

Transform to Grow:

Redefining a Digital B2B
Sales Experience



Executive Overview

All over the world, telcos' B2B business units have witnessed the growing commoditization of their traditional connectivity services, revenue stagnation and the growing competitive threat posed by digital-native competitors like Google and Amazon.

Fortunately, they're also seeing growing customer demand for converged Everything-as-a-Service (XaaS) offerings – which combine “core of the core” services like Unified Communications as a Service (UCaaS) and Software Defined Wide Area Networking (SD-WAN) with adjacent offerings like security, infrastructure hosting and IoT. All told, these emerging services represent a massive revenue growth opportunity.

While the XaaS market will be hotly contested, Communications Service Providers (CSPs) are well-positioned to win a significant share. They bring network infrastructure, experience managing reliable networks, and a reputation for securely managing customer data for a competitive advantage. Despite these advantages, few CSPs currently generate a significant share of their revenue from the sale of XaaS. In many categories (e.g. cloud apps, hosting) their digital native competitors outsell them by a wide margin.

Several factors hold CSPs back. The first obstacle is product, process and IT complexity which dramatically delays time to market with new offerings and leads to frustrating customer experiences. Second, while most CSPs equip business customers with advanced tools for monitoring and managing their networks, few provide digital self-service tools that put customers in control. Finally, few CSP enterprise sales teams have the tools to efficiently quote, contract, order and fulfill advanced connectivity and XaaS solutions.

In their evolution from traditional connectivity providers to purveyors of XaaS, CSPs must embrace digital-first operating models and transform the customer lifecycle to remove complexity, improve business agility and grow customer value.

In this paper, I'd like to share ideas for how to execute successful B2B digital transformation programs and suggest approaches that CSPs should take to remain competitive in these disruptive times.



Convergence



Everything-as-a Service



Cloud-Native



Digital-First



Accelerate Business



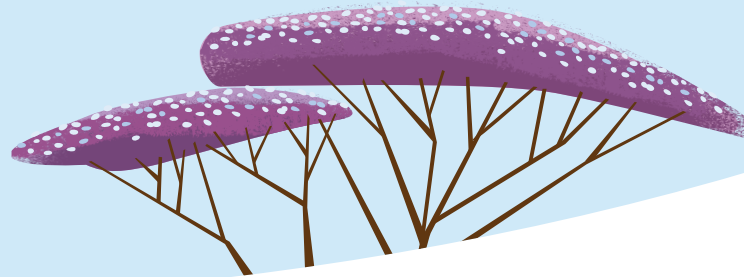
Grow Customer Value

By 2020, 23% of the communications service providers' (CSP) large enterprise business communication revenues will be catalyzed by new digital services such as cloud, collaboration or IoT (among others), up from 13% in 2017.

– Gartner, 2019

With decades of running highly trusted and secure communications services, CSPs have a competitive advantage to claim the rapidly growing digital service economy. Today, only a small number of operators are driving a significant share of their revenue through ICT services.

Customer-Centric Transformation as a Digital Telco



For CSPs, digital transformation programs should serve as a catalyst for redefining business models, reducing complexity, driving automation, and delivering increased business value.

A recent study from Bain & Company confirms that new digital-first business models offer vital growth opportunities for B2B service providers and will create a \$400 billion-plus addressable market by 2025. With decades of experience delivering highly trusted and secure communications services, CSPs are well-positioned to win a large share of this prize.

But evolving into XaaS providers requires that operators transform the customer journey, give buyers greater control, provide transparency across every touchpoint, and become more responsive to customer needs.

Where CSPs do this right, customers perceive increased value and invite them to serve more of their business needs.

Innovating with the customer at the heart of transformation has the potential to equip communications providers with customer insight, deliver personalized omnichannel “new and in-life” experiences, and embed the agility required to innovate at pace. However, not every digital transformation initiative achieves the desired results. Some digital programs simply shift complexity versus solving for it.



Digital B2B Maturity Assessment Checklist

Organizations that embrace digital transformation and focus on performance improvement are in the best position to achieve long-term growth and competitive advantage. Evaluate your potential for success with the following checklist:

1 Dramatically Reduce Time to Market for ICT Solutions & Offers

Today's competitive market demands that operators are equipped to rapidly launch new ICT propositions driven by business-led innovation.

- Are you able to rapidly introduce new ICT services or bundles to support evolving B2B connectivity requirements?
- Can IT quickly enable the business to respond to new market dynamics and competitive pressures with real-time advanced promotions and offers?

2 Deliver Consistent & Seamless Buying Experiences

Telco buyers expect simple, personalized and consistent experiences similar to those offered by digital-natives like Google & Amazon.

- Can customers efficiently and effectively self-care for their own buying and servicing needs – regardless of digital channel or device?
- Do you engage your customers in a personalized way with every interaction?

3 Accelerate Quote-to-Order Cycle Times

Your competitors are trying to steal your customers. Differentiate on your ability to efficiently quote, capture, price and process customer orders.

- Can you process a customer quote in real-time with accurate pricing based on guided-selling?
- Are you able to generate a customer contract within minutes versus days including capture of customer signature capture?

4 Understand Customers Better than Your Competition

Translating your customer needs and preferences into tailored business solutions can set you apart from the competition.

- Do you have a single-source of customer data or is your interaction and transaction data siloed in multiple systems?
- Can customer-facing employees obtain a complete view of the customer through a single interface?

5 Resolve IT Complexity & Embrace Agile Delivery

Deliver value-added solutions to the business in phases with tangible business outcomes in order to prove value.

- Do you have a well-defined digital transformation strategy?
- Successful digital transformation programs are delivered in phases of 3-6 months. Have you determined what MVP project you would deliver first?



Three Considerations for Your Transformation

Based on my experiences helping leading operators transform across the globe, I'd like to share three important factors to consider when driving successful B2B digital transformation programs.

As telcos undergo digital transformation, they need to reconsider the purchasing experience from a customer perspective rather than simply automating convoluted, outdated processes.

Organizations adopting customer-centric business models must re-imagine how to add unique customer value and streamline the monetization of new value-added services.

Simultaneously, a digital platform should empower transactional agility and speed that equips the business with responsiveness required in today's everything-as-a-service economy.



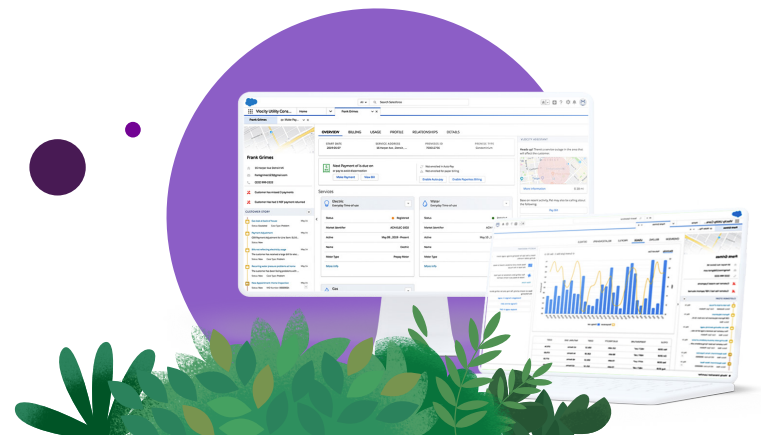
1 Simplify Products, Processes and IT Systems

Complexity is arguably operators' biggest barrier to success. The foundational goal for any digital transformation project should be to simplify products, processes, and IT systems; introducing automation where appropriate and delivering a "frictionless" customer experience.

Products: A CTO of a tier one service provider recently told me, "I have more than a million products in my catalog and it takes my teams more than a year to launch a new service." His experience isn't unusual. Bloated product catalogs, whether the result of mergers & acquisitions or lax product lifecycle management, create massive cost and complexity and diminish customer value. Telco product teams must analyze what's selling vs. what's not, consolidate to a smaller number of core offers, and move to a model that enables customers to build their own bundles. Telstra, Australia's leading CSP, recently consolidated 1800 consumer calling plans to approximately 20, and now enable consumers to select services that best address their needs. The market's response has been tremendous.

Processes: Most CSPs dream of becoming strategic partners to their business customers, and growing beyond connectivity to offering value-added XaaS. Yet, poor customer visibility, manual and disjointed business processes can slow responsiveness, lead to order delays and errors, and damage customer trust. Enterprise customers frustrated by these poor experiences may say, "Your company struggles to meet my basic connectivity requirements. Can I really trust you to provide security and hosting services?" Operators must re-imagine and streamline customer-facing processes across the entire lead-to-cash continuum.

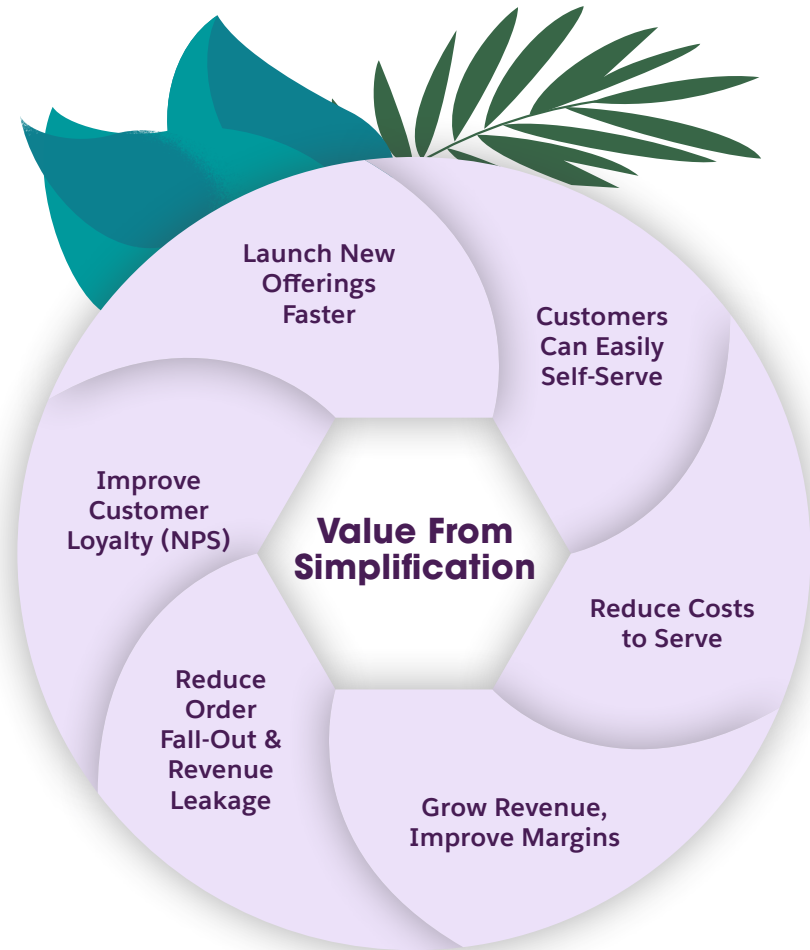
But there's no need to start from scratch. Salesforce Industries provides powerful process automation technology and has productized a growing library of best-practice industry processes that CSPs can quickly download, configure, and deploy - all designed to accelerate time to value.



1 Simplify Products, Processes and IT Systems

IT Systems: Whether through decades of organic development or through multiple mergers and acquisitions, most telcos have accumulated multiple product-specific IT stacks consisting of thousands of systems. These stacks are expensive to maintain, don't easily integrate, provide fragmented customer views and operational insights, impede business agility and deliver frustrating experiences for employees, partners and customers alike. Along with product and process simplification, every successful telco digital transformation program must include a plan for decommissioning legacy IT systems. Salesforce Industries brings powerful integration technology and transformation methodologies that deliver rapid business value in 3-6 month waves while sunsetting legacy systems.

Despite the myriad potential advantages, digital programs can land quickly on the rocks if executives and managers can't quantify their business value. It's important to demonstrate the benefits of digital transformation by releasing incremental changes that prove business value from the start. Delivering digital transformation and business benefits in 3-6 month phases wins the hearts and minds of business stakeholders, and generates organizational enthusiasm and support for executing on the next phase.



2 Put Customers in Control

Customers' expectations are no longer shaped by communications service providers alone. Digital natives like Uber, Netflix and Amazon have set the bar for delivering personalized, intelligent, and effortless customer experiences. Business buyers now expect CSPs to engage them with this same level sophisticated simplicity, at any time and through their channel and device of choice.

Businesses want to self-serve, order and provision network resources as they see fit, and flexibly re-allocate them as their needs change. Rather than simply deploy traditional, static connectivity services, they might want to assign more bandwidth for high-speed compute workloads during the day and reallocate bandwidth to security cameras and cloud backup at night. New XaaS technologies like SD-WAN give customers the control they crave.

Businesses demand the same flexibility, convenience and control for all interactions with their CSPs. CSPs that can deliver seamless, omnichannel experiences that allow customers to self-care across sales and service can differentiate themselves and establish long-term customer value.

"We often find that companies fall into the trap of simply trying to improve existing processes. In order for companies to build value and provide compelling customer experience at a lower cost, they need to commit to a next generation operating model."

- McKinsey 2019

Salesforce Industries' omnichannel capabilities deliver a digital BSS suite across the entire customer lifecycle for seamless engagement at every stage. Customers can easily select the offers most relevant to their needs through guided self-service. Digital-first engagement from concept-to-campaign, campaign-to-quote, quote-to-order, order-to-self service, and self service-to-renewal gives buyers the control they desire.



3 Unify Quote to Order Process Through Catalog-Driven Design

When telco sales reps delay in responding to requests for quote, prospects look elsewhere. When reps submit flawed contracts and orders, service delivery is delayed, customers are frustrated, and costly order re-work and truck rolls are often required.

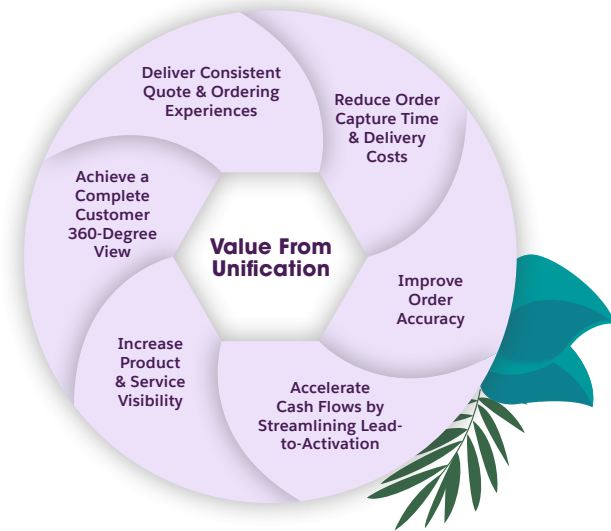
These challenges often result from inconsistencies between the products/rules defined in the product catalog and those used by downstream CPQ, Contract Management and Order Management applications. It's like an orchestra where the strings, woodwinds, brass and percussion are playing the same song, but in different time signatures.

We recommend that operators take a unified, catalog-driven approach to the quote to order process, where products/rules defined in the Enterprise Product Catalog (EPC) are used by CPQ applications to capture accurate quotes and orders, by Contract Management applications to generate accurate contracts, and by Order Management systems to orchestrate timely order fulfillment. This approach has multiple benefits.

First it enables CSPs to more quickly define and launch new bundled offerings, by leveraging existing product attribute definitions and rules.

Second, it ensures quote, contract and order accuracy through the consistent application of availability, compatibility and pricing rules.

Third, it provides CSPs and their customers complete visibility to complete quote, contract and order status, and the ability to make changes where required. Fourth, automating the orchestration of downstream fulfillment tasks can mitigate order fallout and revenue leakage. Finally, this approach can also dramatically reduce the cost and effort of integrating with disparate downstream systems.



Salesforce's catalog-driven order capture and fulfillment solution – in close conformance with TM Forum industry standards – embodies this approach.

Vlocity, now Salesforce Industries, has won several industry awards for helping leading B2B service providers execute successful digital transformation programs. Most recently, the TM Forum recognized Vlocity and Salesforce's innovative transformation program at KPN with its 2018 Business Transformation of the Year Award.

In 2017, Vlocity began working with KPN on its small and medium enterprise (SME) customer segment to dramatically improve the SME customer experience. KPN sought to simplify the company's B2B product portfolio, processes, and IT systems in order to increase their customers' average Net Promoter Score (NPS), and grow revenue while achieving €500 million in cost savings.

KPN is widely and justifiably recognized as one of the world's digital leaders, at the forefront in developing and executing on a digital vision to improve the way it serves customers.



About Salesforce Industries

Salesforce Industries, formerly Vlocity, is a leading provider of industry-specific cloud and mobile software for the world's top communications, media and entertainment, energy, utilities, insurance, health, and public sector organizations. Salesforce Industries possesses deep expertise in vertical industries, enabling organizations to digitally transform, simply and seamlessly. Leveraging industry-specific processes and data models across any channel, Salesforce Industries helps customers increase sales and digital adoption, improve service, marketing agility, and operational efficiencies.

About the Author

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A communications and media industry veteran, Dan is excited to be leading the charge at Salesforce Industries to transform the Communications customer experience. Dan began his career in product management and sales for GTE (now Verizon) and AT&T, where he managed global sales teams serving Oracle and McKesson. In 1998, Dan joined Siebel Systems to help the company develop and deliver industry-specific CRM applications for the Communications, Media, and Energy (CME) industries. Dan led Siebel's CME business until shortly before the company's acquisition by Oracle in 2005. Dan also ran marketing for Deem, a pioneering Commerce-as-a-Service (CaaS) provider. Before joining Vlocity, Dan spent 6 years running product marketing for Oracle's Communications Global Business Unit, a leading provider of BSS, OSS, network policy and signaling solutions. Dan holds an MBA from Wharton Business School, an MA in International Studies from the University of Pennsylvania, and a BA in Economics from Stanford University.



