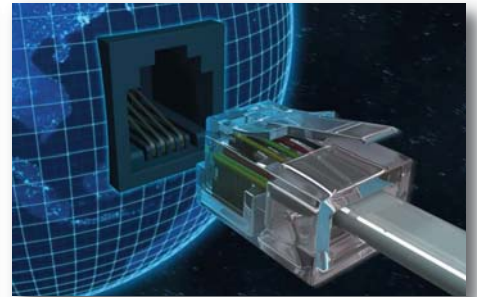


The Telecommunications Industry: Sales Trends and Strategic Initiatives



Executive Summary

The Telecommunications Industry is characterized by several sectors, including: Wired Telecommunications Carriers, Cable and Program Distributors, Wireless Telecommunications Carriers, and Telecommunications Services Resellers. Companies within the Telecommunications Industry are leveraging favorable regulatory changes and making substantial investments, such as expanding bandwidth and replacing copper wires with fiber optic cable to expand offerings and gain increased efficiencies, which lead to greater profits.

Organizations that call on the Telecommunications Industry can leverage certain sales trends detailed in this report and take strides toward being proactive vs. reactive through a series of strategic adjustments to business processes and practices. Add to that effort investment in key areas of skill development to solidify a consultative sales culture and equip Salespeople to increase the quality of each sales call.

Sales Trends in Telecommunications

- ▶▶ **Growth through Integration and Technology:** Investment in fiber optic technology has lead Telecommunications Carriers to expand their bandwidth by replacing copper wires with fiber optic cable. Fiber optic cable – which transmits light signals along glass strands – results in lightening fast, high-capacity transmissions over legacy copper wirelines. In some areas, Carriers are extending fiber optic cable to residential clients, enabling them to offer integrated service packages, which include cable television, Video-on-Demand, high-speed internet, and conventional telephone communications over a single line. Technologies in development will further boost the speeds and services available through a DSL connection.

- ▶▶ **Regulation Change Creates Competition:** Recent changes in technology and regulation now allow Cable Television Providers to compete directly with Telephone Companies. Additionally, Cable Companies are increasing their share of the Telephone Communications Market by using high-speed internet access to provide Voiceover Internet Protocol (VoIP). VoIP, as a technology, has become widely adopted across all Telecommunications Sectors, and the adoption trend is expected to continue.

Overview

From its position as a global sales training and consulting firm, Richardson has partnered with some of the world's leading Telecommunications Organizations to provide comprehensive total solutions for their Salespeople to improve performance and reach revenue goals.

As part of its detailed customization process, Richardson interviews several top stakeholders within its Client Organizations to understand needs, challenges, and areas for development. Richardson's proprietary methodology for acquiring and analyzing this information leads to valuable insight and trends from within the Telecommunications industry as a whole and, as a result, Richardson is able to provide this value-added information to its Client Partners.

- ▶▶ **Smartphones, Applications, and the Wireless World:** Within the Wireless Sector, Providers are leveraging several new technologies to provide faster data transmission and better access to the internet in order to compete directly with Wireline Carriers. At faster speeds, Wireless Providers are able to offer consumers innovative applications and media including music, videos, and other exclusive content that can be downloaded and played on smartphones – the latest wireless phone technology – and it does not stop there. Wireless Equipment Companies are developing the next generation of technologies that will allow even faster data transmission. That investment, coupled with the replacement of landlines with cellular service, should become the norm considering the ever increasing consumer demand for faster data transmission speeds.

- ▶▶ **Riding Above the Recession:** Like nearly every other vertical industry, Telecommunications – particularly Local Exchange Carriers – has not been immune to the downturn. However, unlike the Financial Sector, which saw rapid decline and a dramatic shift in its landscape, the Telecommunications Industry has fared considerably better. Although Carriers have had to deal with declines in bill-per-usage services (i.e., long distance) and increased pressure by cash-strapped consumers for lower prices (i.e., contract renewals), Telecommunications Companies have largely approached these challenges by increasing their sales efforts to offset rate of attrition.

- ▶▶ **Service to Sales Focus:** While gaining new market share is the name of the game in Telecommunications, companies who have grown through converting clients from their competition and through attractive service bundles made possible through investment in fiber optic technology now face the second most important question – how to retain clients. As leading Telecommunications Companies aggressively target new clients, they are also expanding their focus toward service excellence as a proactive retention strategy.

Strategic Initiatives for Adapting to Sales Trends

Companies calling on Telecommunications Prospects and Clients may benefit by strategically evaluating their business models, performance objectives, and incentives as a strategy to capitalize on macro-trends driving the Telecommunications Industry.

- ▶▶ **Calibrating Sales Processes.** While companies have traditionally defined sales success in purely quantitative ways (e.g., percentage of market share), in an effort to differentiate themselves competitively, innovative Sales Organizations serving the Telecommunications Industry are looking internally at ways to shift their sales processes from bottom-of-the-funnel-opportunity-level focus to a top-of-the-funnel, longer-term-relationship-focused approach to selling. Sales Leaders who champion

this shift know that quality relationships enable Salespeople to proactively initiate opportunities once they fully understand client needs, rather than respond reactively to opportunities, which are then often most susceptible to competitive pressures.

- ▶▶ **Adjusting Metrics Rewards for High-quality Prospect/Client Touch Points.** Recent sales research shows that each sales opportunity is taking longer to close than ever before. This shift requires high-quality client interactions at every available touch point, a practice that reaches its maximum effectiveness when it is embedded into the workstream. Therefore, organizations may need to rethink how their Salespeople are measured and incentivized, as they make contributions toward building a culture that supports high-quality prospect/client touch points to close on opportunities. Furthermore, Sales Leaders must look for tools and processes that drive best practices back into the Salesperson's workflow to achieve consistency and accountability and to produce effective results.

- ▶▶ **Increased Investment in Sales Skills Development.** Several large organizations that call on the Telecommunications Industry are taking the approach that the quality of their Salespeople's ability to engage in robust dialogues with Telecommunications Professionals is especially critical in building and sustaining relationships that will create opportunities to align products/services with industry trends. Therefore, leadership in these organizations is proactively increasing their investment in initiatives that develop and support the selling skills of their Salespeople, as they see this as an opportunity to gain a competitive advantage and differentiate themselves on both sales and service. Specific initiatives include:
 - **Strengthening** consultative selling processes and models that support industry trends and the demand for a strategic, relationship-oriented approach to selling

 - **Holding** Salespeople, Teams, and Managers accountable for results through coaching to change and maximizing resources to achieve revenue goals

 - **Integrating** skill-building activities to develop customized value propositions with the breadth and depth of program-specific training that Salespeople need to succeed – know the product/service, how it aligns with industry trends and Telecommunications Professionals' needs, and know how to sell it

 - **Focusing** marketing and promotional resources on a value-add message (instead



of a product push or a purely technology-driven message) in order to quickly drive decision making

- **Transforming** training by leveraging the best technologies to blend work with learning and bring support tools directly into the Salesperson's daily workflow - learning and working become two sides of the same "coin"

This **SHIFT** approach to skill development is being driven by Leadership's adjustment to the external sales trends affecting the industry and requires best-practice "know how" in order to maximize the return on this investment.

2009 Best Practices for Skill Development

As a result of analyzing data from several organizations focused on selling to the Telecommunications Industry, Richardson has been able to identify the following best practices, which represent the most pressing areas for skill development. The Telecommunications-focused Organizations that have invested in these areas of skill development to date have reported that their Salespeople are better equipped to meet strategic objectives amidst the growing and evolving Telecommunications Industry.

Relationship-focused Selling

As companies prepare to place an even greater emphasis on engaging with Telecommunications Professionals and leveraging their knowledge of industry trends as part of the sales dialogue, the need to adapt sales processes and models to support that shift is critical.

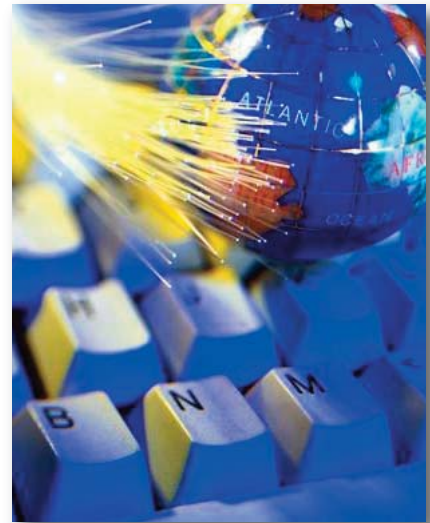
To achieve success, Salespeople will need to learn how to live and breathe a relationship-focused selling culture, which is driven by efforts to understand Telecommunications Professionals' needs and position solutions directly to those needs, particularly around technology efficiency, cost management, and sales-to-service initiatives. True relationship-focused selling involves becoming a trusted advisor, knowledgeable in the factors that are shaping Telecommunications, compared to simply being a product provider whose value is limited to the features and benefits of a product or service. Becoming a true "partner" to the Telecommunications Professional involves a broad and deep understanding of the prospect's or client's current situation.

Leading a Need Dialogue

Delivering a fairly generic overview of a product's or service's benefits – often grounded in technical or "one-size-fits-all" terms – has been the way that most Salespeople have approached selling to Telecommunications Companies.

However, recent industry trends have made decision making around products and services markedly more complex. Today's Telecommunications Professionals are not only asking the question of whether a product or service will perform practically, but also if it addresses other

intangible concerns, such as how will it be accepted or adopted throughout the organization. By building strong questioning skills and making it a standard sales practice to engage each Telecommunications Professional in a need dialogue, the Salesperson will be able to generate more dialogue opportunities during which he/she learns about a broad range of needs. This kind of dialogue creates relationship momentum and positions the Salesperson as a knowledgeable trusted advisor so that when opportunities arise, he/she is in a position to fully capitalize.



Gaining Decision-maker Commitment

When surveyed, Salespeople have a wide range of skills and comfort surrounding the process of gaining the Telecommunications Professional's commitment to move forward with the proposed solution. However, within a dynamically growing environment, the need to refocus efforts and deploy a relationship-focused approach – setting a measureable closing objective and actively closing on all opportunities – will be paramount to reaching revenue goals.

Therefore, in consideration of the direct effect closing efforts have on revenue, several Sales Leaders in Telecommunications-focused Organizations are trending toward placing a renewed focus on sharpening the ability of their Salespeople to confidently obtain Decision-Maker commitment, follow up, and maintain momentum between interactions as a way to spot additional opportunities, work through obstacles, and strengthen the relationship overall.

Service to Sales Excellence

As leading Telecommunications Companies continue to acquire more clients, the development of a solid, service-oriented culture is critical for success in retaining clients. By solidifying a process and investing in soft skills, Telecommunications Companies will create people who are proficient in understanding how to first satisfy the immediate service need, proactively initiate dialogues to identify additional needs, and position more service offerings that will ultimately drive revenue.

Coaching to Change

As Telecommunications-focused Organizations aim to re-engineer their approach and sales processes to effectively confront new challenges, equipping and motivating Salespeople will be a critical element of success.

Furthermore, Management will need to sharpen their sales coaching skills to ensure that behavior change is adopted to improve team and individual effectiveness. By doing so, Managers will be better able to improve performance and achieve revenue growth, strengthen relationships with their Salespeople, accelerate learning, and help Salespeople become responsible for their own development. A specific emphasis may also be placed on the varying elements surrounding in-the-action coaching to help shape behavior change “just in time.”



Richardson Total Solution for Organizations that Sell to the Telecommunications Industry

Richardson has worked with several leading Telecommunications-focused Organizations to provide a comprehensive, total sales training solution for Salespeople and Management to support these emerging trends and those strategic initiatives that will most effectively position them to reach their maximum success amidst the global boom of Telecommunications.

Some critical elements of an integrated training strategy include:

- ✓ Flexible, On-demand eLearning Courses
- ✓ Benchmarking Diagnostic Tools
- ✓ Cost-effective Webinars
- ✓ Practical Performance Support Tools
- ✓ Convenient, Affordable Sales Resources
- ✓ Video-on-Demand Training (VoDs)
- ✓ Dynamic, Highly-customized Classroom Training
- ✓ Coaching Practices to Effect Behavior and Culture Changes

Richardson's Global Performance Solutions Team of highly-skilled Relationship Managers, Senior Training Designers, and Senior Global Trainers can work with your organization to assess and evaluate your current and future needs and design a customized training strategy to suit your learning and development initiatives.

About Richardson

Richardson develops customized and comprehensive sales training and performance improvement solutions for sales, sales management, and customer service professionals, which integrate with an organization's business strategy, sales challenges, and overall vision to improve sales skills, increase performance, and drive results. The company's 30-year dedication to changing the behaviors of sales professionals and innovation has made Richardson one of the largest global sales training and performance improvement providers today. Clients around the world choose Richardson for their "go beyond" approach and broad platform of customizable sales training and technology solutions, which is why they deliver a comprehensive, end-to-end training platform that includes: online diagnostics, fully customized live and online training programs, continuous coaching processes, reinforcement tools and techniques, and performance support applications. Richardson continues to be on the front line of sales training innovation in the development of leading-edge solutions that help clients generate revenue faster and more cost-effective than ever before.

Visit Richardson's website at www.richardson.com for more information on how Richardson can help your Sales Representatives reach their sales objectives.