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:
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.

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.

“[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
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.

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

“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.”

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.

“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

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