

Case Study: TeliaSonera Uses BPM to Streamline Sales Process

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This Case Study discusses the business process management (BPM) journey undertaken by TeliaSonera. It achieved the project goals of bringing visibility to its sales process.

Key Findings

- Strong sponsorship is a key ingredient for success.
- The most effective project team is staffed with experienced and respected employees from all over the organization: business management, IT, sales and support functions.
- An effective communication strategy is essential when tackling large-scale change in order to gain adoption.

Recommendations

- Build a strong business case and lay out project objectives in business terms. Begin with a small scope that will prove value and deliver results.
- Take an iterative approach, get the solution "right enough" and continue to refine with subsequent iterations.
- Use the success of initial projects to gain support and prove out the method. Learn from doing, and apply these lessons to subsequent projects.

WHAT YOU NEED TO KNOW

TeliaSonera wanted to create visibility and allow "fact-based management" of its sales cycle. By better managing the workload between sales staff and the support staff, sales "face time" with the customer could be increased. These factors required a focus on doing the work more efficiently and making the sales process more transparent and visible.

CASE STUDY

Introduction

TeliaSonera is a leading telecommunications company in the Nordic and Baltic region with strong positions within mobile communications in Eurasia, Turkey and Russia. In 2008, TeliaSonera's net sales amounted to €10.8 billion, and at the end of the year, the company had a total of 135 million customers in 20 countries. The TeliaSonera share is listed on the Stockholm Stock Exchange and the Helsinki Stock Exchange.

In Finland, TeliaSonera provides data and communications services under the name "Sonera" to companies, public corporations, and consumers. Sonera has nationwide networks and production personnel in Finland. The company has product and service development operations and large customer service centers around Finland.

Tuukka Heinonen is head of business process management in Business Services, Finland. He has 10 years' experience with TeliaSonera and has held positions in B2B sales management, business management and process management. Heinonen has a master's degree in economics as well as an M.B.A. He is also a Lean Six Sigma black belt candidate and an ITIL manager. His role in the project was to establish and lead the project.

Sakari Heino was BPM project manager for the project. He has evaluated almost all commercial BPMS systems that were listed in the Leaders quadrant in Gartner's BPMS Magic Quadrant report for 2007. He is Lean Six Sigma black belt. He is currently BPM program manager for TeliaSonera Broadband Services.

Heinonen was running a BPM program in the sales organization, while Heino was evaluating BPMS tools for the same purpose. They decided to do a business-oriented miniproject to connect business process people and a best solution found in the tool evaluations. This was a powerful spark, which then led to a BPM project called "Quantum Leap."

The Challenge

TeliaSonera has enjoyed high demand and a large market share for many years. As the telecommunications market was deregulated, competition and pressure in price grew, and the company was beginning to see its market share erode. The sales process had a lot of variability, and the individual salespeople often used personal networks to get their work done. The sales process was managed by the outcomes, not by what was in the funnel or pipeline. This provided too little information too late.

The complex sales cycle can take a few months or as long as a year and involves as many as 20 people across the company. The current metrics indicate that one-third of the salespeople's time was spent addressing things that came up after the sale. This was valuable sales time wasted on non-revenue-generating activities. In addition, the sales force was supported by many IT systems, none of which provided a holistic view.

Management didn't fully understand all the activities, case flow or workload for the salespeople. Some salespeople and support people could be overloaded, and some could be underutilized. Without visibility into the work, this could not be determined.

Approach

With approximately 250 people, TeliaSonera has the largest B2B sales force in Finland. The company set a target to substantially shorten the sales cycle, increase customer face time and provide better management visibility. After a three-day proof of concept (POC) trial, the key personnel were convinced of the approach, and the BPM program business case proved to be impressive — increasing customer face time by just three minutes a day for each salesperson was the break-even point in a quarter. This project would deliver many times that. The case was so compelling that it was swiftly approved by management in a single meeting. This paved the way for the initial program — it all took off very quickly. Project "Quantum Leap" was initiated.

A core team with individuals holding broad experience in various fields was put together. They colocated themselves in a "war room" and developed the application iteratively with the end users in sales and sales support.

The project objectives were to:

1. Gain full visibility to the sales process (sales and sales support)
2. Build the capability to orchestrate the human activities
3. Implement process metrics and a process management dashboard for sales management

The current state analysis identified:

- Sales was not managed as a process
- Metrics were misaligned and functionally siloed
- No management visibility into activities and no end-to-end traceability
- High process variability
- Manually intensive processes that resulted in mistakes and frustration contributing to increased costs

Based on these findings the team began the project work to:

- Move from account management (which focuses on outcomes) to sales funnel management (actively managing work in progress) by providing full visibility and reporting for all activities
- Focus on increasing efficiency and effectiveness using competitive benchmarking as a guideline
- Standardize the sales process
- Significantly reduce the time spent by the sales force on post-sales activities

The team selected Lombardi. The Lombardi Blueprint tool helped the team get started by providing a development method and enabling rapid iterations. Team members then implemented process changes in Lombardi's Teamworks BPMS. The project work was then organized so that

the team worked on a biweekly implementation cycle. One week was spent designing the process, and the next week was allocated to user acceptance testing (UAT).

These biweekly iterations helped with adoption and improved the business participation in technology development by jointly working together. The iterations also enabled the team to support a mind-set of "right enough" — a change from typical IT waterfall development thinking.

The project timeline is shown in Table 1.

Table 1. TeliaSonera's BPM Implementation Project Timeline

Task	Timing
Project Selection	February 2008
Project Team Assembled	May 2008
Project Analysis	May 2008
Project Recommendation	May 2008
First Iteration	August 2008
Second Iteration	Drops in every two weeks to UAT during fall 2008
Phase 1 Implemented	March 2009 — full-blown deployment for sales

Source: Gartner (July 2009)

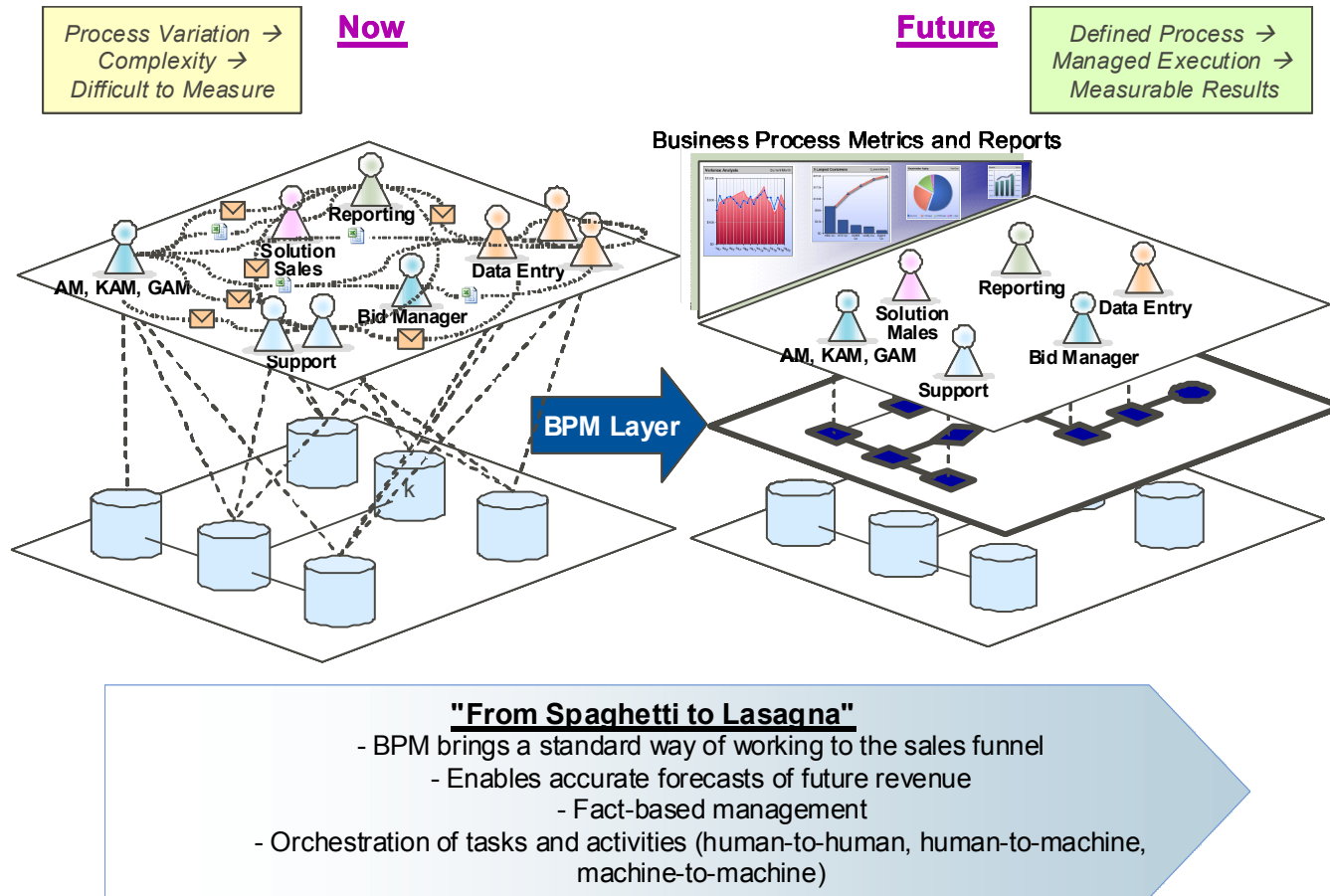
Communicating and Gaining Adoption

Communication was started well in advance of implementation. The project team engaged end users from the start. Heinonen's background enabled him to understand the sales work and the pain points. The goal was to be forthcoming and transparent with communications.

"We have more than 2,000 people working with B2B issues in Finland; we want everyone to know about this sales process approach," Heinonen said. "Customers first — thinking and fact-based management, focusing on effectiveness and efficiency, bring true value to the company."

The team designed a PowerPoint deck that allowed it to communicate clearly and consistently. One slide with particular impact represented the current and future states on one page and visually depicted reducing the complexity (see Figure 1). It helped team members communicate that the focus of this project was on the human aspects of the work, not the technology.

Figure 1. A Current- and Future-State View of BPM Project Implementation



Source: Gartner (July 2009)

Another important element to adoption is training, and this means ensuring that employees have the skills to embrace working in new ways. The training was a blended approach of e-learning and classroom sessions. An overview e-learning model is in operation and is titled "Why BPM, and What It Is About." Another was "How to Get Started." According to the team's philosophy, when users are confident they know how to do the work, they are much more open to changes.

Other communication techniques were used to reach a broad audience, including:

- User round-table sessions involved 10 to 12 people at a time.
- Weekly meetings with sales management informed the team about what happened and laid out what was coming up.
- A help line was set up.

Strong Sponsorship Is a Key Ingredient for Success

One rule for this type of large-scale, transformational project is that it needs to be driven top down. It is critical to have top-level support, particularly when things don't go right — and not everything will. The steering group that has been put in place provides support and guidance in these situations, with the chairman of committee being the final "decider." A significant level of true management support is needed, and this project received it, especially from the Director of Business Development Kai Väänänen.

Results

The project is now delivering one or two "drops" every month. (A drop is a predefined set of completed development items, with each item having a named business owner and a named developer.)

The core team has recognized the iterations in drops as a good working method, especially when working in the human-centric BPM environment. This is due to the fact that it provides a perception of continuous development, a way to let end users be involved at a convenient and focused level and to also let the developers focus in one topic at a time. It enables the business and IT to discuss daily progress, and so, large-scale mistakes are easier to avoid. Having the solution in production has enabled them to understand the real KPI and measurement values. After setting this up, the project team has handed this off to IT for daily support.

The project achieved its objectives, as Table 2 shows.

Table 2. Successes in the BPM Implementation Effort

Objectives	Results
Gain full visibility to the sales process	All sales cases and support requests are registered in the process tool and managed in sales funnel phases. Lombardi Teamworks Optimizer enables the identification of process bottlenecks.
Build the capability to orchestrate the human activities in the funnel	The BPMS tool has helped business to define the sales funnel process. Internal service promises were established — and will be managed. The outcomes are quicker transaction times and optimized resource usage.

Objectives	Results
Implement process metrics and a process management dashboard for sales management	The out-of-the box scoreboard, cycle time measures and searches by the team are currently implemented as real-time reporting from the BPMS. Funnel reporting, including customer visits, are reported. Other metrics and improvements, as costs per sales and cost per transaction, have been discussed, and they will be implemented in further development.
Move from account management to sales funnel management by providing full visibility and reporting for all activities	Migrating from the previous way of managing takes time, and will be part of developing the new ways of working. Visibility to daily performance will provide management with new insights.
Focus on increasing efficiency and effectiveness using competitive benchmarking as a guideline	Throughput efficiency, cycle times and hit rates from one activity to the next activity are monitored. Reducing one day in quote-to-cash equals a €400,000 increase in cash flow.
Standardize the sales process	The workflow is now executed in real time. An important but embedded part of the project was to help units to define and harmonize their daily responsibilities and ways of working. Further standardization will be done in each organization.
Significantly reduce the time spent by sales on post-sales phases	Defining and connecting sales support activities and skill-based task routing provide management with the tools to reduce the time spent by sales on post-sales phases. Further sales time reduction will come after implementing order processing, which will be handled in a new program. A comparative time usage study has not been established, but a 1% shift in customer face time equals €500,000 per quarter.

Source: Gartner (July 2009)

Another benefit has been a better partnership between business and IT. The business has stepped up and assumed ownership of problems, and is taking the lead in defining and driving what the business units need. IT is beginning to use a BPM approach in its work. This has been a great outcome, from the company's perspective.

Heinonen and Heino readily admit that they have made some mistakes but feel strongly that this project will not only increase the sales staff's efficiency, but also improve the staff's job satisfaction.

There are still struggles. One size of BPM does not fit all projects. There are different layers of BPM, and the learning continues. But isn't that what continuous improvement is all about? It seems TeliaSonera has all the right ingredients for continued success with BPM.

Critical Success Factors

- For a large-scale transformation project, it is critical to have senior management sponsorship and start BPM work from the business perspective.
- End users should be included early on; their involvement is critical for the right solution.
- Knowing what management problem is being solved is vital. A lot of measurements and baselining are critical to fully defining the problem.

- A cross-functional and cross-skill team should be assembled. Each person brings a unique perspectives and skills to the task.
- A POC project that involves the business people should be conducted and used to build the business case.

Lessons Learned

- The organization needs to start doing and avoid overanalyzing. The implementation team should be "sure enough" to validate the business case and trust that it is heading in the right direction.
- An iterative approach works best, allowing the team to improve with each iteration while continuing to measure results.
- Business and IT collaboration needs to happen. Both groups should be involved in implementation projects. If you are in IT, you can't do this alone. This project helped build a bridge and enabled the two groups to work together better.
- The organization must remove hierarchies and bureaucracy and empower a small team to address the issues head-on.

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