

COMMUNICATIONS

Avaya achieves performance improvements with help from Proudfoot



After working with Alexander Proudfoot on a series of successful projects, Avaya, Inc. presented us with a particularly challenging assignment: help them implement changes in their sales and provisioning organizations to improve the performance of both organizations and drive further cost savings and revenue enhancements. The project's ultimate success extended a long-running relationship with Avaya, and illustrated once again Proudfoot's key objective: producing measurable and sustainable performance improvements that increase enterprise value and improve profitability at no net cost to the customer.

Avaya is a leading global provider of communications networks and

services for businesses. Its customers include more than 90% of the FORTUNE 500®. Avaya is also a world leader in secure and reliable Internet Protocol telephony systems and communications software applications and services.

After managing through several changes, the company asked Proudfoot to assess their current sales and provisioning practices/procedures and management capabilities, while also seeking ways to increase both revenues and margins. The initial Business Review revealed significant opportunities in five general areas. These categories ultimately formed the basis for the five task teams that drove Project ASSURE (Avaya Sales and Services Utilizing Resources Effectively):

- Provisioning Productivity
- Provisioning Project Management
- Sales Alignment
- Sales Management Systems and Skills
- Sales Barrier Removal

In addition, a "Quick Results" initiative (installing a change within the first five weeks of a project to convince an organization that this project will

indeed be successful) was launched to produce savings in overtime expense in the provisioning operation. The team developed and implemented a formalized process to ensure that every hour of overtime was properly authorized and supported urgent business needs, thus effectively ensuring that overtime was managed more effectively.

Building on these initial results, the provisioning task teams incorporated performance metrics, including the reduction of the cost of product installations, and the development and installation of processes to improve productivity, resource utilization and project management. Team members interviewed dozens of Avaya employees across the country and conducted an extensive review of existing systems and procedures to determine "best practices." These observations revealed a range of opportunities to improve project management and project profitability.

To ensure company-wide uniformity of management systems and disciplines across all regions, an enhanced Management Operating System was installed in more than 30 locations, with Proudfoot specialists training over

400 project managers on how to use it. Specific elements of this new system included:

- A forecasting process to allow for more effective planning of resources, including the number of hours required for each project
- A Weekly Operating Report with critical performance metrics including project productivity, schedule attainment, project profitability and on-time delivery
- A Weekly Review Meeting to address variances to the planned results and develop action plans
- A Corrective Action System to identify and resolve barriers

At the same time the provisioning improvements were being implemented, a sales improvement process was also launched.

Over 120 interviews were conducted at all levels of the sales organization, revealing a variety of opportunities. For example, numerous sales teams were working independently, sometimes overlapping or duplicating each other's efforts—a situation that is not uncommon in large organizations. Also, up to 60% of a salesperson's time was spent on administrative tasks, rather than selling the goods and services that Avaya provides. In an effort to change the focus more to the customer, more than 150 individual steps in the sales

process were identified for improvement and integration.

Meanwhile, the sales system/skills team developed a common Sales Operating System that included best practices from all regions. At the core of this system was Proudfoot's proprietary Relationship Selling Skills (RSS) program, which encompasses all elements of the sales cycle including:

- Weekly reviews of plan/actual/ variance
- A systematic process of rolling-up key sales "facts" and reporting from each individual sales person, to each sales manager, to each regional manager through to Executive Management
- Full visibility of call activity, funnel management, conversions and quota attainment at all levels of management
- A new common sales model based on the Relationship Selling Skills matrix
- A new common sales language throughout the sales organization
- A systematic and continuous commitment to coaching for sales effectiveness in the field with the sales executives

Ultimately, the costs of the improvements installed by the five task teams were fully recovered well

before the project's completion. Avaya is still refining their sales process with the tools/systems/training and field coaching provided as an integrated part of this project.

These initiatives along with many others currently underway have enabled Avaya to reverse a declining revenue trend during the first quarter of 2003. This accomplishment is now leading to renewed enthusiasm in the very challenging telecom market and is sending a strong message that Avaya is preparing for growth and improved profitability in the near term.

The immediate savings, supported by the implementation of effective systems and disciplines that enable managers to manage by facts, quickly and consistently, prompted Avaya's Chairman and CEO, Don Peterson, to comment: *"Proudfoot has partnered with us to install enhancements to our core business components.... They have helped us to reduce our operating cost, improve our sales effectiveness, and make us an organization primed to succeed in a highly competitive market."*

For more information contact:

Alexander Proudfoot
1355 Peachtree Street, NE
Suite 700
Atlanta, GA 30309
404 260 0600
www.alexanderproudfoot.com