

SERVICE-BASED SALES AND CHANNEL MANAGEMENT IN TELECOM



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Introduction

Operators in consumer mobile business are under enormous pressure –while revenues from services are falling, high costs deter operators from reaching under-served population in far-flung areas. Operators address this limitation through multiple channel partners. This adds significant scale and enables timely response for delivery.

However, the efficacy of such sales is dependent on an efficient Sales & Distribution (S&D) network. Supply chains have to be agile and responsive to react to new market dynamics, operational efficiencies of inventory and logistics management are critical to control costs and ensure adequate and timely supplies to the end-points of sale. Unlike CRM or Billing, S&D has many market-specific nuances. Solutions that address this should have flexibility to model these differences rather than imposing their own structure to which business has to adapt. This paper lays out the building blocks required to build a robust S&D solution that addresses the above issues.

Unlike other industries operating in mass-market consumer segment that have relied on IT systems for good effect, Telecommunications industry has lagged behind in adopting a standards-based technology in this space. Systems that catered to the traditional Sales & Distribution activities were originally limited by being too rigid in their capability to adapt to the differences in processes and functionalities arising from different markets¹.

1. June 5, 2015, CSP Thought Leadership | Point of View: Sales and Distribution in the Digital Era; Source: Wipro Internal Communication.
<http://www.wipro.com/documents/sales-and-distribution-in-the-digital-era.pdf>



Figure 1: Channel Based Supply-Chain Requirements

Typical Challenges in Sales & Distribution

In the classical era, with limited automation, operators had to struggle with the below challenges across all processes:

Sales: Includes primary and secondary sales only. It does not support push sales based on campaign or past sales trend.

Inventory: Telcos have to track each individual serial number within systems, with huge volumes of data required for serialized inventory.

Product & Price: In order to influence distribution channels, operator needs a flexible product and price model that allows different pricing, product eligibility for partners based on their tier level or their location.

Marketing & Miscellaneous: It is important to maintain brand presence, get consumer-buying behavior and seek regular market intelligence.

Solution Capabilities

The solution comprises of major components – **A Web based system**, and a **Mobile Application**. It acts as a decision support system for operators and distributors, giving insights into channel sales, monitoring sales, check stock levels in the distribution chain, compliance and monitoring. It streamlines and automates workflow, thereby increasing productivity significantly.

S&D is a differentiating process for operators – this implies that most operators would have deviations from standard out-of-the-box processes provided. There is a strong need for a system that is flexible to accommodate these differences without too much customization.



Figure 2: Key Challenges of S&D processes

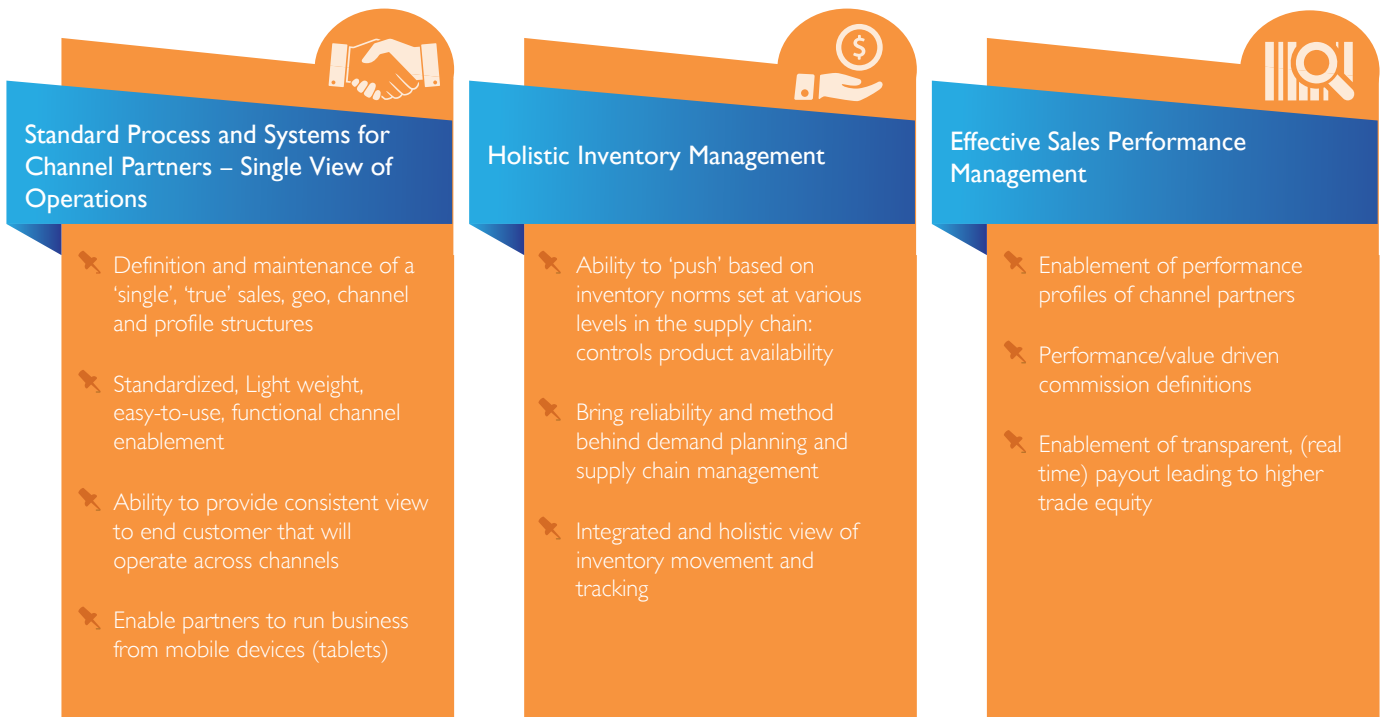


Figure 3: Key Solution Requirements

Flexible Building Blocks

Success of any application depends on how flexible its fundamental building blocks are. Figure below shows the fundamental entities of the solution:

- 1. Channel** – It allows users to configure boundary-less channels depending on business needs. Each channel represents a different sales unit under business.
- 2. Product** – Have a configurable level of product hierarchy based on sales channel and geography along with flexibility in setting other attribute e.g. secondary sales date, partner product eligibility, etc.
- 3. Location** – Define any number of location types and actual locations based on type. It also helps in setting the custom properties to each location
- 4. Partner** – Setting partner hierarchy based on the sales channel along with configurable level of approval
- 5. Performance** – Configure KPIs for partners, sales territory, etc. Allows users to configure the calculation logic and to set the targets against each KPI.

Transactions within S&D are essentially an inter-play of these base components and hence it is important to have a solution that brings in richness in modeling these entities as well as the flexibility to accommodate future changes. Further, every operator has a different flavor of usage of these entities

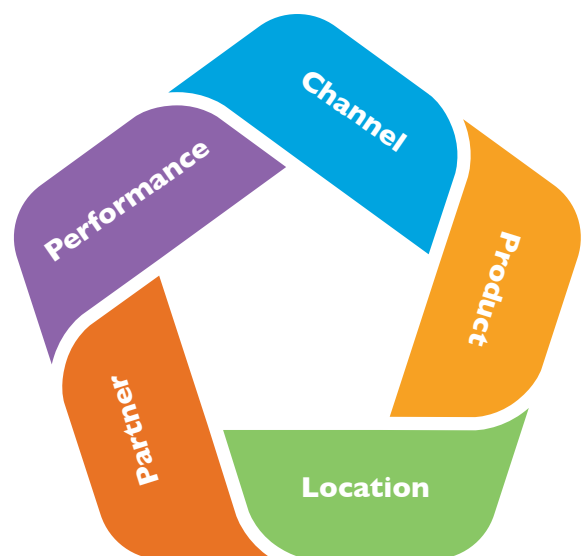


Figure 4: Flexible Building Blocks of Solution

Transactional Building Blocks

This section shows the key transactions that work upon the basic building blocks.

1. Order – Solution should be capable of handling order transactions from operator to distributors, distributor to dealers and dealers to end customer. It provides multiple channels for raising order request e.g., web, mobile application, offline and USSD.

2. Inventory – Manage serialized and non-serialized inventory. Its unique combination of web and mobile application should help in shortening and controlling the Inventory Lifecycle. It tracks ledger vs physical inventory, It also enables to perform Stock Auditing which compares actual inventory against inventory residing in the system.

3. Marketing Support – Create market surveys, targeted for a specific geography, sales channel, product or specific duration. It is essential to collect correct data and analyze it properly to understand competitor activity, identify potential customers, understand existing customer, etc.

4. User Access – Create roles based on the sales channel, user group and geography. Data access should be controlled at attribute level along with accessibility at location and partner level.



Figure 5: Key Requirements for User Access

Conclusion

In the era of rapidly falling ARPUs, efficiency in S&D operations is critical to boost profitability. While distribution channels are critical to reach customers, these have to be agile and responsive to react to new market dynamics.

Operational efficiencies enhanced by IT systems are critical to control costs and ensure adequate and timely supplies to the end-points of sale.

Often systems tend to impose a standard process. This is limiting for an operator in the case of a differentiated process like S&D.

An architecture that allows processes to be realized through a composition of individual process blocks created as micro-services will be the way forward. This alone will provide the necessary differentiation to operators while bringing in benefits of system-driven supply chain operations.

About the Authors

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