Engagement Commissioned By: Customer Name 1   VP Sales EMEA & APAC

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Engagement Brief:

To advise, with observations and recommendations, on how best to equip the salesforce, with especial reference to EMEA & APAC, to support the achievement of Customer Goals

Method:

To meet (physical and telephone) various key players and to receive their input and views and then to synthesise all into a plan to meet the objective of the engagement brief

Report Structure:

Synoptic with: quotations; references and author's notes as compared to chronological by player

Recommendation:

There was common ground amongst all the players met in that all were agreed that the Customer Experience Management, NEW, proposition promulgated by Customer represented discontinuous change opportunities through disruption to current systems, ie: the "What" was not particularly in question. Where there is less common ground is what next to do, ie: the "How" to capitalise on progress-to-date.

Thus, in order to achieve goal congruence within Customer and so to mitigate the effects of the natural order of things to be a "coalition of conflicting interests" and thus to be able to equip the salesforce with the support necessary for the achievement of Customer Goals, the recommendation is:

To run a workshop, owned by sales, for all those involved in the selling to equip them appropriately at which all the salesforce would participate all the time and at which some of the key managers would participate some of the time (see attached BKC-Customer Logistics Planning).

Workshop: Content; Scheduling; Preparation

1. Some thought will need to be given as to what of the above should be decided prior to, and what should be part of the outcome from, the workshop. The decisions on this are for Customer and here are some suggestions to consider:

   a. Prior to the workshop: To decide the answer to Points 2, 3,4 below
   b. During the workshop: To produce that which is required to execute (see attached BKC-Customer Logistics Planning). See point 5 below. This can be finessed as part of the preparation in the days leading up to the workshop
   c. After the workshop: To set-up a feedback mechanism to analyse what is working well and what could be done differently going forward so as to determine appropriate field support and to fix a formal review session in, say, 3 months' time. See point 6 below. This can be decided during the workshop

2. In structuring the content and its scheduling for the workshop, the approach being taken is to "start with the end in mind":
   a. Thus, a focal point for the sales and marketing team needs to be given at the beginning of the workshop
   b. Notwithstanding that, at the founder/investor level their fundamental strategic goal is to grow Customer to a value of: £XM by year 2XXX for an exit at that time without dilution of the value of the founders' equity and this being done ideally in liaison, discussion, agreement with the VC's, what could reasonably be put forward for this focal point?
   c. This will be an Customer management decision and would be delivered by Customer Name 3 at the beginning of the workshop
   d. An option to consider would be: During the next 3 years, we want to grow Customer to be the dominant player in the emerging NEW space, as measured by 'x'% acquisition of 'y' mobile operators worldwide, by building upon the first mover advantage already established through our work with Vodafone and its subsidiaries/co-operative ventures

3. To agree the strategy for achieving this. This is probably the most challenging and yet the most critical matter to address.
   a. During my researches there were, at the extremes, two, seemingly irreconcilable, approaches mooted by most of the players, ie: these approaches were not personalised, in the sense that person A held one approach and person B held the other: most of the players could see and argue for each
   b. The question to resolve is whether the two approaches are mutually exclusive or whether each could be addressed, if not concurrently, then, perhaps, sequentially.
   c. The two approaches could be characterised thus:
      i. address only the Tier 1 Mobile Operators, in which case the likelihood is that, because there are only a few, each contract will contain specific functionality peculiar to each operator and so "standard product", per se, is inappropriate
      ii. address all Mobile Operators, in which case, the likelihood is that there will have to be "standard product", notwithstanding that this is some way away yet.
   d. With each approach the following will have to be taken into account, what is/are the:
      i. Impact upon company valuation?
      ii. Risks involved of addressing a narrow cf. a wide range of Operators?
      iii. Resource and capacity constraints involved?
      iv. Processes required to achieve each outcome?
   e. These will be an Customer management decisions and would be delivered by Customer Name 3 at the beginning of the workshop.
   f. Some options to consider would be:
      i. The direction is to have Core Generic Product with standard Library Components for Interfaces and standard Configuration Options defined in a Road Map, some of which is already in place and that, any customer-/opportunity-/situation-specific developments will be mapped against the Road

Map and, if it contributes to the whole, then it should be agreed (maybe customer-funded?) and, if it falls outside the Road Map, then the default will be not to proceed, unless there are mitigating circumstances, ie: on a case-by-case basis.

ii. This would then allow for reconciling the seemingly irreconcilable in that: Customer would be furthering its move towards the higher company valuation given by increasing the ratio of IP-to-solutions; a focus on the high-reward-high-risk strategic Tier 1 Operators whilst collecting the lower-reward-lower-risk tactical "ready-to-go" of the Tiers 2 and 3 Operators

g. This would then ensure cash-generative activities with profitability providing the resources to invest in the bigger strategic direction.

4. The workshop to be kicked off by Customer Name 1 who will then, as part of his introduction, announce that the strategic and tactical plans for each area: Company; Marketing; Product; Delivery; Finance; Sales are on-going   w-i-p and that the status-to-date will be presented by the owners (ie: Customer Name 3, Customer Name 4-could show his model; Customer Name 5; Customer Name 6; Customer Name 1) and that, bearing in mind that they are interconnected, one of the outcomes for the workshop is for thoughts and ideas as appropriate to be input, eg:

a. If the decision was taken only to address the Tier 1 Mobile Operators, what implications for "standardised" product would there be compared to that which would apply if all Tier 1,2,3 Mobile Operators were to be addressed and then to consider business sectors outside Mobile Operators who might also benefit longer term?

b. Depending upon the answer to 4.i above, what are the implications for marketing and messaging? How would the marketing and messaging be structured if only the Tier 1 Mobile Operators were being targeted, perhaps with Globalisation in mind, compared to the marketing and messaging appropriate to addressing all Tiers with both Globalisation and Localisation in mind?

c. If all Tiers were to be addressed, what implications for resourcing would there be if all five salespeople were to bring in opportunities all requiring Trials (paid or unpaid) at the same time?

d. If the decree is to be profitable and conserve cash at all costs:
   i. Could profitability be at the expense of value? eg:
   ii. What are the implications for investment in selling to Tier 1 Mobile Operators wherein, it could be argued, the real uplift in value to Customer will be obtained if they are acquired as customers? Would it take longer to acquire a Tier 1 Mobile than a Tier 2/3? If so, what is the risk/reward trade-off?

e. Having obtained a first step on the way to first mover advantage by virtue of Vodafone and related operations, how best to consolidate this first mover advantage? By obtaining similar profiles within: X number of Tier 1 Mobile Operators, it having been identified which these are, probably some 5-7 within EMEA & APAC or to address all Mobile Operators?

f. What implications for Product Road Mapping are there if only Tier 1 Mobile Operators, compared to all, are addressed? How much "Standardised" product would be required, bearing in mind the implications on IP Value? Are the various positions mutually exclusive or could a dual approach be countenanced?

g. If all Mobile Operators are to be addressed, with how many opportunities and at which stage, could a salesperson run at any given time?

h. If the NEW Space is truly being pioneered and if the gains to the Mobile Operators are quantum in nature, and if it allows for BSS to drive OSS, then what are the implications for the way in which the Mobile Operator should buy and to which it should be sold? What are the behaviours that should be expected and the processes that should be accepted as immutable? What are the levels at which the messages should be addressed? What are the effects of geography and culture?

i. Depending upon the answers to all of the above, what should be the processes and the messages with which the salespeople should be equipped and what are the mechanisms that should be put in place for opportunities to be reviewed and controlled by management? What are/should be the roles of Customer people? Should there be set-up the concept of "Executive Sponsors" for each opportunity?

5.   Workshop Transition:
   a. Customer Name 1 could then go on to announce the prime outcomes and focus of the Workshop, eg: To equip the salesforce with that which is required to execute and deliver upon the Sales Strategy with especial focus upon Processes an Messages so that that they can meet and exceed their sales targets and earn their commission kickers
   b. Then hand over to John Busby to facilitate the Programme as per the attached BKC-Customer Logistics Planning

6.   Feedback: It is desirable to have some form of Success Criteria by which to feedback live experiences from the field so as to create the wherewithal for Organisational, as compared to Individual, Learning. Options could include: Pipeline Statistics (to track volume; value; time) ratio of proposals issued-to-wins; %-age of Tier level penetration within time; %-age of penetration within Operator (à la Vodafone). This can be an outcome to be discussed during the workshop.

Report on Meetings by Topic:

The key players met were:

Customer Name 3
Customer Name 7
Customer Name 1
Customer Name 8
Customer Name 4
Customer Name 5
Customer Name 6
Customer Name 9(gave product demonstration)

1.   Fundamental Strategic Goal of the Investors: the general impression gained was that, yes, the idea was for there to be an exit at some point but that there was no real pressure from the VC's, maybe from the 2 original ones (VC Name 1 and VC Name 2) but not so VC Name 3 and the founders, and that it was very much a case of seeing how things developed.

2.   Product cf "Service/Solutions orientation:
   a. Product orientation: there was general agreement that Customer should be a "Product" company but that, given the history, it was coming from a "Solutions" genesis that had been the way of lifting-off. Opinions varied as to what being a "product" company actually meant
   b. Product Development: no real structured process exists, again, because of the history of selling "Solutions" each order was a bespoke delivery of code and customisations
3.   Marketing:
   a. Space: the NEW space is being pioneered by Customer: Models are being developed to help envision this
   b. Market opportunity: how many of the Customers-to-date are new/new opportunities and how many are either subsidiaries of, or connected to, one, ie: Vodafone? From this, how many others could present a similar profile?
   c. Messages-Marketing, especially the provision of thought leadership (eg: NEW Consulting; Managing Emerging Strategy) also to create the impression of how big Customer is
   d. Messages-Selling: work-in-progress
   e. Competition: strategies, especially for the salesforce, designed to deal with competition from data sources, eg: the Probe vendors and the "PowerPointers" and others who can make similar "surface" claims, ie: the "we do/can do that (ie: NEW) already"

4. Delivery:
    a. Resource constrained: the constraints kick in especially during pre-sales and particularly when trials are required
    b. Responsible for milestones and so Cash collection: interestingly, many customers want to have the projects financed out of Cap-Ex and so want to be billed in discrete amounts as compared to a monthly in arrears model. The milestones approach means that, because not all the dependencies (eg: hardware delivery) are within the physical control of Customer, slippages can occur that prejudice cash collection, even though there are financial late penalties. The default standard is that salespeople deal with cash collection, leaving the consultant free to build strong relationships unfettered by commercial considerations, although, in the absence of such, the consultants will collect cash. Consultants do also look out for and nurture new opportunities
    c. The aspiration is to achieve a situation in which there is a "General Core Product" with a series of "Library Components" that can be "Configured" during implementation

5. Finance: the focus is very much to drive profitability into Customer as profitability generates cash +ve. In furtherance of this there was a need to obtain
    a. Predictability into the pipeline and forecasting of Orders
    b. Ensuring that the Contract Structure allowed for clear understanding and agreement on payments
    c. Revenue recognition policies would become increasingly important over time

6. Sales: there are two areas requiring to be addressed: To whom to sell and with what process/language. Items to be addressed as part of the outcome from the workshop include:
    a. Pipeline and Forecasting: what are the milestones and what should the salesperson report and who should forecast what? When should it be said, at what point is it that, a sale starts?
    b. Process: understanding and working with buyers: their behaviours and processes that change over time: how should selling behaviours and approaches vary to stimulate and to align?
    c. Roles: what is the role of the salesperson and when/how should others, including management, become involved and at whose behest?
    d. Trials (as they are so resource intensive how could the same goals for them be achieved without a Trial or for the resourcing required to be mitigated in some way. Also, if the buying was at a sufficiently high-level, could that also help to mitigate? How much is the Customer experience of obtaining customers-to-date a function ot position within the Technology Adoption Lifecycle as enhanced by Geoffrey Moore's Chasm Theory?)
    e. Who/How Many to target and how should the Territory be organised? this is dependent upon the answers to the questions to be answered prior to the workshop
    f. How to approach: the effect of culture upon buying and so selling
    g. Cloning Founders' and Customers' knowledge and insights: to provide Organisational as compared to Individual Learning and so enhancing Customer value: tools and mechanisms to capture
    h. Messages-Sales: ensuring that when salespeople are in from of whichever prospective/customer executive, they can have appropriate conversations