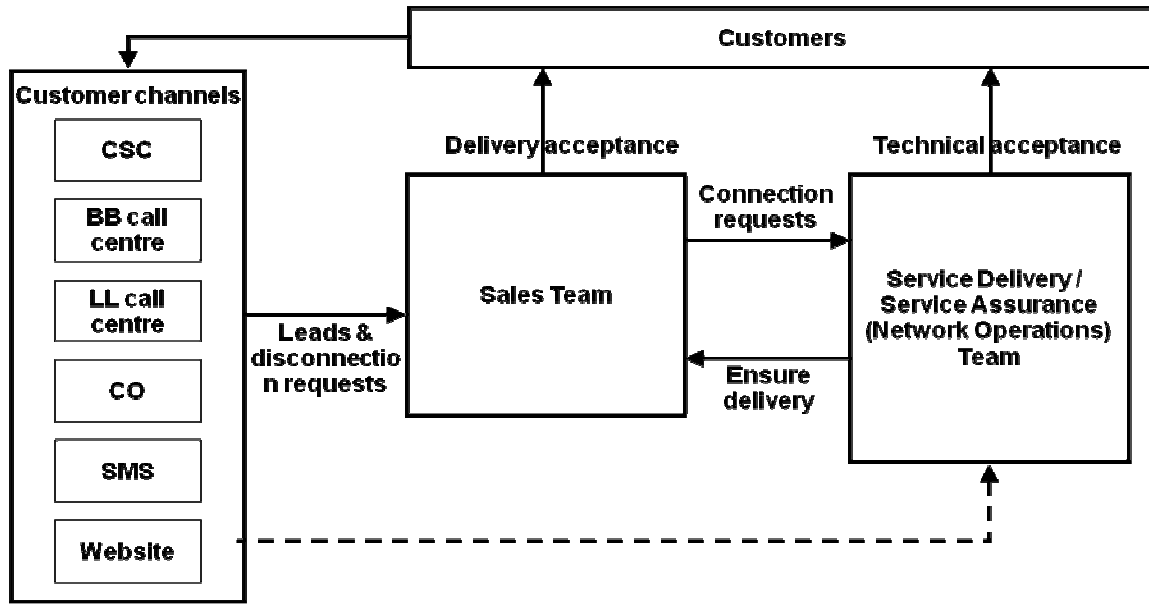
- **Product / pricing design & concept testing**

Create pricing / product innovations that will address specific requirements of each of the customer segments identified. Elements of such plans may include bundled offers, special pricing tariffs and enhanced product / service features. These plans were concept-tested with potential customers to gauge interest levels prior to launch.

- **Customer service processes**

Define key processes for various channels of customer service (e.g. CSC's, call centres, broadband helpdesk etc.). In addition, define the interfaces of customer service with sales and service delivery / assurance to ensure monitoring and delivery of customer requirements.

Customer service will play a key role in generating leads for landline & broadband connections



Customer service processes updated to ensure efficient interactions with Sales & SD / SA teams		
	Activity	Key changes in current process
Learn	General / technical & tariff enquiries	Deliver product / plan brief to customer & route lead to sales for follow up
Get	New connection request	Route customer leads from call centre, BB helpdesk, SMS and online to sales
Fix/Change	Check status of complaint / connection request	Provide up-to-date status to customers on queries / new connections / complaints
	Connection not working (Not part of Udaan)	Capture nature of complaint and route to relevant SD / SA team
	Change of plan	Route to sales or SD / SA based on new or legacy customer respectively
Pay		
Stay	Disconnection request	Understand reason for disconnection and escalate to sales team
	Change of location	Route to relevant sales team lead

- Service delivery & service assurance processes

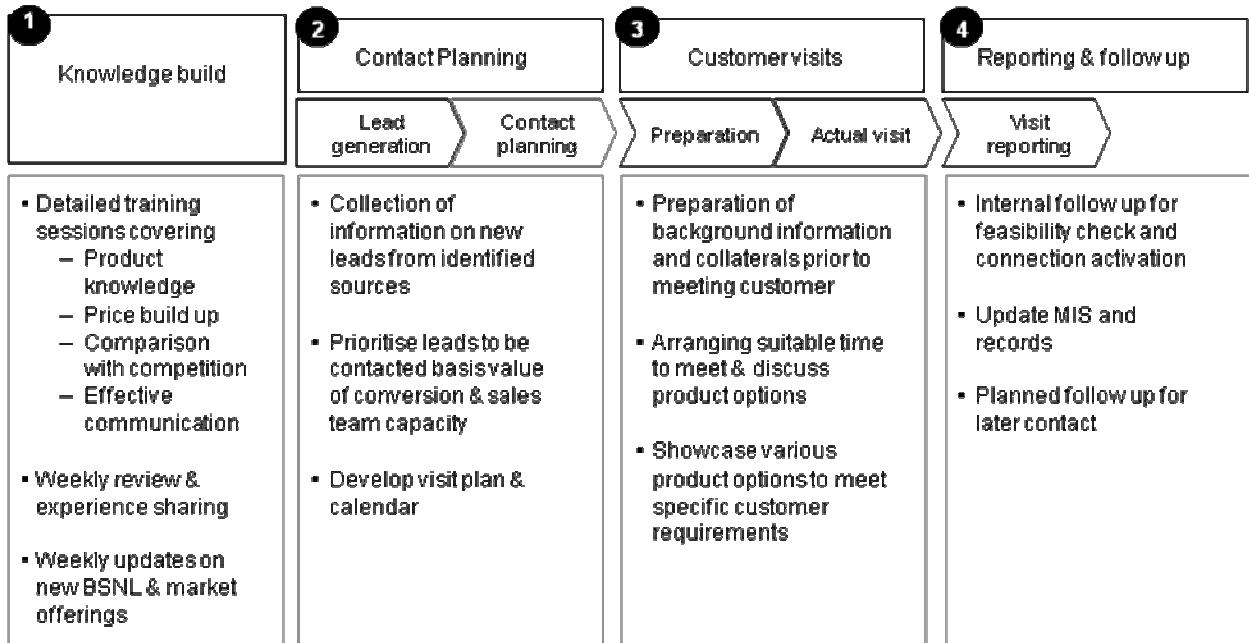
Analyze the key operational issues currently faced in delivering fixed access services. Create a dedicated team to identify and resolve issues, along with the associated interfaces to sales and customer service.

Setting up of Service Deliver-Service Assurance Teams	
Outdoor members	1 or 2 members per Outdoor division
Indoor members	1 member per Indoor division
Support members	NIB Node-in-charges, CITOMS / DotSoft in-charge (if any)
Critical role and activity definitions within the SD / SA team	
SD / SA team at divisions will...	Outdoor team will ...
<ul style="list-style-type: none"> • Follow up on all network support (feasibility, activation) requests generated by sales team • Proactively track pending requests and contact outdoor team for faster service delivery • Work with cable's team to enable feasibility for requests where customers are ready to wait 	<ul style="list-style-type: none"> • Regularly monitor the feasibility check requests coming from sales team through Wings. • Report feasibility expeditiously • Expedite work on outdoor installation steps for OBs raised for feasible requests above • Work closely with sales team to give the customer a delightful experience.

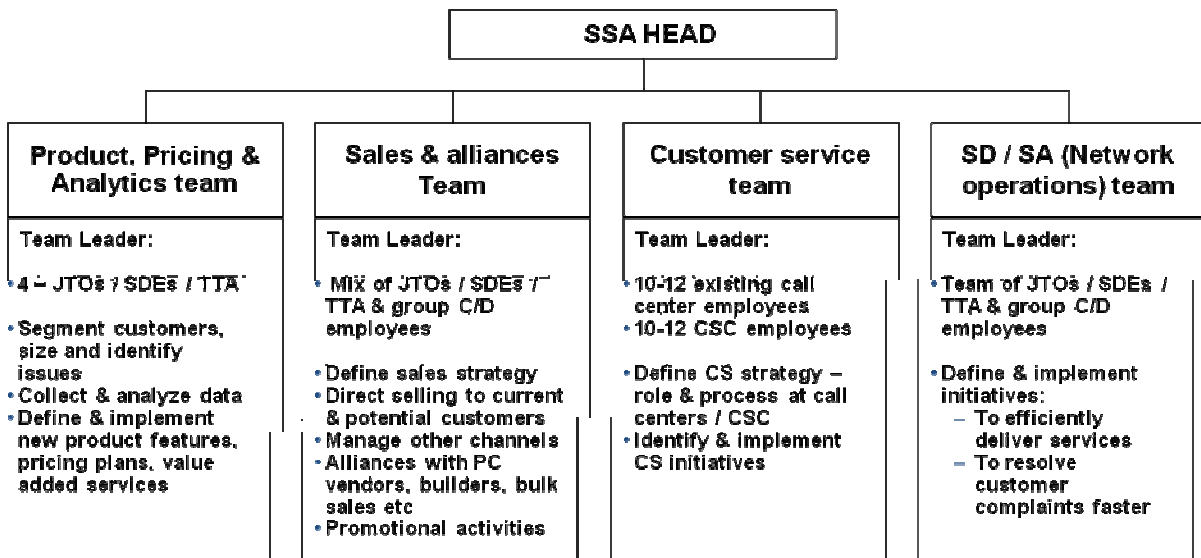
Sales force design

Develop the structure of retail sales force for fixed access services. In addition, design the associated sales processes, incentive structures and training requirement to execute retail sales.

Four key processes to ensure high sales team effectiveness



For implementing above aspects, an overall team structure for Project Udaan is given below:



Brief on approach towards Udaan cases

- Proactive ways introduced for capturing potential customers

- Introduction of BSNL Sales teams
- Feasibility check done before collecting documents and registration fees.
- The feasibility status informed to the customer invariably.
- The record of non-feasible requests which could not materialize, maintained with Cables team.
- Apart from the normal channels of monitoring, separate SDSA team members help in monitoring and resolving the issues between Sales and Outdoor teams.
- Process wise time taken monitored to help narrow down and focus on the problem areas

Udaan approach (I) - proactive ways of capturing potential customers introduced

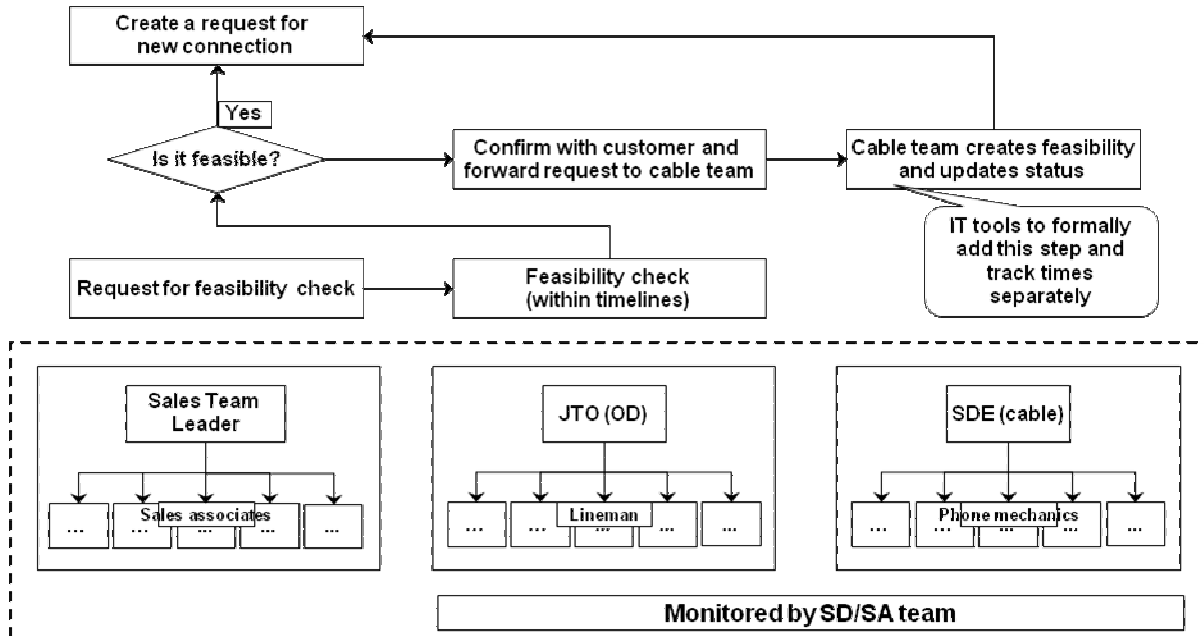
- Lead generation – Any customer enquiry about the various services offered by BSNL entered as a lead for a potential customer
- Leads booked by all customer interfaces - CSC, Call Centers, Commercial Sections, field offices
- Leads viewed by Sales team leader and allotted to respective sales associate to contact the customer
- Lead status can be tracked by anybody by giving lead number

Udaan approach (II) – for LL requests, feasibility check done before booking

- On receiving confirmation from the customer about his requirement for a Landline, the feasibility check is done before booking
- For feasibility check, the Sales team leader raises a 'ticket' and allots it to the concerned JTO Outdoor .
- JTO Outdoor on receipt of a ticket, checks and reports the feasibility along with the Pillar number to the Sales Team
- If the ticket has been wrongly allocated to his section , JTO has the option to reallocate the section
- On getting the report,
- If the connection is feasible, the Sales associate approaches the customer, collects the documents and books the connection.
- If not feasible, Sales associate informs the customer and tries to sell WLL
- Target for time taken to report feasibility is fixed (On the same day and definitely by the next day)
- Process is to be closely monitored and JTO wise analysis carried out.

Udaan approach (III) - inclusion of cables team as a part of the process

- A ticket marked as non-feasible by JTO Outdoor is sent to Cables team
- Cables team can view the cases JTO wise
- If it can be made feasible, the cable team works on it and reports the feasibility back to Sales team
- The record of non-feasible cases is maintained and becomes an input for cable planning



Udaan Approach - IV

Prompt provisioning of feasible cases

- The OBs booked against feasible tickets are marked with special flag 'Udaan'
- These OBs skip the 'Section Allotment' and 'Feasibility Check' stages and move directly to 'Number Allotment' and 'Outdoor installation'.
- Process wise time taken monitored to help narrow down and focus on the problem areas

Strengthened Monitoring System

- Apart from the normal channels of monitoring, separate SDSA team members help in monitoring and resolving the issues between Sales and Outdoor teams.
- Various reports made available to be able to effectively monitor the status and progress.

Pre Udaan	Post Udaan
No detailed data base for leads received at BB / Call Centre /SMS / website	Consolidated database for leads from all channels
No structured process to capture leads and contact potential subscribers at their door step	Interfaces between customer service, sales and network operations defined
No mechanism to follow-up and track status of leads	Web based IT Tool allows capture and tracking the status of leads
Status of feasibility unknown at the time of booking a connection	Feasibility verified prior to OB generation
Monitoring system, Admn. report by Team Leaders - not available.	End-to-end tracking of leads from origination to provisioning of a connection is now possible
All customers receive a physical copy of bill by default	Provide the customer with option to opt for e-bill (under evaluation)

Wings software for Project Udaan:

ITPC Pune has developed and launched a lead management software in Jan 2010. It enables creation, distribution and management of leads, which are then entered in to the local commercial systems. All the stages of Lead before or after its entry in the commercial system are monitored, by a system of SLA, through various report generation and SMS generation till its completion. A system of User roles of Project Managers/Sales team leaders/Sales associates/SDE)(Extl) has been created to facilitate the Lead during its entire life cycle. The software has been launched in various SSAs of AP, Bihar, UP-E, UP-W, Punjab, Maharashtra, Rajasthan, Orissa, Kerala, Tamilnadu and Gujarat.

Concluding Remarks on Project Udaan:

The success of Project Udaan lies on each one of us. We must realize that at present BSNL is the market leader in Fixed Access with over 75% market share and Fixed Access contributes to 46% of the operational costs. With ever increasing usage of internet and massive Copper network of BSNL, only push selling approach is required. Unless we expand our wired broadband market now we may face stiff challenge when wireless broadband becomes fully operational with all its might.

Project Dosti

Objectives:

The overall objective of Project Dosti is to reduce decline in BSNL's PCO business by reducing churn of existing PCO operators and innovating of PCO business model to generate new revenue sources (both for BSNL and PCO owner). The pilot Project was executed in Bangalore Telecom District. Specific objectives were :

- Increase PCO connections through reduction in churn & sale of new connections
- Facilitate sale of 'Broad-Band Enabled' services model to existing and new PCO's
- Convert PCOs to sell full spectrum of BSNL products & services

Key activities

- In-depth analysis to identify key issues faced by PCO subscribers
 - Market Research and group discussions with PCO owners
 - Interviews conducted with dealers/DSA's of various telecom providers
 - Interviews conducted with in-house sales force of competitors and BSNL staff
- Action plan developed to increase sales and reduce churn
 - Improve management of DSA channel
 - Improve customer service and pricing
- Plan developed to facilitate sale of 'Broad-Band Enabled' services model
 - Central team to create tie ups with banks, vendors
 - Marketing support team to help create awareness

Today's PCO business

With a lot of operators now in PCO business, the competition is really cut throat. The service providers are trying to lure away the prospective/existing PCO owners to keep their brands. Commission, call cost, service quality and care of the service provider are some of the factors which the PCO owner of today carefully analyzes before taking a final decision. While most service providers want that the PCO owners should become "one stop solution provider" of their products, the PCO owners are always interested in more profits. With almost identical services and Tariffs, incremental innovation has become the deciding factor. It may be remembered that sometimes some unethical practices are also adopted by a few PCO

owners which result in non realization of billed amounts. So this aspect has to be particularly taken care by the service providers.

The PCOs in BSNL

BSNL is today offering following types of PCOs :-

- Conventional Landline PCOs (manned)
- CCB PCOs
- GSM PCOs
- WLL or CDMA PCOs
- FLPP PCOs
- IN PCOs

What needs to be done?

As is evident from above, BSNL is providing all types of PCOs. Despite this, its market share is about 30%. The reason is that we never used to consider the PCO owners our business partners. There was no mechanism of any official feedback from them. The initial registration cost is a bottleneck and paper formalities so cumbersome that the prospective customers almost run away. Further, the after sales service & marketing initiatives about new schemes leave enough scope for improvement.

But, with a tele-density of over 40, the PCO business is almost getting saturated. The thrust areas, which Project Dosti is focusing are:

- Frequent meetings with existing PCO owners to enhance their comfort level
- Conducting interviews with PCO owners of other providers to gauge their expectations
- Reduction in the initial formalities
- Improvement of after sales/servicing facilities to these PCO owners
- Awareness creation about new schemes to these PCO owners through direct contacts, pamphlets etc.
- Competitive product and pricing
- Enhance sale of broadband enabled products through strategic tie ups
- Better DSA channel management
- Push sale of all products through PCOs
- Continuous monitoring of performance of PCOs
- Launch of innovative ideas

- Attractive commission structure
- Flexible bill payment but strict realization of outstanding amounts
- Prominent display of glow sign boards towards increased visibility of brand
- Loyalty schemes
- Faster provisioning
- Efficient complaint handling

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