TRANSFORMATION
A BUSINESS PERSPECTIVE!
The traditional Telco Model as we know it is at risk...

...and furthermore it remains unclear what will replace it!

MACRO AND COMPETITIVE FORCES ARE CREATING AN ENVIRONMENT WHICH THREATENS THE FUNDAMENTAL ECONOMICS OF OUR INDUSTRY

- Flattening Core Revenues
- Declining Margins
- Increasing Capital Intensity

Industry economics are under threat...

...driven by macro and competitive forces...

...with unprecedented level of uncertainty
THE REQUIREMENT FOR FUNDAMENTAL CHANGE TO REMAIN COMPETITIVE IS CLEAR AND SUBSEQUENTLY TRANSFORMATION HAS BECOME MORE THAN EVER CENTRAL TO CORE MID TERM STRATEGY

Re-focus on Customer Experience - Retention vs. Acquisition
Customer Advocacy

Develop and deploy next generation systems and platforms - Intelligent flexible environments

Re-define “core business” operating model and re-engineer cost base – Low cost operating model

Rationalise and consolidate legacy systems, platforms, products & functions - Simple efficient environments
AN ORGANISATION’S RESPONSE TO THESE ENVIRONMENTAL FACTORS IS FURTHER COMPOUNDED BY REAL WORLD CONSTRAINTS SUCH AS...

CUSTOMERS

SHAREHOLDERS

EMPLOYEES

COMMUNITY

...AN ORGANISATION MUST MANAGE THE TRADE-OFFS BETWEEN ITS CURRENT COMMITMENTS AND EXECUTING TRANSFORMATION ACROSS THESE STAKEHOLDERS
NET PROMOTER SCORE – THE TRUE MEASURE OF CUSTOMER EXPERIENCE

% Net Promoters = % Promoters - % Detractors

% more promoters than detractors

Satisfaction rating 8-10

Satisfaction rating 1-5
ENGINEERING METHODOLOGIES SUCH AS “CLOSED LOOP FEEDBACK” INTO CORE BUSINESS PROCESS & SYSTEMS CAN DRIVE REAL TIME RESPONSIVENESS

Data analysis

In depth feedback through call backs

Identify & prioritise actions

Discuss as a team & centre

Customer feedback

Raw data

Front line feedback loop

Action plan (team / centre)

Identify & categorise root cause

Customer complaint line

Root causes of issues

Reminders

Initiatives

Root causes of issues with suggested actions

Report

Continuous improvement

Action plan (individual)

Identify & categorise root cause

Customer feedback (both promoters and detractors)

Identify & prioritise actions

Report

Action plan (team / centre)

Identify & categorise root cause

Customer feedback (both promoters and detractors)

Identify & prioritise actions

Action plan (team / centre)

Reminders

Initiatives

Raw data

Call recording and surveying

Action plan (individual)

Identify & categorise root cause

Customer feedback (both promoters and detractors)

Identify & prioritise actions

Action plan (team / centre)

Reminders

Initiatives

Customer feedback

...AND DELIVER A MATERIAL IMPROVEMENT IN CUSTOMER EXPERIENCE ONGOING!
CUSTOMER LIFETIME VALUE - IN A SATURATED MARKET EXISTING CUSTOMERS REPRESENT REVENUE GROWTH POTENTIAL VIA...

- Increase share of wallet - promoters purchase between 1.7 and 2.5 products
- Increase sales to new customers through referrals - promoters advocate to between 3 and 5 people

74% of purchasing decisions are driven by the recommendations of a customer’s social network

Average Customer Lifetime Value (EBITDA)

Promoters are approx. 4 times more valuable than detractors

...INCREASED SHARE OF WALLET & NEW CUSTOMER REFERRALS
THERE ARE CRITICAL ORGANISATIONAL AND PROCESS DESIGN DECISIONS [TOUGH CALLS] NEEDED TO REALISE THE FULL VALUE OF TRANSFORMATION

CENTRALISATION | SHARED SERVICE MODELS | ECONOMIES OF SCALE | PROCESS STANDARDISATION
THE BUSINESS CASE FOR TRANSFORMATION – UNLOCKING THE VALUE WITHIN CUSTOMER EXPERIENCE, DRIVING COST OUT AND BUILDING ORGANISATIONAL CAPABILITY

Driven by unlocking the value within Customer Experience
THE BUSINESS CASE FOR TRANSFORMATION – UNLOCKING THE VALUE WITHIN CUSTOMER EXPERIENCE, DRIVING COST OUT AND BUILDING ORGANISATIONAL CAPABILITY

- Customer Experience through a simpler operating model
- Promoters, Detractors through a re-focus on Customer Experience
- Customer Experience through smarter systems & platforms
- Cost through next generation technology & associated process
- EBITDA through a focus on Customer Experience
- Cost through consolidation & rationalisation
- Cost through short terms | tactical measures

TOTAL BENEFITS $
IN A DECENTRALISED BUSINESS STRONG CENTRALISED EXECUTIVE GOVERNANCE & A TIGHTLY FEDERATED DELIVERY MODEL ARE KEY!

Executive Steering (CEO, COO, CFO, MD, Etc.)

Transformation Stream
- Transformation Stream
  - Executive Sponsor
  - Business Owners
  - Program Director

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Governance
- Status Reporting
- Benefits Tracking

Transformation Stream Steering Committees
- Work Group Meetings
- Integration, Implementation, Issue & Risk Mgt
- Project, Change, Process & Comms Mgt

Transformation Management Office
BUSINESS ENGAGEMENT - EDUCATING AND HOLDING THE BUSINESS ACCOUNTABLE FOR THE CRUCIAL ROLE IT PLAYS IN TRANSFORMATION

BUSINESS

SPONSORSHIP

OWNERSHIP OF BUSINESS CASE & BENEFITS TARGETS

OWNERSHIP OF ORGANISATIONAL DESIGN & BUSINESS PROCESS RE-ENGINEERING

OWNERSHIP OF CHANGE MANAGEMENT AND BUSINESS CONTINUITY

OWNERSHIP OF DELIVERY TIMELINES AND PHASING

TECHNOLOGY

TECHNOLOGY THOUGHT LEADERSHIP

ARCHITECTURE

TECHNOLOGY EVALUATION

TECHNOLOGY DEVELOPMENT

TECHNOLOGY SUPPORT MODEL
ENABLING THE ORGANISATION - BUILDING AND EMBEDDING ORGANISATIONAL CAPABILITY THROUGH ADOPTION OF BEST PRACTISE METHODOLOGY...

CHANGE MANAGEMENT
Executing organisational change from a release management, implementation management, business continuity & risk mitigation perspective

PROJECT MANAGEMENT
Lean Six Sigma
Change Management

LEAN SIX SIGMA
Process reengineering & new process design

...AND THE ESTABLISHMENT OF CENTRES OF EXCELLENCE OPERATING MODELS ACROSS KEY DISCIPLINES
MANAGING AND MEASURING THE RATE, SCALE AND SUCCESS OF CHANGE THROUGHOUT THE TRANSFORMATION JOURNEY IS FUNDAMENTAL!

Short term outcomes pave the way for early initiation of operational and cultural change while allowing time to work towards mid to longer term outcomes.

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Q1 Q2 Q3 Q4
Q&A