

AT&T Extends Service Offerings with Managed Services and Business-to-Business Telepresence Capabilities

Executive Summary

CUSTOMER

AT&T

INDUSTRY

Service Provider

CHALLENGES

- Inability to scale quickly during ramp-up
- Subject-matter expertise concentrated in a few individuals
- Salesforce weak in vertical industry expertise

SOLUTIONS

- Value-case process
- Sales-decision toolset
- Training

RESULTS

- Pipeline qualification up by 50 percent
- Doubled sales output within first three months
- On track to double sales productivity

Background

AT&T, one of the world's largest telecommunications firms, is a leading provider of IP-based worldwide business communications services. AT&T serves tens of thousands of business customers on six continents, including all Fortune 1,000 enterprises. In the United States, AT&T is the largest provider of local and long-distance telephone services, provides the largest Wi-Fi network, and supports the greatest number of high-speed Internet access subscribers. AT&T is the second-largest provider of wireless service in the United States, with more than 81.6 million customers, and more than 150 million customers worldwide.

Recently, AT&T ventured to add a high-quality managed services offering focused on telepresence and unique business-to-business connectivity to its Application Solutions suite of services. To facilitate that effort, AT&T engaged with the [Cisco® Internet Business Solutions Group \(IBSG\)](#) to help develop a unique go-to-market strategy for offering Cisco TelePresence™ services to its global enterprise, government (including medical), education, and federal customers.

Cisco TelePresence, combined with AT&T's Business Exchange solution, enables immersive, in-person communication and collaboration over the network with colleagues, prospects, and partners, even when they are located in opposite hemispheres. Users perceive Cisco TelePresence as providing a meeting environment more conducive to collaboration than standard video-conferencing technologies. Cisco TelePresence also allows sharing of complex, data-rich content through an intuitive and high-quality experience.

Cisco IBSG worked with AT&T to develop a go-to-market telepresence managed-services strategy: analyzing market demand, identifying key industry "ecosystems" for Cisco TelePresence, establishing specific value propositions for each vertical industry sector, defining use cases, and analyzing economic impact. Cisco IBSG focused on two broad challenges to scale the go-to-market effort and accelerate the process:



Cisco Internet Business Solutions Group (IBSG)

- 1) Accelerating telepresence consultative sales across AT&T
- 2) Enabling an industry-specific and strategic approach to client recommendations

Challenges

As AT&T was ramping up its Cisco TelePresence sales efforts, subject-matter expertise was concentrated within just a few individuals across the company. This impeded the sales process as well as AT&T's ability to scale quickly.

AT&T wanted to take a decidedly fresh consultative sales approach for telepresence, focusing customer conversations on business impact and value capture rather than on price. Vertical-industry knowledge and relevance were also challenges for the salesforce, and needed to be the key centerpieces of AT&T's go-to-market approach.

"[TelePresence] is the way I meet with my people. It's the way I meet with several of our vendors. It's changed the way I do business My airline miles are down 44 percent year-over-year."

Randall Stephenson,
CEO, AT&T

Solutions

Cisco IBSG teamed with AT&T's global video sales team to quickly assess the challenges associated with the sales process. Working together, AT&T's Business Transformation organization and Cisco IBSG developed a value-case process and customer-decision toolset to support discovery discussions with customers. For example, when AT&T sales representatives talk to a healthcare industry customer, they can select from a set of goals (financial, performance/productivity, strategic) and related use cases (for example, clinical, supply chain, training), and seek appropriate scenarios (locations, utilization, travel displacement, productivity, CO₂ emissions) from the customer—or use provided industry references and benchmarks.

The most compelling and dynamic element of the tool/process is the measurement of business impact. The value-case process considers such factors as time to market, supply-chain efficiency, scaling of virtual expertise, customer-lifetime value, and ability to attract and retain talent with indices based on input from a variety of benchmarking services and consultancies. With AT&T's focus on business-to-business in its managed telepresence service offering, this part of the customer delivery process provides the template, success plan, and tools to evaluate the what, how, and why of telepresence as a strategic business tool and organizational asset.

Activating the Channel

AT&T and Cisco overlay teams trained more than 800 Cisco and AT&T sales and marketing personnel on how to use the value-case approach with customers in 2009.

As a result, AT&T now has a practical and repeatable means of showcasing customer-specific use cases and their associated business-value cases. This is now a mandatory, integral, and differentiated part of AT&T's sales process.

Adoption of the new sales process and toolset immediately shifted the sales conversation. Formerly, prospects' IT departments were often quick to ask for the "pitch and price." With the new sales tools, the conversation shifted to: "That's an interesting scenario and benchmark to consider; let me go validate with line of business." This essentially changed the discussion from "push" to "pull" and turned many technologists into champions.

As part of channel activation, Cisco IBSG helped instill industry relevance in the AT&T salesforce by developing "playbooks" that included examples of business-use scenarios and value cases from which to build. Cisco IBSG also developed a "green" calculator that assesses the environmental impact of AT&T's internal use of Cisco TelePresence.

"The AT&T value solution is a model for ROI tools. Other SPs... are likely to follow the example. [This] gives a detailed insight into the use of telepresence as part of a UC Collaborative programme. In particular, it highlights the effectiveness of telepresence as a business management tool, because it allows MNC users to factor in financial targets and operations rollout schedules."

David Maloney, "Business Video 2010-14: Chasing Revenues in Telepresence," Ovum, September 2009

Figure 1. AT&T Value Solution Allows Telepresence Salesforce To Take Consultative Role



AT&T's managed telepresence Rol tool

Step 1: Select your industry and your top 3-5 Business Improvement Goals

Industry	Financial Profitability	Competitive Differentiation & Strategic Value
<ul style="list-style-type: none"> Energy Banking Financial markets Insurance Government Healthcare: Providers Healthcare: Life Sciences Consumer Products High Technology Industrial Manufacturing Media and Entertainment Professional Services Retail Distribution Wholesale Distribution Telecommunications Utilities Hospitality Others 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Reduce dependency on physical travel <input type="checkbox"/> Improve price negotiations <input type="checkbox"/> Reduce supply-chain inefficiencies <input type="checkbox"/> Manage business process outsourcing <input type="checkbox"/> Increase contribution margins <input type="checkbox"/> ... <input type="checkbox"/> ... <p>Performance (Human Productivity)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Executive productivity <input type="checkbox"/> SME productivity <input type="checkbox"/> Scale resources with virtual experts <input type="checkbox"/> Retain key employees <input type="checkbox"/> Reduce latency in decision cycle <input type="checkbox"/> ... 	<ul style="list-style-type: none"> <input type="checkbox"/> Accelerate time-to-market <input type="checkbox"/> Close sales faster, increase win rates <input type="checkbox"/> Achieve growth with new revenue streams <input type="checkbox"/> Achieve competitive differentiation <input type="checkbox"/> Improve supply-chain agility <input type="checkbox"/> Improve branch/store experience <input type="checkbox"/> Increase customer relevance <input type="checkbox"/> Improve access, quality of healthcare <input type="checkbox"/> Enter new markets <input type="checkbox"/> Align resources with strategy <input type="checkbox"/> Align organization with leadership <input type="checkbox"/> Foster innovation

Cisco IBSG Economics Practice 2009. All currency values in \$ million. Model version as of 1/23/2009.

Source: AT&T

Source: Ovum, 2009

“[Cisco IBSG]...helped transform and unify our [telepresence] sales process through the joint development [Cisco IBSG and AT&T] and essentially changed the game.”

Andy Adams, AT&T
National Sales Director,
Telepresence and
Video Solutions

Results

Industry analyst firm Ovum recently recognized this value-case process as the best of its class in the industry, as cited in its report, “Business Video 2010-14: Chasing Revenues in Telepresence,” published in September 2009 (see Figure 1).

The efforts of Cisco IBSG and the AT&T video-sales teams have helped accelerate the managed telepresence sales pipeline by increasing the customer relevance of AT&T’s salesforce. AT&T’s pipeline qualification has risen more than 50 percent with this new value-case approach.

AT&T doubled its Cisco TelePresence sales output within the first three months of using the new process. With refined qualification of accounts and focused ROI analysis on active opportunities, AT&T is on track to double sales productivity again in the next quarter.

More Information

Cisco Internet Business Solutions Group (IBSG), the company’s global consultancy, helps CXOs from the world’s largest public and private organizations solve critical business challenges. By connecting strategy, process, and technology, Cisco IBSG industry experts enable customers to turn visionary ideas into value.

For further information about IBSG, visit <http://www.cisco.com/go/ibsg>



Americas Headquarters
Cisco Systems, Inc.
San Jose, CA

Asia Pacific Headquarters
Cisco Systems (USA) Pte. Ltd.
Singapore

Europe Headquarters
Cisco Systems International BV
Amsterdam, The Netherlands

Cisco has more than 200 offices worldwide. Addresses, phone numbers, and fax numbers are listed on the Cisco Website at www.cisco.com/go/offices.

(1005R)
Cisco IBSG © 2010 Cisco and/or its affiliates. All rights reserved. Cisco, the Cisco logo, and Cisco Systems are registered trademarks of Cisco and/or its affiliates in the United States and certain other countries. All other trademarks mentioned in this document or website are the property of their respective owners. The use of the word partner does not imply a partnership between Cisco and any other company (1002R)