E4-E5 (MANAGEMENT)

Aspiration Driven Transformation

WELCOME

- This is a presentation for the E4-E5 Management for all streams for the Topic:

  Aspiration Driven Transformation

- Eligibility: Those who have to get Upgradation from E4 to E5.

- This presentation is last updated on 15-3-2011.

- You can also visit the Digital Library of BSNL to see this topic.

Agenda

❑ Telecom Business Environment

❑ Change methodology in BSNL

❑ Project Shikhar

❑ Key pilot activities under Project Shikhar

❑ Restructuring in BSNL

❑ BSNL Aspiration Driven Transformation

Telecom Growth in India

- **New Economic Policy (1991)**

  Opening up of Telecom service sector (Mobile –metros)

- Leading to unprecedented growth of telecom sector.

- From a monopoly to multi operator, multi services, multi technology, multi vendor scenario

- BSNL was formed, for taking care of the "Service Provisioning (The Installation Operations and maintenance of the telecom services) provided by the Government :1st October 2000

BSNL Vision-2007

To become the largest
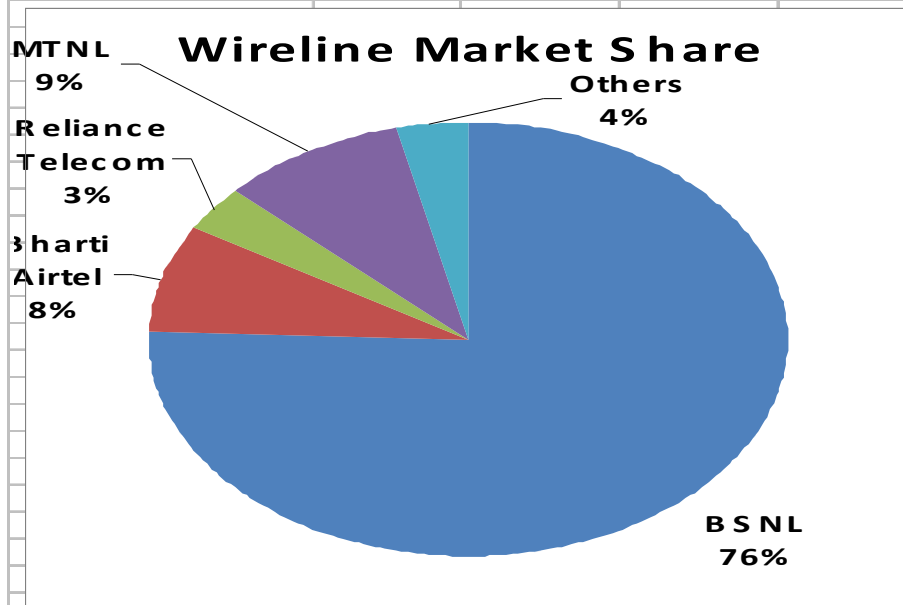
Telecom Service Provider

in Asia.

Mission-2007

i. To provide world class State-of-art technology telecom services, on demand at competitive prices.

ii. To Provide world class telecom infrastructure in its area of operation and to contribute to the growth of the country's economy

COMPARISON

Wireline Market Share	
BSNL	75.48
Bharti Airtel	8.23
Reliance Telecom	3.17
MTNL	9.44
Others	3.68

Wireless Market Share	
BSNL	11.83
Bharti Airtel	22.09
Reliance Telecom	17.62
Vodaphone Essar	17.24
Tata Indicom	11.20
Idea	11.02
Aircel	6.18
MTNL	0.89
Others	1.93

Sub: Market Share of Telephone Operators in India as on 28.02.2010

Wireline Market Share

MTNL 9%
Reliance Telecom 3%
Bharti Airtel 8%
Others 4%
BSNL 76%

Wireless Market Share

Aircel 6%
MTNL 1%
Others 2%
BSNL 12%
Idea 11%
Tata Indicom 11%
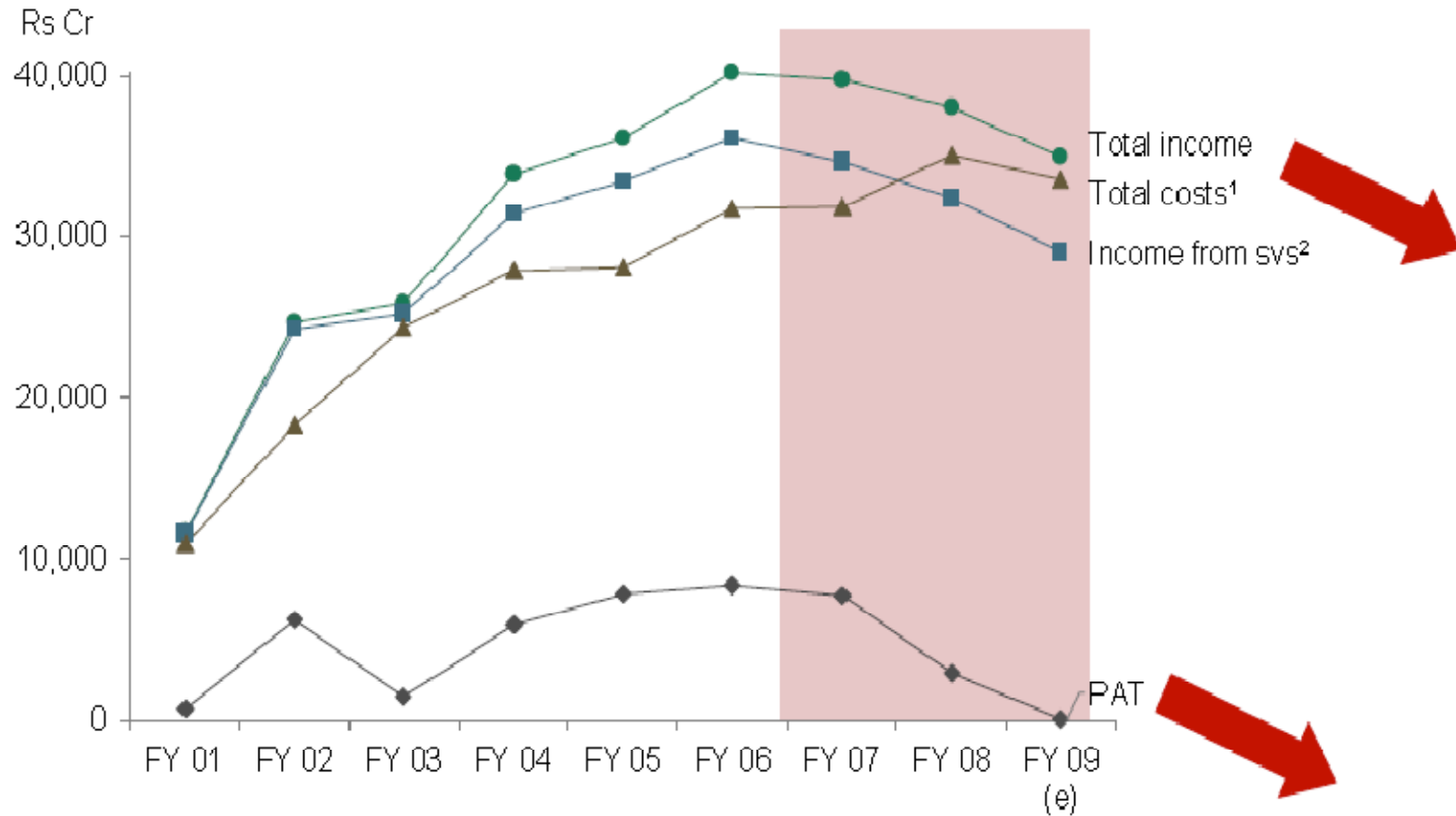Vodaphone Essar 17%
Reliance Telecom

Note: Others means Tata Indicaom 3.08%, HFCL Infotel 0.46% and Shyam Telelinks 0..14%
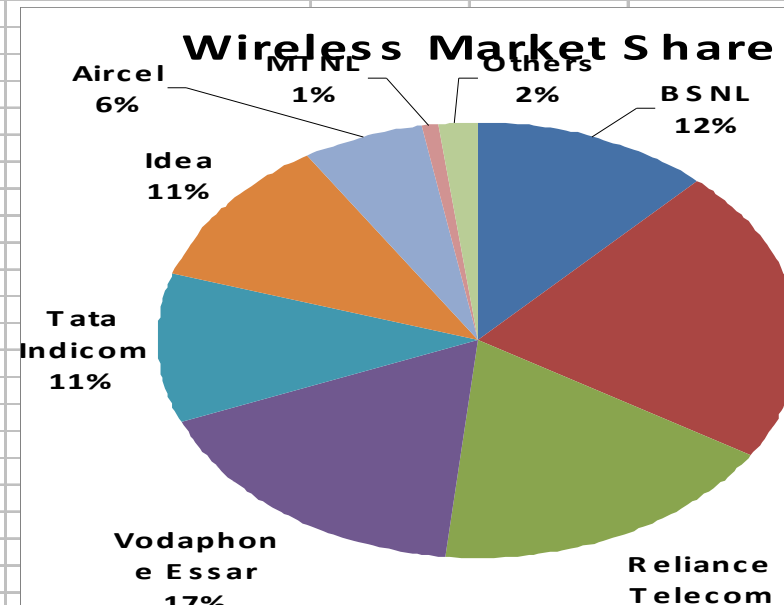
Note: Others means BPL 0.49%, HFCL Infotel 0 Shyam Telelinks 0.62%, Uninor 0.63% and Stel 0

For internal circulation of BSNL only

BSNL financial performance

Rs Cr

- Total income
- Total costs[1]
- Income from svs[2]
- PAT

FY 01, FY 02, FY 03, FY 04, FY 05, FY 06, FY 07, FY 08, FY 09 (e)

1. Include all costs including depreciation, interest and taxes 2. Services
Source: BSNL balance sheet, Evalueserve, BCG analysis

For internal circulation of BSNL only

Need for change?

☹ BSNL's market share as well as profitability have shown a declining trend while the telecom market is growing.

WHY ?

Σ M/s BCG appointed as Consultant, who carried out detailed SWOT analysis of BSNL: by conducting an internal survey; by interviewing many employees at various levels

Introspection:

BSNL

❑ Are all the employees motivated ?

❑ Are mgmt practices conducive to growth ?

❑ Is the Vision statement aligned to reality?

❑ Do all the employees know Vision ?

Introspection:

❑ What fate is expected in next five years?

❑ What makes other operators grow in spite of little technology & tariff differences with BSNL?

❑ Is organization structure within BSNL too bureaucratic to deliver results?

ANSWER

Change

Present Approach of BSNL

- Lack of shared vision among employees

- Inability to see big picture

- Too broad structure

- Lack of documented role, responsibilities and accountability matrix left to individuals to define it as per past experience, practices and their wisdom.

- Legacy processes: The way work got processed through legacy processes lead to inefficiencies and delays.

ADT 2008:Project Shikhar

- Develop a shared aspiration for BSNL's future.

- Articulate a well-defined strategy to take BSNL back on the path of growth and profitability.

- Create a 5-year business plan outlining a range of potential outcomes.

- Develop a thorough Sales & Marketing Strategy for each of the core businesses (Landline, Mobile, Broadband, enterprise etc.)

ADT 2008:Project Shikhar

- Outline key implications on operations and customer service to support various businesses. (Business Process reengineering)

- Define the right organizational model to achieve the strategic objectives, along with critical changes needed in HR policies. (Restructuring)

- Implement the various initiatives in the form of Pilots, with detailed design and on-the-ground implementation.

Vision 2013

- Be the leading telecom service provider in India with global presence
- Create a customer focused organization with excellence in sales, marketing and customer care
- Leverage technology to provide affordable and innovative products / services across customer segments

Mission 2013

- **Be the leading telecom service provider in India with global presence**

  - Maintaining a high rate of growth to protect and increase its market share in all segments of operations

  - Generating value for all stakeholders-business associates, vendors, shareholders & employees

  - Maximizing return on existing assets with sustained focus on profitability

  - Becoming most trusted, preferred and admired telecom brand

  - To explore international markets for Global presence

Mission 2013 *(contd)*

- **Create a customer focused organization with excellence in sales, marketing and customer care**

  – Developing a marketing & sales culture that is responsive to customer needs

  – Excellence in customer service-friendly, reliable, time bound convenient and courteous service

- **Leverage technology to provide affordable and innovative products / services across customer segments**

  – Offering differentiated products/services tailored to different segments

  – Providing reliable telecom services that are value for money.

Mission 2013

- **Provide a conducive work environment with strong focus on performance**
  - Attracting talent and keeping them motivated
  - Enhancing employee skills and utilizing them effectively
  - Encouraging & rewarding individual and team/group performance

- **Establish efficient business processes enabled by IT**
  - Changing policies and processes to enable transparent quick and efficient decision making

  - Building effective IT systems and tools.

Project Shikhar Implementation *Ph 2*

- **Accelerating growth of mobile business by focusing on critical areas**
  - Building extensive and strong distribution and retail footprint
  - Innovation in pricing
  - Acceleration of 3G sales to capitalize on first mover advantage
  - Improving effectiveness of VAS

- **Leading and shaping the fixed access business by focusing on critical areas**
  - Addressing gaps in Sales & Distribution
  - Innovation in Product & Pricing
  - Building capabilities and offerings on content and VAS
  - Improvement in service delivery and provisioning times

Project Shikhar Implementation *Ph 2*

- Growing the enterprise business and becoming provider of choice by
  - Establishing key account management
  - Innovation in products and solutions
  - Strengthening service delivery and service assurance
- Expanding into new businesses
  - Developing the infrastructure sharing business
  - Monetise other embedded assets
- Focusing on financial assurance
  - Fixing billing leakages and improving collection
  - Reducing operating costs

Project Shikhar Implementation *Ph 2*

- **Improving customer service levels across different interface points**
  - Improving effectiveness of call center and CSC
  - Building new areas such as online

- **Implementing operations improvement initiatives**
  - Increasing service levels by reducing downtime and improving turn-around time
  - Reducing operating costs where feasible

Project Shikhar Implementation *Ph 2*

- Focusing on implementing critical HR priorities
  - Recruitment at DGM, MT and JTO/JAO levels
  - Capability development
  - Defining appropriate incentive management program

- Implementing new organisation structure across the organisation
  - Defining the roles & responsibilities and key performance indicators in the new structure
  - Enhance effectiveness of new structure by appropriate top-management MIS and planning and budgeting

Project Shikhar Implementation

Business Units

- Director (Consumer Fixed Access)

- Director (Consumer Mobility)

- Director (Enterprise)

- ED (new Businesses)

Project Shikhar Implementation

Shared functions

€   Director HR (including Admin, Legal)

€   Director Finance –supported by an Executive Director

Others directly reporting to CMD

€   ED Corporate Affairs (Corporate IT, Corporate Planning & Monitoring,

Corporate Marketing and Public Relations, Regulation)

€   Company Secretary

€   Vigilance (CVO)

€   GM (Coordination & Monitoring)

Project Shikhar Implementation

❑ In order to ensure that there is a clear chain of command and accountability from top to bottom within each BU, the business unit focus, at the Head Office is replicated at the Circle Offices and Region Offices.

❑ Hence each of the four BUs and the other shared functions at Head Office have their representatives at the Circle Offices and Region Offices.

Project Shikhar Implementation

❑ All the territorial Circles have thirteen distinct sections namely, CFA, CM, Enterprise, Passive Infra, HR, Finance, Business Planning/IT, Civil, Electrical, Architect, Vigilance, Commercial & Regulation, CSC.

❑ All SSAs in BSNL also need to be restructured to align their operations with the new vertical concept. This is being done progressively. In SSAs also CFA, CM, CSC, EB, Finance, Vigilance and HR/Admin/MIS/IT roles are defined. Depending on the size of SSA, job assignment and reporting structure is being planned.

Concept of Job Description

- A key feature of restructuring is introduction of Job description for each post. Besides JD, Key Result Areas (KRA) and Key Performance Indicators(KPI) have also been defined in alignment with the new Group Performance Management System (GPMS).

- This description enables the officers handling these jobs to have unambiguous understanding of their new role, expectations and measuring yardsticks for performance.

Implementation Teams

- **Project Sponsor:**

   Director/Executive Director in the Corporate Office responsible for providing overall guidance and direction, monitoring overall execution results, providing policy inputs and resolving key issues

- **Project Champion:**

   CGM/PGM/GM level officer in the Corporate Office responsible for driving implementation of the project/initiative on a country-wide basis, monitoring overall execution results, preparing policy guidance, resolving key issues on a day-to-day basis and communicating on all projected related issues.

Implementation Teams

- **Project Coaches:**
  GM/DGM level officers in the Corporate Office responsible for day-to-day execution of the project/initiative, working with Circle and SSA level implementation teams, monitoring results at Circle/SSA level, trouble-shooting issues on a day-to-day basis and supporting Project Sponsors and Project Champions take the right policy decisions.

- Transformation Management Office at the BSNL HO steered by GM (Restructuring)

Pilot Projects

- Vijay

- Udaan

- Dosti

- Kuber

- Sanchay

- Smile

Pilot Projects

❑ **Vijay:**

- ▪ Sales and marketing of Mobile services

- ▪ Strengthening of franchisee and retail network

- ▪ Retail managers(linemen) to monitor and coordinate with Franchisees

- ▪ Door-delivery to the latter

- ▪ Incentive scheme and rewards

- ▪ FoS – "Feet on Street" *(employed by the franchisee)*

- ▪ *On-line payment by the Franchisee (to be implemented)*

Pilot Projects

❑ **Udaan**

- ■ For Land line and Broad band

- ■ Focus on increasing sales through own sales channel and present DSAs

- ■ Service delivery and Service assurance teams

- ■ Sales executives

- ■ Improve service and provisioning

- ■ Increase conversion of new connection leads

- ■ Develop specific price and product plans for launch in the market

Pilot Projects

❑ Dosti

- For PCO promotion

- PCO relationship servicing agent

Pilot Projects

❑ Kuber

- ▪ Revenue realization

- ▪ Ensuring proper and prompt billing and collection

- ▪ especially Leased lines

Pilot Projects

❑ Sanchay

   ✓ Monitoring and saving of Operating expenses

   ✓ Optimize Consumption of Electricity, diesel etc

   ✓ Other methods of saving

Pilot Projects

❑ Smile

✓ Customer Care

✓ CSC as an integrated unit

✓ Telecom Shoppe, Commercial and TR activities.

✓ Automatized payment collection Kiosk

Sum Up

- Project Shikhar is a strategic step to regain lost glory

- Change in people, processes and structure has to be accepted

- 100% cooperation and contribution of one and all is required to achieve these goals.

Assignment:
SWOT Analysis

BSNL-SWOT

Feature	Strength/Weakness/Opportunity/Threat
Valuable assets-copper, fiber, buildings etc.	
Declining handset costs	
More Competitors	
Large Talented manpower	
Low employee motivation & involvement	
Declining Tariff due to competition	
Growing market of mobile connections	
Age profile of manpower	