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Win Review Report

McGregor Mining

1.0

Executive Summary

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Interviews took place with Sarah Riley (28 May), Mike Somerville (4 June) and Jack Kelly (5 June). All interviews were conducted by phone. All interviewees were very open and candid in their feedback. It was clear that McGregor's CaaS project (known as Jubilee within Telcotech) although resulting in a significant win for Telcotech was a drawn-out process and fatiguing for both parties.

In approaching the interviews with McGregor, a tailored set of Trinity qualitative and quantitative questions were used, to ensure we received the depth of granular insights required. These questions were designed to highlight areas within the sales process for potential improvement and areas of competitive differentiation for Telcotech in the market.

As a result of these interviews, six potential areas of sales transformation have been identified. Four of these have potential application in the way Telcotech interacts with customers more broadly across your business, with two recommendations relating specifically to this McGregor transaction.

Telcotech was (and remains) the long-term incumbent supplier of the McGregor WAN infrastructure. The CaaS project saw McGregor looking to bring the Unified Communications (UC) contract together with the WAN contract. For McGregor UC included video conferencing, telephony, WebEx, security and telepresence. McGregor's objective was to procure UC as-a-service, in much the same way as they are now procuring application services and to consume and pay for these services on a usage basis.

During this engagement, the Telcotech team were able to successfully add the UC contract to the WAN contract which was a positive outcome, however

June 2018

Interviewees

Mike Sommerville
Chief Adviser, Enterprise IT

Sarah Riley
Manager, Technology &
Outsourcing Procurement

Jack Kelly
Manager, Core Network Services

Interviewer

Michael Reidy
Trinity Perspective Interviewer
Senior Consultant

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some warning signs were identified that Telcotech will need to become more proactive into the future, in order to consolidate the McGregor relationship. There is a concern within McGregor that Telcotech is resistant to the innovation discussion, over the basic contract execution.

It was acknowledged by the McGregor interviewees that the competitive landscape for the CaaS project was altered when Telcotech offered to review (and take cost out of) the existing McGregor WAN contract. In offering McGregor savings, you were able to eliminate the nature of a competitive RFP process. Although this was a significant strategic win on Telcotech's behalf, if was evident from the interviews that Telcotech must continue to innovate to ensure and protect your benefit of being the incumbent.

Overall McGregor acknowledged and complemented Telcotech on the intestinal fortitude of your sales and senior leadership team, to maintain the sales effort over a long period. They recognised that at times McGregor is not the easiest customer to work with and at a number of critical stages of the sales process, that they introduced new issues which impacted the process.

Telcotech Team

Michael Heath
Account Manager

Sandra Bingham
Sales Manager

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Sales Transformation Activities

Sales Transformation Activities

	Findings	Recommendations	Priority	Timeframe	Owner
1	McGregor consistently raised concerns that Telcotech is too focused on and constrained by your existing product offerings, rather than offering solutions that meet the changing customer environment.	If not already in existence, future Telcotech sales engagements will require the creation of solution maps, that bring together discrete product offerings into customer ready solutions.	High	Immediate	Michael
2	McGregor attributed one of the main causes for the delay (and frustration) in concluding the CaaS agreement, to Telcotech not having the right people engaged at the right time in the sales cycle.	Telcotech to immediately review the ideal and preferred sales support personnel that should be made available in UC sales cycles and give advance notice to these people of impending UC sales opportunities. This should ensure that the learnings from one UC engagement can be leveraged into the next sales cycle effectively.	High	Immediate	Sandra
3	There was a strong message from McGregor that Telcotech was too IT and technically focused, rather than understanding and providing flexibility to meet McGregor's business operating model	Undertake an internal audit and review of Discovery & Needs Analysis skillsets and frameworks of all sales facing personnel, to ensure customer's key business drivers and win themes are properly understood. Only then can Telcotech align your offering appropriately to reflect these customer needs.	High	Ongoing	Michael
4	McGregor identified and were frustrated by the gaps between the local/regional/global operating model and personnel deployment of Telcotech.	Ensure communication and reporting protocols are established and understood between each of Telcotech's geographic operating units. Don't underestimate the importance of being 'easy to do business with' in an increasingly competitive SaaS world.	High	Ongoing	Sandra
5	Critical nature of the Hong Kong milestone.	Review the project plan and key dependencies to ensure success and escalate if required, given the overall impact which failing to deliver would have.	High	Immediate	Michael Sandra
6	With a significant change in McGregor sponsors and personnel underway the relationship dynamics within Telcotech will change significantly in the immediate future.	Review overall McGregor account coverage and plan now for the development and building of new relationships that include multiple sponsors for Telcotech within McGregor.	High	Ongoing	Michael Sandra

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3.0

Interview Findings & Recommendations

Interview Finding #1

Priority
High

Timeframe
Immediate

Owner
Michael Heath

Finding:

McGregor consistently raised concerns that Telcotech is too focused on and constrained by your existing product offerings, rather than offering solutions that meet the changing customer environment.

All interviewees referenced McGregor's desire to purchase solutions to meet their UC requirements, but found that Telcotech were only able to position at a product offering level. This can perhaps be best summed up by Sarah's comment:

"We were trying to buy, from memory, something like 5 or 6 end-to-end services. What we were getting back from Telcotech in the contract, was like 26 Telcotech products".

Coupled with McGregor's desire to contract for solutions, was the desire to implement an 'as a service' contract. This is now common for McGregor in the applications space. As Mike explained:

"The concept of 'as a service' is what drove us to want to move our networks and our unified comms to an 'as a service' model as well. What we were looking for

was a final flexible model where you paid for what you consumed on your network".

Mike did identify that it became apparent that the 'as a service' model in the telecoms world is not particularly advanced, however there was and remains an intent of achieving this in the longer term.

There was an acknowledgement from McGregor that both the solution model and 'as a service' pricing was not necessarily a comfortable space for Telcotech. Moving forwards McGregor would like to see Telcotech get on the front foot and out in front of this discussion, to demonstrate what a strategic supplier can do, and to bring innovative ideas and strategies for embracing new technologies as they unfold. Mike summed it up well when he explained:

"My overall impression from the team is that Telcotech is a great operational organisation, but is definitely challenged when it comes to innovation and project delivery. I am yet to see anything truly innovative come out of them.

That's really what we want to start to see in terms of this reshaping of the future. I'm not saying that they're not capable of it, I think our problem is we didn't have the right people on the account".

The reference to the right people on the account will be discussed in another finding and may well form part of the strategy for Telcotech to transition to a more solution selling approach. The premise of solution selling may be debatable, however it is worth reflecting on Jack's comments when he says about the future:

"My fear for Telcotech is its inability to move forward. If I look forward in my contract in five years' time, my next network is likely to be bought from Microsoft or run on the internet. The current product set that we're buying will not be meeting what I require in five years. We knew that when we signed up on this.

I have reservations as to whether Telcotech will be a player in that time frame, unless it starts recognising ... my comments aren't for Telcotech alone ... it's an industry malaise ... they are being disrupted, and in my humble opinion, are way too slow at recognising it".

Recommendation:
If not already in existence, future Telcotech sales engagements would benefit from the creation of solution maps that bring together discrete product offerings into customer ready solutions.

An opportunity exists, not only in the McGregor account, but more broadly for Telcotech to become a market leader in the area of innovative solution bundling.

As a start to this process, immediate benefits may be achieved by reviewing all the existing Telcotech product offerings and mapping these to solution streams that customers would like to consume. Once the solution streams are agreed upon, and tested with customers, a broad-based go-to-market approach could be developed resulting in Telcotech gaining a leadership position in this area.

The solution maps should be rolled out to all customer facing Telcotech personnel to assist them with having customer conversations based on business solutions and outcomes, rather than just technology answers.

Interview Finding #2

Finding:

McGregor attributed one of the main causes for the delay (and frustration) in concluding the CaaS agreement, to Telcotech not having the right people engaged at the right time in the sales cycle.

A consistent theme throughout these interviews was a struggle in getting the right people within Telcotech listening to and understanding McGregor's requirements. Perhaps the strongest example of this was in the area of cyber security. Jack explained that:

"McGregor has some fairly strong views on cyber security, how we want things run. We had a lot of challenges pushing that information and then getting Telcotech on board, and we really struggled to find the right people within Telcotech who were able to answer our questions.

To the point that we were starting to look to using risk-negators in the signing of the contract - rather than being able to stand up and say, "Yes, we believe that Telcotech can do this." Fortunately, at the last hurdle, Telcotech actually worked out what was going on and found the right people".

Mike also made specific mention of the challenges with cyber security as part of his feedback on having the right people engaged throughout the process:

"We had numerous instances where we've had to escalate to Telcotech to find better people within their own organisation. A classic example of that, at the eleventh hour we nearly fell over because of cyber security concerns. As part of signing the contract in the end, Telcotech extended an invite for our cyber team to go to New York to meet with their cyber guys.

After attending that meeting ... the cyber team came back and said how wonderful Telcotech's cyber capability was. The question then was asked, why weren't any of those people involved in the project earlier? We battled with getting all of the right people in the right place, to give us the best value".

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A positive in regard to the people engaged in the sales cycle was the continuity of the Telcotech team with many of the same faces turning up at different stages, this, coupled with Michael's leadership, gave McGregor confidence that they were seeing the "people that were going to have to live with and deliver" the agreement.

Mike felt that the number of escalations that occurred throughout the project could have been limited if the right people had been brought in at an earlier stage. The escalations were seen to be handled well, with Mike complimentary of Francois Stevens continued contact and management buy-in.

Recommendation:
Telcotech to immediately review the ideal and preferred sales support personnel that should be made available in UC sales cycles and give advance notice to these people of impending UC sales opportunities. This should ensure that the learnings from one UC engagement can be leveraged into the next sales cycle effectively.

Taking a pro-active approach to identifying sales support personnel most suitable for each product/component offering within a UC sales cycle will ensure the sales team is able to be responsive to customer questions.

This review may also identify where specific areas are not adequately covered by suitable sales support personnel, and proactive programs to skill up people should be implemented.

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Interview Finding #3

Priority
High

Timeframe
Ongoing

Owner
Michael Heath

Finding:

There was a strong message from McGregor that Telcotech was too IT and technically focused, rather than understanding and providing flexibility to meet McGregor's business operating model.

Feedback was provided that Telcotech engages typically through the IT function, and at arm's length from the business. This traditional approach struggles to respond to the rapid and changing nature of the commodity use industry, where business can move in different directions from one week to the next week.

Jack commented that there was strong confidence in Telcotech's ability to deliver technically, but McGregor was looking for a stronger business alignment:

"We're contracting and expanding in ever increasing cycles, in response to what's going on in the world. Telcotech tends to have a desire to establish long term contacts built on whatever margin they determine and then book that revenue, and expect to have that revenue for five years. We are moving in an ever-increasing desire to move away from that, which produces a degree of tension".

Addressing the desire for better business alignment would potentially lead to a greater understanding of the drivers for consuming Telcotech's products 'as a service'. McGregor identifies an inherent difference between their model of putting 'assets where there aren't people' and Telcotech's model of often needing to procure technology for a particular customer such as McGregor.

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Undertake an internal audit and review of Discovery & Needs Analysis skillsets and frameworks of all sales facing personnel, to ensure customer's key business drivers and win themes are properly understood. Only then can Telcotech align your offering appropriately to reflect these customer needs.

With sales facing personnel skilled in business drivers, the opportunity arises to have a stronger two-way dialogue on what commercial constructs will work for both parties. Mike commented:

"What we were looking for was a final flexible model where you paid for what you consumed on your network".

Even if this was not achievable in the short term, a conversation with recognition of McGregor's long-term business drivers, coupled with Telcotech's operational excellence is more likely to drive better outcomes for both parties.

The ability to identify the true business drivers through Discovery & Needs Analysis skills will provide a stronger base to differentiate against competitors and may well allow greater sales margins to be achieved, if business benefits can be clearly quantified in ROI terms.
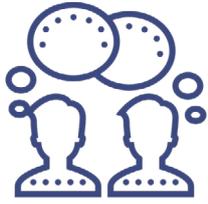
Interview Finding #4

Priority
High

Timeframe
Ongoing

Owner
Sandra Bingham

Finding:
McGregor identified and were frustrated by the gaps between the local/regional/global operating model and personnel deployment of Telcotech.

All three interviewees commented that even though McGregor may have pushed the boundaries in what Telcotech was able to offer, especially in the area of 'as a service' they felt that Telcotech 'struggled as a team'. This was specifically referred to in getting access and information from across Telcotech operating units. Mike commented:

"I think one of the challenges we have been hit with out of Telcotech is that we don't get access as easily to the North American staff, which is where their expertise is".

The gaps across Telcotech's operating model were attributed to some of the challenges the bid team had in presenting McGregor with options that met requirements. Jack explained:

"I see Telcotech as a factory. They have products that their engineering team goes and builds, and then product managers who determine how it's going to be solved. They are, in my estimation, so far from understanding the 'as a service' model; they're just ill-informed in my impression.

The account team were much closer to us and more familiar with the model and the challenge versus the bid team, who can only really sell product that is available to be sold. So, on one hand they have a customer who's driving hard down a particular philosophical approach, on the other hand, they have their product managers who are driving a completely different model. The bid team's challenge was always to negotiate between the two".

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McGregor is of the belief that the telecommunications industry is still short on innovation. An opportunity exists for Telcotech to be seen as a leader here, and having a strong transfer of information and ideas across Telcotech's operating units will strengthen the ability of bid teams to reinforce this message.

If not already in place, Telcotech would benefit from the establishment of a virtual team for each major sales cycle. This team should ideally cross local/regional/global boundaries and each member should be encouraged to add input and reduce friction between different Telcotech entities where possible. This would allow a united and responsive engagement to be presented to the customer, rather than a slow, disjointed engagement.

The bi-directional flow of information across geographies will add a greater cohesion to the sales cycle and minimise barriers to entry for customers. Any barriers that can't be overcome, can at least be recognised and customer expectations can be managed appropriately.
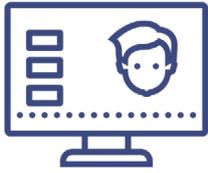
Interview Finding #5

Priority
High

Timeframe
Immediate

Owner
Michael & Sandra

Finding:
Critical nature of the Hong Kong milestone.

Although not directly related to the win/loss analysis, it is worth noting that Mike was very strong in his opinion of how the project has progressed as it has transitioned into implementation mode:

"Unfortunately, Telcotech started on the wrong foot. In a couple of weeks of signing the contract, they said that they were going to miss their first deliverable, as you can imagine, from my side that was not well received, suddenly now we're going to meet our deliverable".

Clearly delivering on initial milestones is critical to McGregor's confidence and continued support of Telcotech. Mike is very clear in that:

"I want one thing delivered on time, and that's the Hong Kong gateway. I want that one delivered on time. That's the number one thing. That's like proof, evidence that they've got this thing under control. It's due in August. It's got to be delivered in August. That's what I'm measuring them on. To me that's ... the number one thing ... you've got to get that in on time, on budget, working".

There is no doubt that early success in the implementation of the UC contract will build confidence within McGregor across the total project.

With Telcotech already seen as a safe pair of hands and able to deliver with operational excellence across the WAN space, it is imperative that this position is not weakened due to non-delivery in the UC space. As such, any additional focus or resource that Telcotech can add to the Hong Kong rollout to ensure success, will only add to the competitive advantage of Telcotech's incumbency.

Mike has confirmed in a meeting with Michael the critical nature of this milestone and should be updated regularly on progress.

Interview Finding #6

Finding:

With a significant change in McGregor sponsors and personnel underway, the relationship dynamics within Telcotech will change significantly in the immediate future.

With Mike departing his role and with other changes in key personnel that have supported Telcotech in the past, there will be a change in the traditional support base for Telcotech. Although personnel changes are common in vendors and customers, this can be a critical factor in the overall stability of the relationship.

Key to Telcotech's ongoing success and growth within McGregor will be how new relationships are formed and developed in the coming months.

Recommendation:

Review the project plan and key dependencies to ensure success and escalate if required, given the overall impact which failing to deliver would have.

With Mike's departure in the next couple of months now is the time to review all contacts within the McGregor account. This review should identify sponsors, influencers, decision makers and recommenders within the account. The support that Telcotech can rely on from each of these participants should be documented within the overall account plan.

Where gaps exist in the support for Telcotech from key McGregor people, or the time spent with key McGregor people, actions should be identified and executed to close these gaps.

An immediate action should be taken to build out the relationship with Greg Daniels, as he transitions into Mike Somerville's role.

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Conclusion

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I would like to thank Mike, Sarah and Jack for their time and the candid feedback that they provided. It is clear that Telcotech's strong history and technical and operational excellence within McGregor was a major factor in winning an extended contract scope across Unified Comms. The challenge for Telcotech is to build on this success and your incumbency in a changing landscape, where new business models and ways of doing business are becoming common place.

The challenge to embrace 'as a service' in working with McGregor was a factor in how the sales cycle progressed and the way the eventual agreement was reached. This is unlikely to be the only time this is raised by McGregor or other customers. Perhaps this challenge, and others that will no doubt present, can be best summed up by Sarah's observation:

"Probably the lasting memory I'll have is I feel like we've got a safe, hopefully a safe, pair of hands and that this thing won't break. I'm still nervous around Telcotech's ability to push boundaries and transform and innovate. So, if that is something they're trying to do, if that's somewhere they're trying to go, they need to think about how they internalise that".

I'd also like to thank Telcotech for the opportunity to have Trinity conduct this review on your behalf. I hope the feedback and insights that McGregor has provided will prove useful, as you continue to improve and refine your sales processes. The Trinity team are available to assist in your sales transformation activities if required. If you have any questions regarding this report or require any further information, please don't hesitate to contact me.

Kind regards,

Michael

> **"It is clear that Telcotech's strong history and technical and operational excellence within McGregor was a major factor in winning an extended contract scope across Unified Comms"**

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