NTT DATA

素晴らしいガイド

Vodafone Ireland's opportunity for growth: SOHO, SMB and Enterprise

A primer on how NTT DATA can help Vodafone Ireland accelerate business-to-business (B2B) growth

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GUIDING GREATNESS

A welcome note from NTT DATA

Hello,

How Vodafone Ireland can accelerate its B2B programme

As the great post-lockdown recovery picks up speed, the business-to-business (B2B) opportunity for Vodafone Ireland is huge. Your own recent research has shown that Ireland has one of the lowest levels of SME digital adoption in the EU.

Vodafone Ireland has much to gain by sharpening its focus on the B2B market, especially with the roll out of 5G that offers small businesses and large enterprises smarter, more flexible and more efficient ways of working.

NTT DATA can help. Already a major partner for Vodafone globally, we have been supporting the group's push in B2B. For example, in the UK we had a central role in the creation of V-Hub, which offers guidance for small and medium-sized businesses.

Yet satisfying such a diverse set of companies, from home offices to SMEs to large enterprises, is a complex challenge. Each segment has its own needs, demanding different approaches. Which is why we recommend you read the following white paper "Vodafone Ireland's opportunity for growth: SOHO, SMB and Enterprise".

The paper describes why it's vital to build a compelling B2B offer by addressing four key areas of Vodafone Ireland's business: go-to-market strategy, product development, sales and service.

We also show how we propose to help Vodafone Ireland to accelerate its B2B growth programme.

If you would like to find out more about how NTT DATA can help you achieve rapid B2B expansion, please contact me at **conor.clarke@nttdata.com**

Best regards,

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B2B is the place to be

We live in a digital world. Our daily activities at home, work and on the move are now constantly, effortlessly, seamlessly digital. We no longer “go” online, because we are online, always connected.

This digital world is good for telcos who, after all, provide the fundamental connectivity that makes digital possible. Yet it has also changed the game, as over-the-top players use digital innovation to encroach on telco business, resulting in traditional telco revenue flattening and falling as connectivity becomes a true commodity.

In response, telcos everywhere eye up the B2B market as their best hope to catalyse growth. With 5G coming on stream and the Internet of Things (IoT) maturing, there is a new momentum to the digital B2B market. Growth opportunities for telcos are waiting to be won.

> **Most telcos know about the B2B opportunity, including its inherent challenges, but are having a hard time operationalising it.**

Overwhelming OTT:
Telcos' growth strategy in a digital world,
McKinsey and Company[1].

[1] mckinsey.com/industries/technology-media-and-telecommunications/our-insights/overwhelming-ott-telcos-growth-strategy-in-a-digital-world

Overcoming challenges to boost growth in B2B

Forward-looking telcos already have a focus on digital B2B growth, using a customer-led approach to build compelling products for B2B customers.

Even so, they face significant challenges, such as an increasingly diverse B2B environment. Buyers and their procurement processes in different business customer segments, ranging from retail to transport and construction to financial services, have very different demands. Distinct approaches are needed to address each successfully.

Selling digital is also hugely complex and competitive. With 5G, technology intricacy is rocketing, which will further stress telcos' ability to deliver new digital B2B products. IoT involves a vast range of technologies that are difficult to package into a single offer.

NTT DATA believes that telcos hoping to succeed in the B2B market will need to support those customers by going beyond connectivity services to develop IoT consultancy and management offers.

A rich partner ecosystem is also essential. IoT is a good example of why. Only a very small proportion of IoT revenue can be won solely from the data pipes. Likewise, security has huge business potential, yet a typical telco will not realistically and rapidly be able to develop the required products by itself.

In this document, NTT DATA highlights how it can help ambitious telcos to further develop and operationalise their growth strategy for the burgeoning digital B2B market.

An enterprise is not a SOHO, which is not an SMB

The buying behaviour and demands of an enterprise are very different from that of a Small office/Home office (SOHO).

The needs of the SOHO

SOHO customers have typically fewer than ten people and are often owner-run. They don't have IT expertise so they rely on good advice when buying mobile and broadband services. They prefer face-to-face engagement, which means going into their local mobile phone retail outlet. They are often ready to buy; they simply want to know they are getting the right product for their business.

That may sound similar to consumers, yet the needs of SOHOs are different. This means store staff must be trained to speak with small businesses and SOHO products must be available. The buying experience is paramount. Getting it right wins the sale and creates an ongoing local relationship leading to new service sales, upgrades and renewals. This drives the lifetime value of SOHO customers.

In NTT DATA's experience, simply investing in a dedicated business advisor for stores with high SOHO traffic can boost sales by more than 300%.

The needs of the SMB

A Small- to Medium-sized Business (SMB), typically employs 11 to 250 people. SMBs can be too small to offer dedicated sales and support but are too large and diverse to offer standard generic products. Likewise, pushing consumer or enterprise products onto SMBs won't work. Scaled-up consumer products do not have the scope or operational processes to support SMBs. Scaled-down enterprise products are typically too expensive and complex for SMBs.

Understanding the SMB market through segmentation is essential. However, segmenting by number of employees does not address the SMB's needs. For example, construction companies are highly mobile and have little need for a fixed office. Retailers have little need for mobility, but a fixed retail store is very important for revenue generation.

It is quite likely that the base products are similar to consumer or enterprise products. However, specific SMB requirements must be built into the propositions, such as the ability to self-administer changes in real time with simple administration functions.

The needs of the Enterprise

Enterprises have 251 or more people and call for a different engagement than small businesses.

Typically, telco sales teams have been set up to offer products or narrow bundles of services. Sales cycles tend to be short and personnel are used to dealing with large numbers of small customers. This has led to a loss of opportunity in the enterprise market for many telcos with nearly 40% of the 250 enterprises surveyed by BearingPoint highlighting challenges around innovation and the relevance of solutions when they had worked with telcos in the past[2].

5G and IoT will be critical enablers of enterprise business growth for telcos. Sales, product development and service functions need to evolve to provide integrated solutions, typically as packages with integrated services. Timescales are also much longer, with in-depth procurement processes to be negotiated to achieve an enterprise partnership deal.

[2] mobileeurope.co.uk/press-wire/telcos-risk-missing-out-on-enterprise-opportunities-worth-trillions

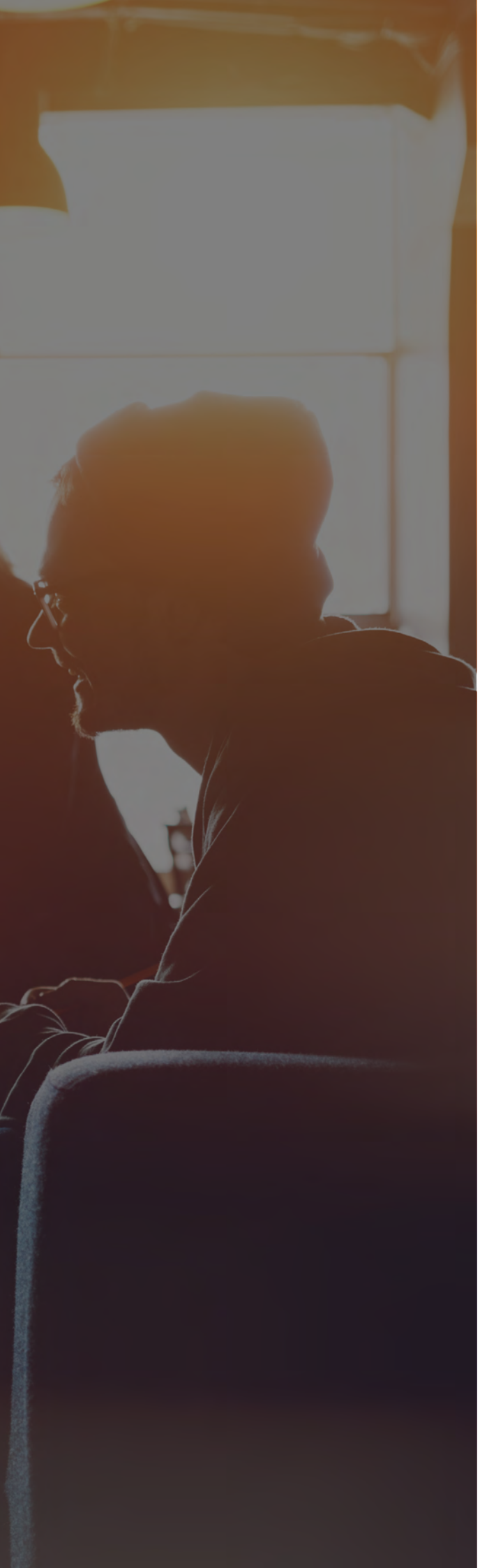
From idea to satisfied customer in four stages

NTT DATA has identified four areas of business that typically require development to enable new digital B2B product ideas to be brought to commercial reality:

1. **Go-to-market (GTM)**
2. **Product development**
3. **Sales**
4. **Service**

Most telecoms organisations were designed two decades ago when there was a focus on market share growth, single product sales and high margins.

The telecoms market is now saturated and sales organisations need to be reconfigured to focus on customer retention and profitable growth.



1.

Creating a comprehensive go-to-market strategy

The GTM strategy is the starting point for the development of a new product.

A rigorous GTM process with standard tools and templates will help to ensure the quality of GTM outputs. Proposition development also needs to be guided by an analysis of the potential market based on turnover, value of the customers and their willingness to spend.

Proposition design must work across the telecoms organisation. Specific proposition workshops will help to bring together and coordinate all components to create accurate use cases that will bring products to life.

Designing the right propositions

There is a huge range of proposition ideas that telcos could pursue. The challenge is how to rapidly and consistently develop the right propositions that will generate revenue in each industry sector, without duplicating research and design costs.

Many companies are already enjoying some B2B success because they already operate effective processes for segmentation and propensity modelling to prioritise potential business growth, supported by targeted marketing initiatives. To further strengthen their propositions, NTT DATA recommends that these telcos implement a strictly governed, repeatable process that is executed before new product development investments are made and which delivers customer-tested use case propositions for each industry sector. The role of partners also needs to be at the heart of the process to enable telcos to make full use of partner services on top of their core communications offer in order to increase the value of the proposition.

Planning the operating model early

Sales teams often risk losing visibility as part of a diverse organisation and may lack the necessary knowledge of all the products that can be offered. Not being aware of the wider picture could lead to lost opportunities to generate revenue streams.

It is vital to define the operating model at the start of the GTM process, with new propositions mapped against customer journeys. This enables early identification of potential bottlenecks that could stall the scaling up of propositions. The operating model also needs to continuously monitor the customer experience to detect issues and respond by incorporating improvements into the operational design.

Setting the business case and its targets

An effective business case will encompass a coherent sales commission structure, marketing spend, cost of service, operational costs and time to market. It is important to set targets upfront based on solid data and then actively track them.

NTT DATA recommends an agile approach to minimise initial development costs and reduce time to market. Rigorous reviews of business cases supported by comprehensive Key Performance Indicator (KPI) tracking will help to ensure targets are being achieved and products are profitable.

2.

Effective product development to turn ideas into reality

The big challenge faced by many telcos is how to turn the ideas developed by the proposition design process into commercially viable products.

Implementing component architecture for efficiency

Maintaining close control of product development costs and minimising large upfront investments in new products is a high priority. This is best achieved by implementing agile development processes that focus on the customer experience.

Efficient, well-controlled product design is executed through the use of clearly defined components that can be re-used to create new products. This avoids the independent creation of many different processes and versions by teams. Wheels are not re-invented, costs are reduced.

Product design must also be backed by a clear strategy that ensures products fit into a coherent portfolio and that the design process focuses on quality rather than quantity.

Making the portfolio work coherently

Coordinating the product portfolio is essential. This will entail the creation of product families that are marketed and priced to achieve commercial success in their respective sectors.

Training is also key, enabling sales teams to ensure a great customer experience across multiple product families supported by different specialists.

Telcos often have the skilled people needed to design new products and ideas, but the challenge is how to turn this into commercial success through proper segmentation, business cases and targets.

Building an effective partner ecosystem

Most telcos work with many partners. But if they lack a coherent partner ecosystem, they can find it difficult to select the right partner for a product. A solid partner ecosystem will deliver maximum value for customers, telcos and their partners.

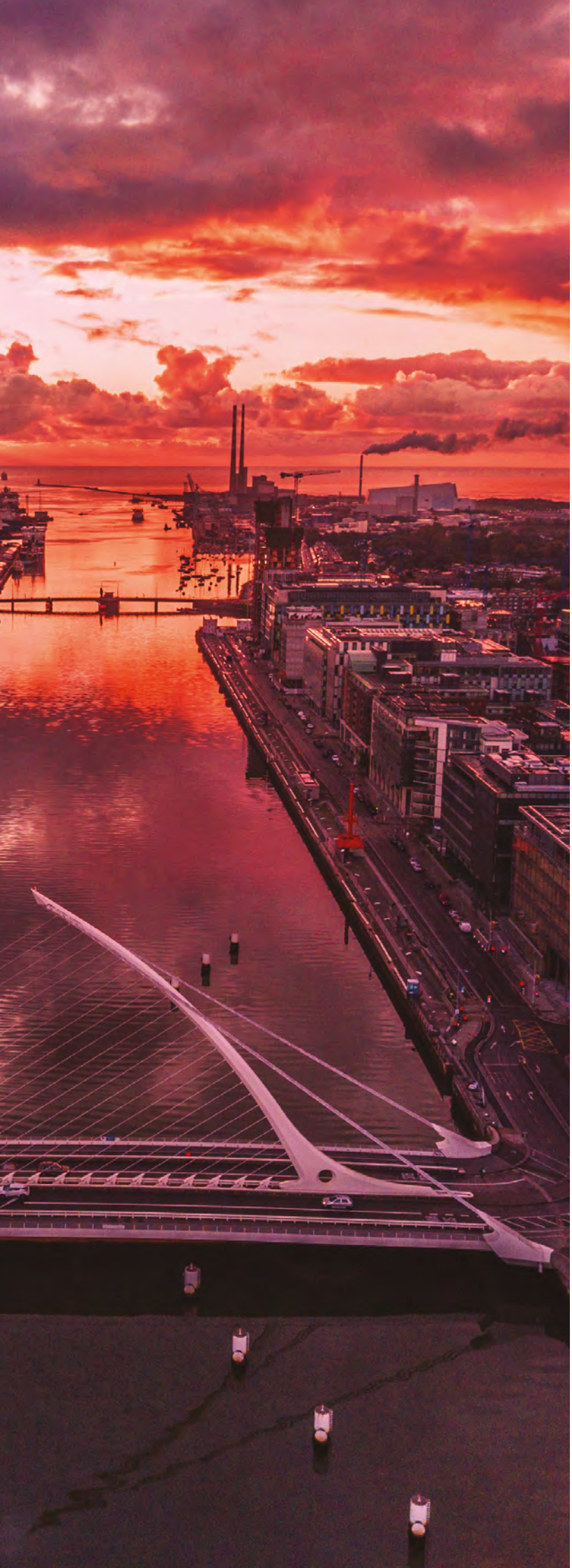
Clarity is needed around how leads are shared and how decisions are made on whether to white label or brand a product.

New product development processes need to be rebuilt to manage both own-build and partner products with clear criteria on when to develop in-house or by a partner. A sharp focus on quality is also needed.

Managing the portfolio for growth

Portfolio management is a distinct function that aligns product families and helps ensure the profitability of the portfolio. It must establish clear practices for product design, portfolio design and product lifecycle management and to manage the costs of every product.

Establishing a clear set of KPIs will enable telcos to measure portfolio performance and to decide when to stop selling underperforming products.



3.

Transforming sales and managing channels

Telco sales teams are likely to come under increasingly intense pressure to deliver results as competition grows.

It is important to ensure the right balance of sector specialists are matched to the targeted growth opportunities.

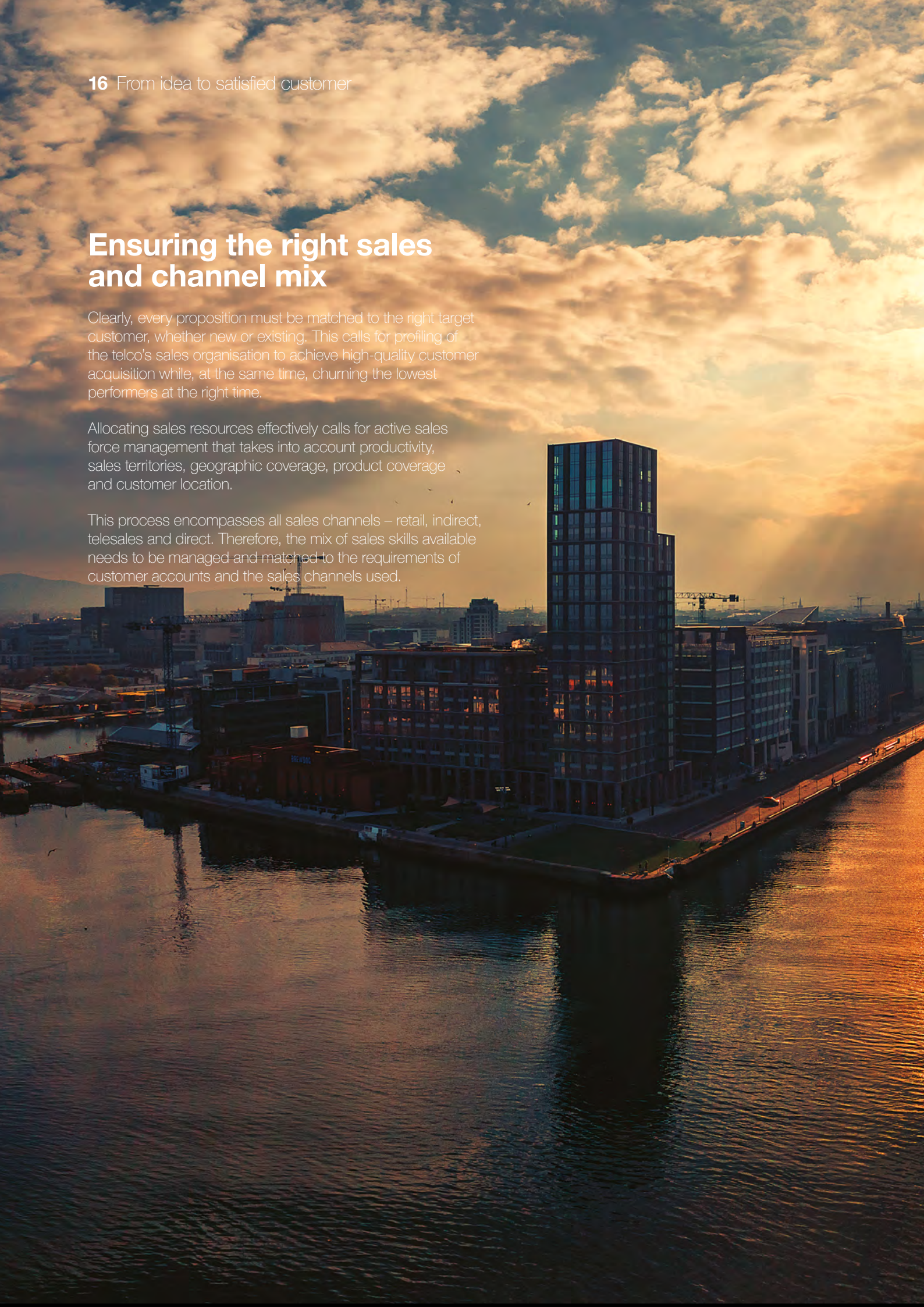
Sales teams can be lean at times and must be kept under review to correct any emerging imbalances, for example across sector specialists. This will help maintain focus and maximise results.

Ensuring the right sales and channel mix

Clearly, every proposition must be matched to the right target customer, whether new or existing. This calls for profiling of the telco's sales organisation to achieve high-quality customer acquisition while, at the same time, churning the lowest performers at the right time.

Allocating sales resources effectively calls for active sales force management that takes into account productivity, sales territories, geographic coverage, product coverage and customer location.

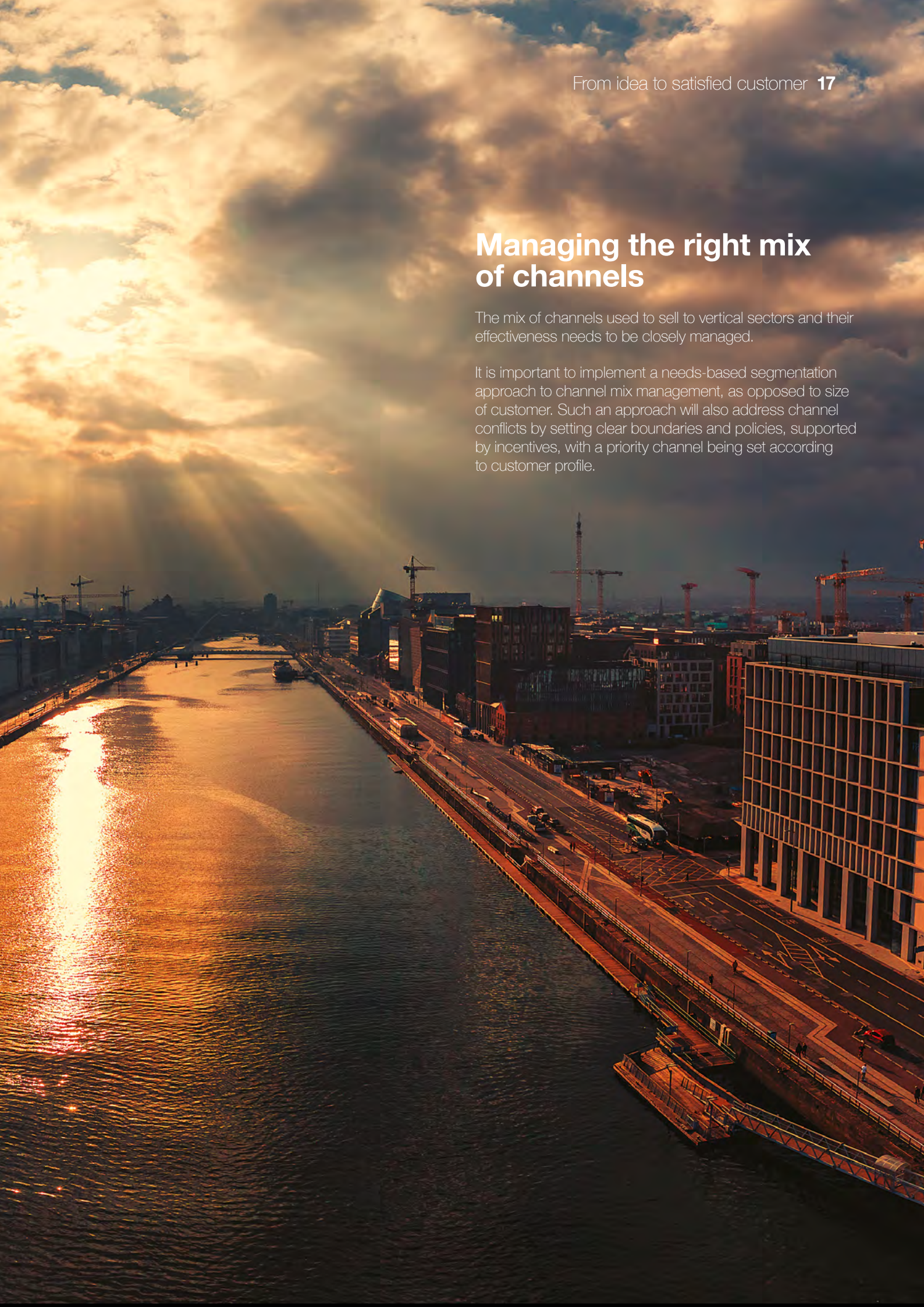
This process encompasses all sales channels – retail, indirect, telesales and direct. Therefore, the mix of sales skills available needs to be managed and matched to the requirements of customer accounts and the sales channels used.



Managing the right mix of channels

The mix of channels used to sell to vertical sectors and their effectiveness needs to be closely managed.

It is important to implement a needs-based segmentation approach to channel mix management, as opposed to size of customer. Such an approach will also address channel conflicts by setting clear boundaries and policies, supported by incentives, with a priority channel being set according to customer profile.

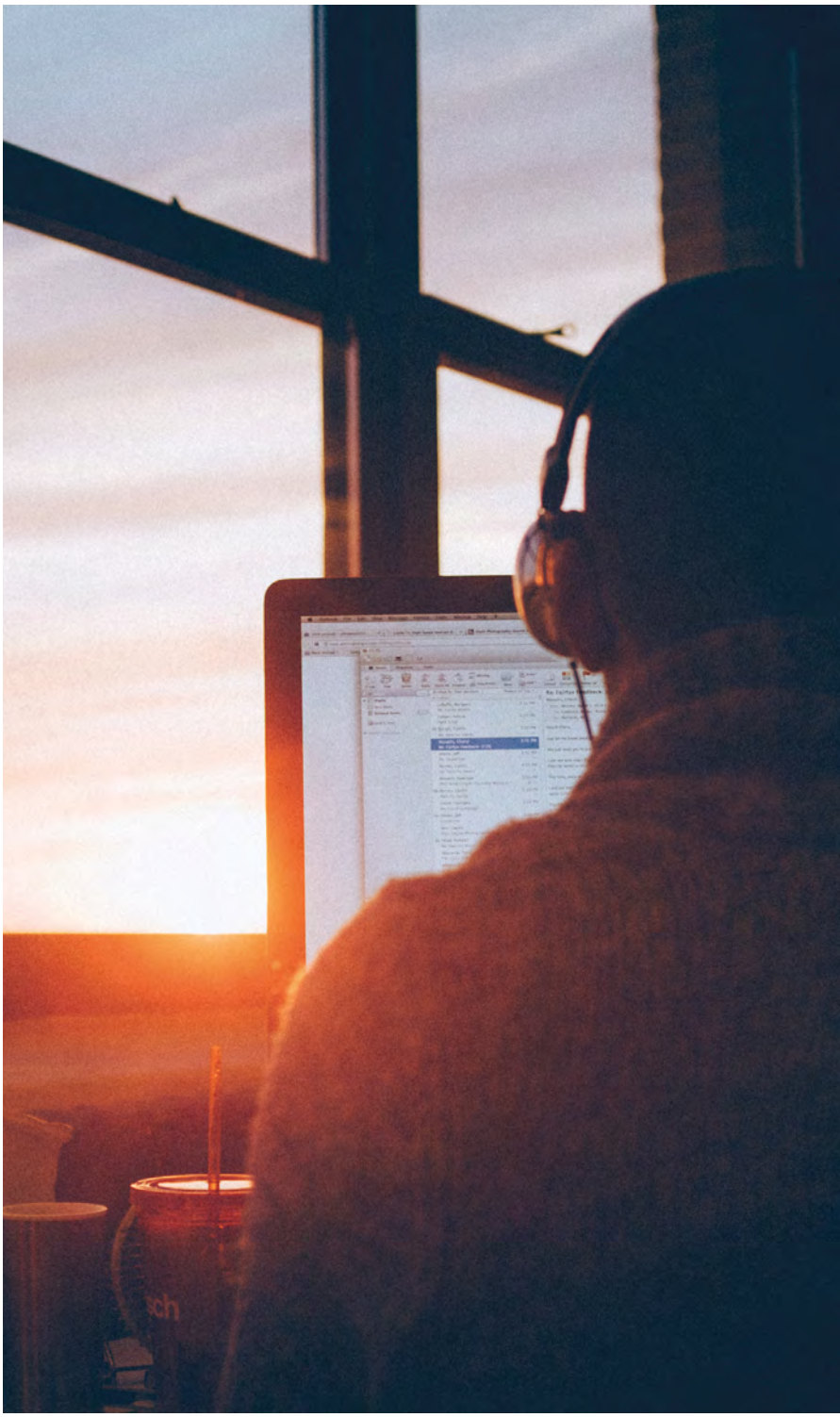


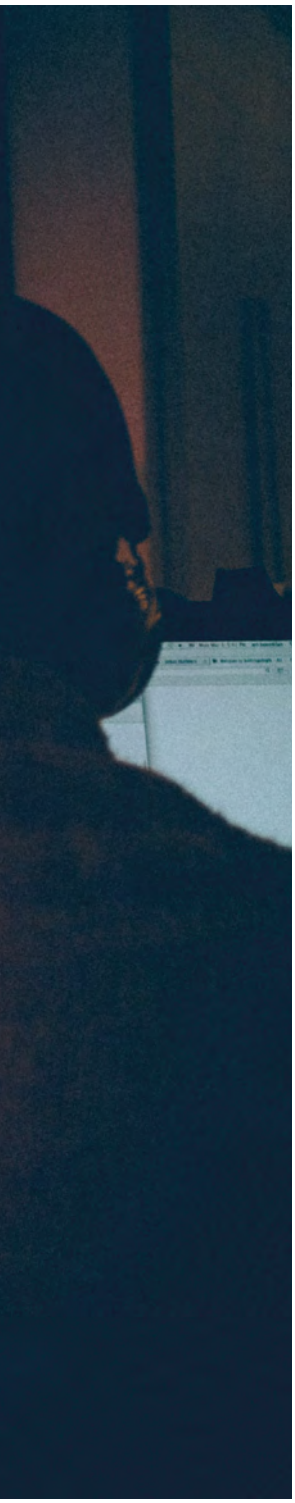
4.

Building on a solid service foundation

Service can be a big opportunity for many telcos.

However, to be able to address B2B markets more effectively, telcos need to implement clear governance and processes that are detailed and specific.





Defining the service offer, its operation and management

It's no surprise that a relevant and valuable service offer is likely to deliver the highest revenues.

With this in mind, it is important to define the service offer, its operation and management during the GTM process to ensure it will be supported. This definition will include the service journeys that will meet the needs of different customers wherever in the service lifecycle they may be.

Implementing process management and customer value management

Having defined the service offers based on customer insights, formalised governance processes including tracking and management will be needed. Reviews of existing processes need to consider Customer Value Management, including existing and potential customer value.

The processes need to be able to analyse, segment and provide actionable steps to sales or service representatives, especially to maximise upselling and cross-selling opportunities. At the same time, account management policies need to be reviewed to reflect evolving sales practice.

A proven framework to help drive digital B2B

The needs of the SOHO, SMB and enterprise markets vary widely – small businesses need out-of-the-box services that work for employees, while enterprises require more dedicated products that enable all employees to work together collaboratively.

This calls for focused propositions and sales approaches to be built on top of a common set of B2B resources.

NTT DATA is well placed to help telcos accelerate the development of digital B2B processes and capabilities. NTT DATA has an established practice that focuses exclusively on optimising the approaches of tier 1 telcos to developing, selling and managing digital B2B products and services.

NTT DATA offers proven methodologies and tools supported by focused workshops and training programmes as part of its B2B Framework that provides a structure for implementing solutions from go-to-market right through to service delivery.

Go-to-Market:	**Doubled product adoption rate** with go-to-market framework	**25% higher lead conversion** with multi-channel customer journey mapping	**Doubled deal sizes** through needs-based propositions
Product development:	**Boosted employee engagement** through central process for new product ideas	**30% cut in time to market** through agile development	**30% lower product costs** with portfolio management and lifecycle framework
Sales:	**15% higher Total Contract Value** through Sales Academy rollout in 15 countries	**20% higher conversion rates** with digital dashboard for sales	**£400m more revenue** across 10 countries with indirect channel transformation
Service:	**Tripled customer NPS** through Business in Retail programme	**24 points to TNPS** in first 90 days of customer welcome path	**100% visibility of services status** with customer dashboard

The NTT DATA B2B Framework has benefited numerous organisations as they addressed their digital B2B future.

Let's discuss the opportunity

In this document, NTT DATA outlines the key areas of digital B2B development for Vodafone Ireland. We also show how we propose to help you accelerate your B2B growth programme.

Now it's time to begin looking in detail at the possibilities and at what NTT DATA can help you to achieve.

We invite you to explore the possibilities by contacting our experts who are constantly looking for innovative ways to support organisations like yours.

Let's get started.

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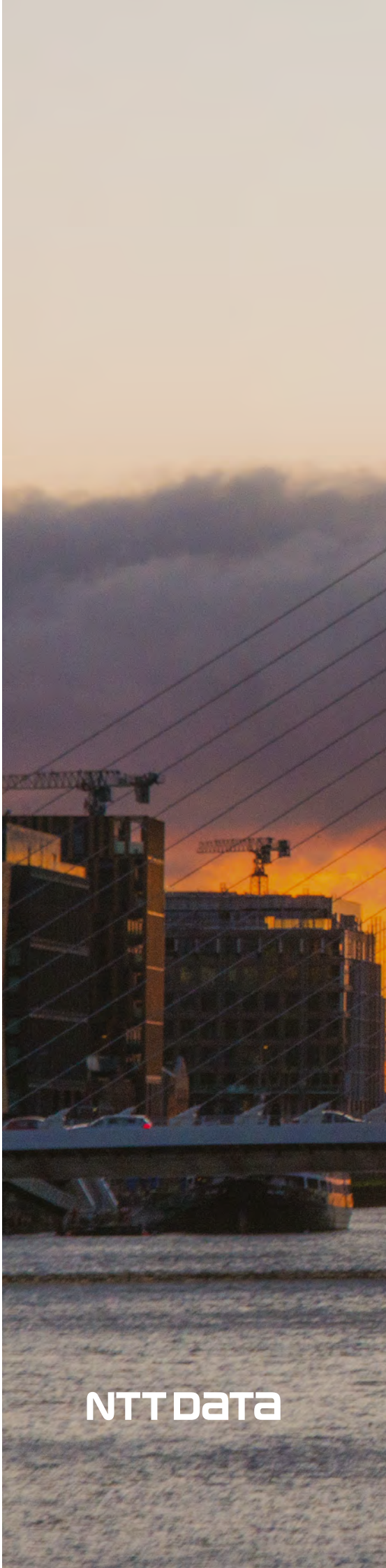
NTT DATA offers a portfolio of best-in-class consulting services and innovative Enterprise solutions tailored to suit the entire life cycle of IT investment. Supported by our international Centres of Excellence, our team of local experts can deliver on a wide range of services from transformation to agile development and intelligent automation for industries across manufacturing / automotive, banking, insurance, telecommunications, media and public services.

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