



Network Outsourcing in Vodafone The Netherlands

Presented by René Herlaar,
Vodafone Netherlands



About



VODAFONE

- Worlds largest Mobile operator: > 30 countries
- Vodafone Group, 404 mio customers global
- 89.000 employees
- Revenue 46 billion GBP
- Ebitda 14 billion GBP



RENÉ HERLAAR

- Head of Network Program Mgt Vodafone Netherlands
- 17 years Vodafone: Technology/ Retail/ Customer
- 7 years in Network Outsourcing
- Leading Organizational Transformations
- Personal Mastery



VODAFONE NETHERLANDS

- 5mio+ customers market share 30%
- Locations Amsterdam, Eindhoven, Maastricht, Veenendaal, Capelle a.d. IJssel
- 2800 employees
- Operating GSM, 3G and HSPA++ wireless mobile voice and data networks

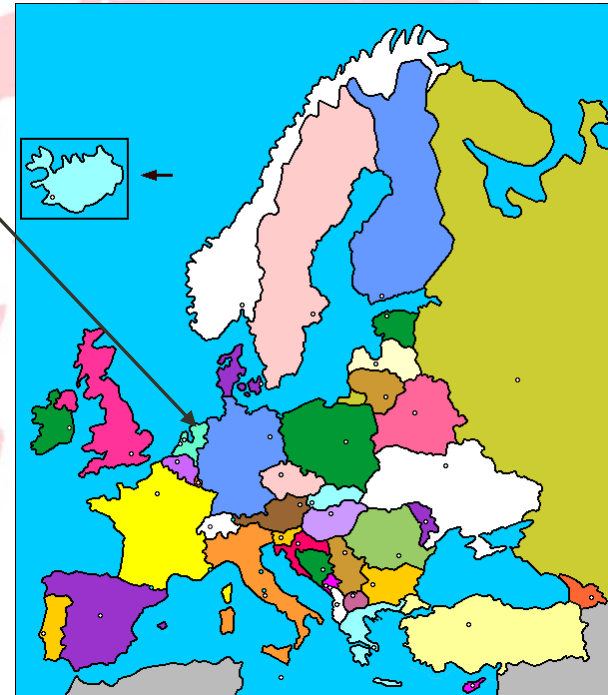


Setting the scene

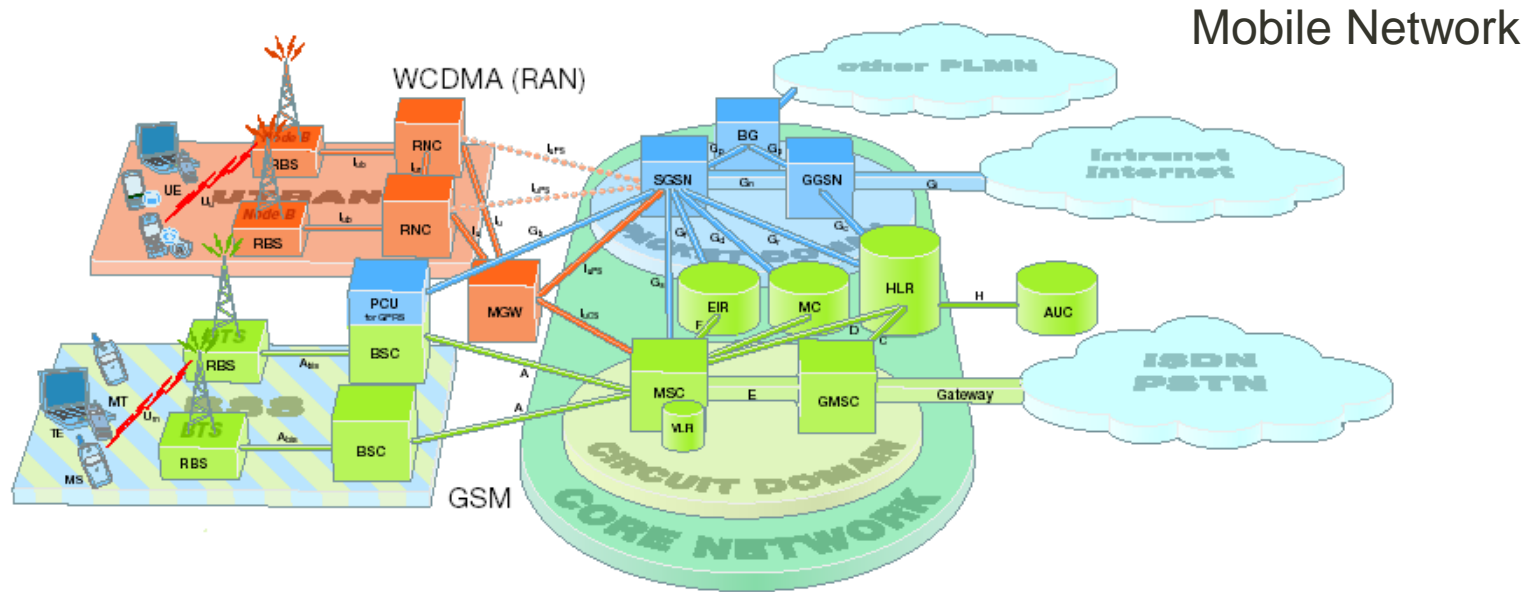
Market dynamics during mobile network outsourcing 2006 - 2012

The Netherlands

- Population 16,6 mio
- Pop density: 400 pax/km2 (Denmark: 130)
- Culturally: early adaptors: responsetime
- Extremely competitive telecom market (3 MNO's, >60 MVNO's)
- Growth of mobile broadband market
- Frequency auction 2012: 1 new competitor
- 4G/ LTE nation wide expected end of 2013
- Timeline of events: introduction 3G, Mobile Broadband, Modernization, LTE
- Smartphone uptake 2010-2011, driving huge data capacity growth-> upscaling



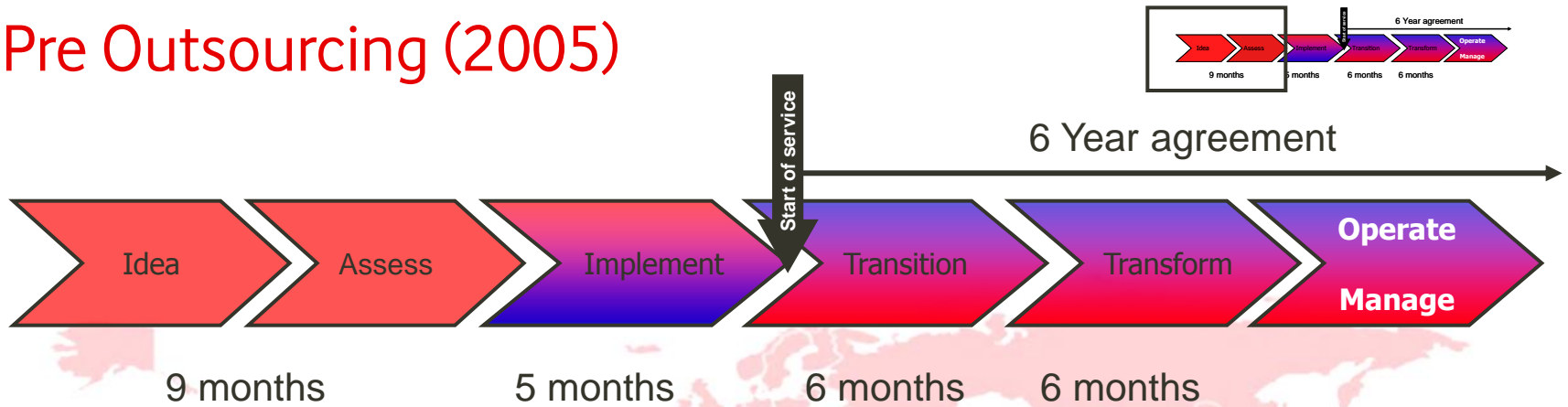
Contract Scope



	Technology	Strategy	Design	Plan	Build	Operate		
						Field	FO	BO
Access Network								
Transm. Network								
Core Network	Vodafone				Supplier			
Backbone Network								
Service Network								



Pre Outsourcing (2005)



■ Key VF group drivers

- Fast changing mobile market in all geographies
- Stimulate revenue & focus on cost reduction in Europe
- Innovate to deliver total comms to our customers

■ Key local drivers

- Create management time to implement new group strategy
- Future careers of our local employees
- Speed up reaction time to technical developments
- First mover advantage: first time in VF group and NL

■ What went well?

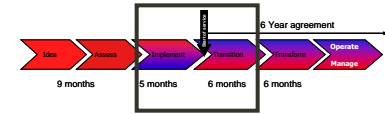
- Building a new relationship
- Work with people who have to manage the contract later

■ What would be even better if?

- Work with modular scope: easy to take in and out
- Clear identification of metrics for cost leadership (e.g. benchmarking)



Implementation & Transition.



Key activities

- Contract Negotiations
- Involve the right stakeholders on time
- *Human side To Outsourcing.*
onboarding, training & education retained
organization @ customer
- Setting up the demand organization

What went well?

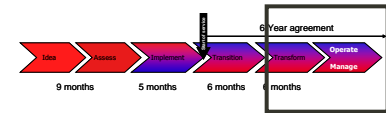
- Organization adapted to new structure and build trust
- Managing the relation/supplier = hard work, and different then before!
- Keep people involved in negotiations, onboard in execution phase
- Isolate & prioritize Work In Progress for clear follow up
- Daily interaction on management level to tackle escalations

What would be even better if?

- Set up reporting < 2 months
- Do not underestimate the amount of new administration
- Processes e2e are torn apart, repair is necessary
- Urge for control → huge amount of detailed reporting in the beginning



Transfer, Operate and Manage



Key activities

- Technical challenges
- 3G roll out/ Network Quality/ Network failures/Smilde/ dramatic changes in market
- Commercial challenges
- Positional bargaining: dance of concessions
- Total hours of “PLAN” work comprised in contract
- Work in Progress “WIP”
- Penalties and Bonuses



What went well?

- KPI management & evolution
- Off shoring monitoring & 2nd line
- MSIP organization: focus!
- Joint Value Health Check: 7 improvement areas

What would be even better if?

- Significant events test the relationship on all levels
- Typically issues and incidents land on top management level, do not forget to also celebrate successes with them!



Pro actively check health of the relationship

Capture additional value half way through the deal and accelerate performance

Joint Value Health Check: we identified 7 areas of improvement

1. Revise what you measure
2. Rebalance penalties and incentives
3. Change the pricing model for non-roll out activities
4. Roll out commitment management framework
5. Focus on your innovation efforts
6. Continue to build / improve network provisioning processes (ordering)
7. Improve day-2-day working relationship



Strategy change and contract renewal

2010: Vodafone Group strategy change

- What to outsource, what not to outsource
- Network Operations off shored to Romania
- Regionalization in the Group
- Rehoming of specific activities

2012/2013: Contract Renewal

- Exit criteria
- In-sourcing
- Workshops
- New Scope & Negotiations

What went well?

- Supplier maturity in transfer
- Strong new framework
- Discussions on what matters most
- Transparency of pricing models

What would be even better if?

- Clear exit criteria, pricing & plans
- Multi supplier market
- Innovation as a service



Innovation in Managed Services & Outsourcing

A personal view

Innovation \In`no*va"tion\, noun.

René Herlaar
Louise Jørgensen

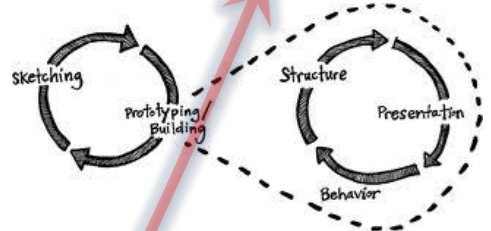
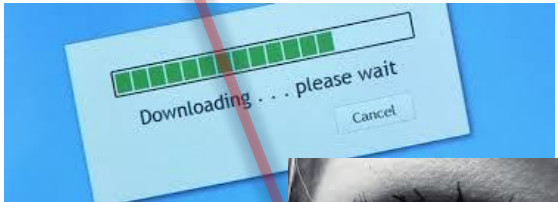
Herlaar International Business Coaching, Belgium
Apprentice at Presencing Institute, Denmark

© Paul Foreman <http://www.mindmapinspiration.com>

Innovation: Create a different impuls

Today
Iopsal

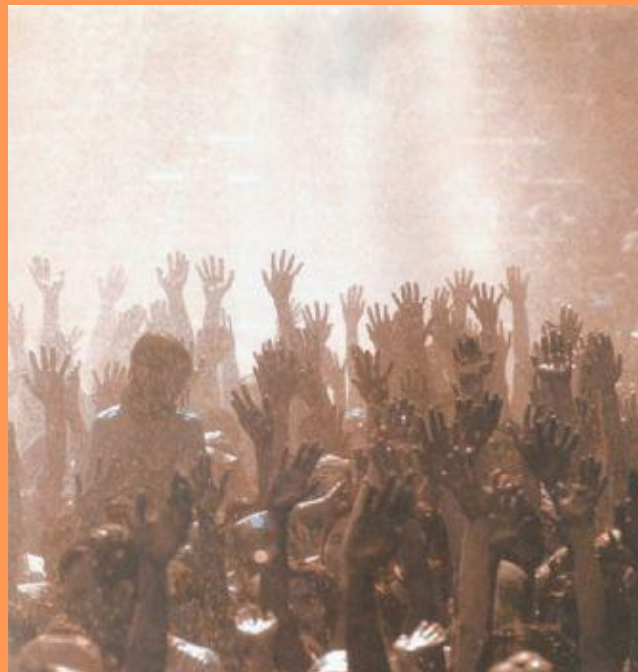
Future
Enfne



Innovative walk - Louise Jørgensen

“The success of an intervention depends on the interior condition of the intervenor.”

William O'Brien,
former CEO of the Hanover Insurance Company



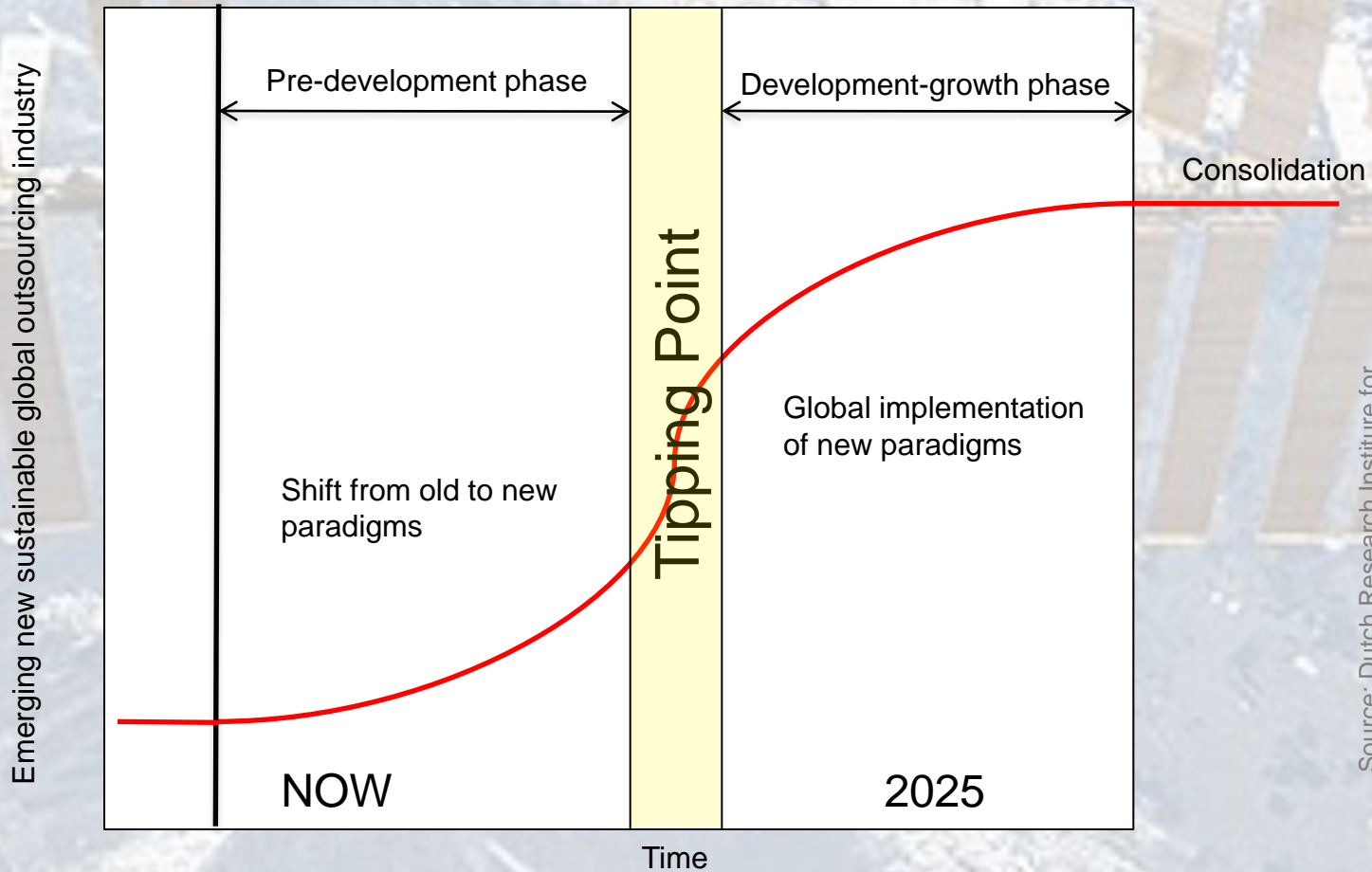
Innovation – long term change

A system view on the Global Outsourcing Industry as a whole

- Define our common intend
 - *How will our industry meet the needs of 2025?*
- Learn from others even more
 - *How can we create a global best practices "Facebook" ?*
- Me in the system
 - *What does it mean for me how can I contribute?*
- New emerging solutions
 - *How can we explore the future by doing?*
- Sustainable new solutions
 - *How can we embed the new?*

We need innovation to transform

A transition view on the Global Outsourcing Industry as a whole



Source: Dutch Research Institute for Transition – DRIFT. (free interpretation)

Innovation: Call for Action

Industry Leadership

- Start a Global Initiative for Industry Innovation
- Multi-year initiative: Objective to drive future fit and success
- Lateral groups accross all stakeholders in the industry
- Joint bottom up and top down approach

- Start a co ordinated journey from today!
- Need a committed initiating group comprising Clients, Suppliers, Advisors, Academics
 - Lateral thinkers, do-ers; postponement of judging
 - Determine goals & Objectives; shape the program; budget & funding;
 - Commit to next steps

- Announce initiative at the Managed Services World Conference, September 2013 in London

Innovation in Managed Services & Outsourcing

A personal view

Thank You & Please join the journey!

Innovation \In`no*va"tion\, noun.

René Herlaar

Louise Jørgensen

Herlaar International Business Coaching, Belgium

Presencing Theater, Denmark

© Paul Foreman <http://www.mindmapinspiration.com>

Introduction

Louise Jørgensen (DK) is an apprentice with Arawana Hayashi, partner at Presencing Institute and founder of Embodiment Practices and “Social Presencing Theater”. Her work is partly rooted in dance and social change work, and she recently began adding Embodiment Practices developed and presented along with Theory U projects worldwide.

René Herlaar (NL) is the owner of Herlaar International Business Coaching, a company focused on Business and Personal transformation. With significant business experience in senior management roles in large international corporates, he understands the dilemma’s organizations and their people face, in the fast changing world of today. His focus is on helping businesses and individuals in successful solving tough problems and get unstuck. His skills are in designing, organizing and facilitating complex transformational programs.

Contact details

Louise Jørgensen (DK):

M: louister@gmail.com

T +45 5 29 08 757

René Herlaar (NL):

M: rene@herlaarcoaching.com

T: +31 6 54 67 2838