



Solutions30

Solutions for New Technologies



VESTED[®] For Success Case Study

Innovating in the Telecom Industry:
How *Telenet* and *Solutions 30* are Transforming Telecom
Service Operations to Deliver Innovation

A Report Authored By:

Kate Vitasek and Sibrecht Diender



In 2016 Telenet - Belgium's second largest telco provider - found itself in a fast-changing Telecom world. Senior executives chartered a task force to embark on a six-month effort to review the changing landscape of how increased commoditization and digitization would impact how Telenet operated. This strategic review also included assessing core competencies and determining what areas to consider for more strategic outsourcing.

One area that came under scrutiny was how Telenet approached its network operations. Micha Berger, CTO of Telenet, clearly remembers the dilemma. "Field Services was considered a valuable asset for Telenet, but Telenet did not have the flexibility or company culture to grow this part of the business or to provide technicians the opportunity to expand their careers." After the six months of soul searching one thing was clear: doing business the way it had always been done would no longer work. Telenet would need to **transform** and change how it worked so they could **fund** the additional investments to continue to **lead** the market and fuel its cycle of sustainable growth.

By the end of 2016, Telenet executives decided to go to market with a tender process to find a strategic partner that could help them transform their network operations. What started with a tender process with 14 potential suppliers ended in December 2017 with Telenet formally selecting Solutions 30 as their partner of choice. The parties signed Belgium's first Vested outsourcing agreement in July 2018. John Porter, the CEO of Telenet, is glad the parties took a path to a Vested partnership: "Putting together the partnership with Solutions 30 is one of the best things we have done. The partnership enables Telenet to accelerate the delivery of differentiated customer value propositions and an outstanding user experience." The following pages provides an overview of their journey and results after four years into the partnership.

CREATING A VESTED AGREEMENT

Creating a Vested agreement was not originally on Telenet's radar. However, through the tendering process it became apparent the a Vested sourcing business model would be highly beneficial to help the parties adopt a contract that aligned with their intent of creating a win-win agreement based on outcomes and transformation. Ton Bosters (the Procurement Director/Category Lead Network at the time) and Gianbepi Fortis (Solutions 30's CEO) liked the idea of using the University of Tennessee's Vested methodology, but there were some skeptics. To help them make the final decision, Ton Bosters had an idea: invite UT's lead faculty for Vested (Kate Vitasek) to come to Belgium and introduce Vested to the broader stakeholder community. Vitasek teamed with NEVI's Sibrecht Diender to conduct a four-day Alignment Workshop.

The Alignment Workshop was designed to not only bring a broad group of key stakeholders up to speed on Vested – but also get bought into Vested. The workshop brought together over 30 cross-functional key stakeholders to participate in laying the foundation for the Telenet-Solutions 30 partnership. As part of the workshop the stakeholders would jump-start the contracting process by creating several key foundational deliverables:

- Creating a formal shared vision and the high-level Desired Outcomes (Rule 1 of Vested)
- Creating a gap analysis to determine a baseline about how well the existing subcontractor agreements were already capturing components of Vested
- Developing guardrails for the rest of the contracting process



Having a large group of stakeholders involved in the alignment workshop was uncommon to many participants, but was broadly appreciated later on. Micha Berger shares his perspective about the workshop. “There were people from all backgrounds and departments. There were lawyers, finance people, business people, technical professionals, the Solutions 30 CEO, and the Telenet CTO. Getting all this input ranging from all levels of both organizations was a very powerful exercise to draw the complete picture.”

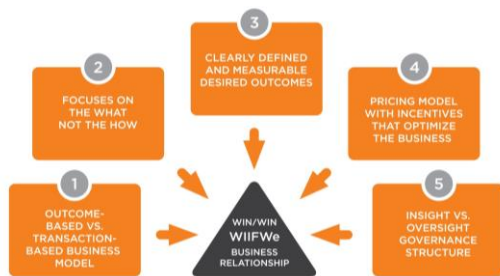
Together, the Telenet and Solutions 30 key stakeholders jointly shaped the vision and underlying strategy for the future partnership. Els Jacobs, contract manager of the Vested contract and Financial Controller during the contracting process, began to see first-hand the positive value in using the Vested methodology for their partnership. “I look back now at the Alignment Workshop and the powerful work we did in such a short timeframe. It really kick-started the understanding of being in the same boat, creating a solid foundation of trust and transparency and a genuine partnership feeling.”

Shared Vision

“WE excel at servicing our customers’ connected world with passionate people and smart solutions.”

We will accomplish this Shared Vision by achieving the following **Desired Outcomes**:

- Provide amazing customer experience (ACE)
- Operational Excellence in the services we provide
- Create economic value through inspiring partnerships
- Innovate to bring smart solutions
- Develop and attract talent in an open culture



At the end of the four-day Alignment Workshop the Executive Steering Committee gave the green light to use the Vested methodology for the contracting phase. A key next step was to use the University of Tennessee’s **Creating a Vested Agreement** online course to work through how they would create a contract to follow the Vested 5 Rules (graphic to the left) and 10 contractual elements.¹

FLEXIBILITY AND TRANSFORMATION: KEYS TO A VESTED AGREEMENT

The Vested Five Rules help the parties architect an outsourcing relationship based on a flexible contracting framework that is designed to drive innovations. Vested’s Rule 5 – Insight versus Oversight – is the glue that holds any Vested agreement together and provides the governance structure in which the parties jointly manage the relationship. In Vested, the focus shifts away from managing the supplier to managing the business with the supplier. In addition, the governance structure addresses the dynamic nature of the business by addressing both how to manage for today and the future.

Driving Transformation

In a Vested agreement, success is measured against the parties mutually defined Desired Outcomes. Together, the Telenet and Solutions 30 Transformation Managers hunted for Ponies. A Pony is a transformative initiative that contributes to achieving the parties’ Desired Outcomes. While the

¹ The complete case study shares how the parties worked through each of the Vested Five Rules and is taught as part of UT’s Executive Education courses. Please reach out to VestedFaculty@utk.edu if you would like to learn more.



Transformation Managers are the change champions, everyone in the partnership creates value by challenging the status quo and coming up with ideas that can create value. Ideas poured in for how the parties could best achieve their Desired Outcomes. In the first two years, the parties implemented 85 transformation initiatives and continuous improvement initiatives.

One of those Ponies was creating an “all-around technician”. Originally Telenet used various sub-contractors which all had their own specific expertise. One of the first transformative initiatives was to combine all expertise and create all-around technicians, through which one team of technicians could solve various technical issues at one location, rather than having different technicians visit the location at different times. For example, when the technicians were in the field, they previously had to go through a bureaucratic process issuing paperwork to get in a subcontractor with a shovel to dig. By granting the technicians more autonomy, they could have the flexibility to self-perform some of the work themselves. This resulted in a 30% reduction of cost through efficiencies, shortening travel time and eliminating administrative cost.

Micha believes the future focus and flexibility of a Vested agreement is a key competitive advantage. “The partnership creates an agile environment for both Telenet and Solutions 30 to explore all kinds of opportunities and ideas. Even if only 10% of the ideas succeed, both parties’ benefit.” Both partners truly see each other as valued partners. Micha continues, “Our Vested relationship enables us to collaborate so naturally that we automatically reach out to one another with ideas, without questioning whether Solutions 30 is the right party to do this with. The flexibility of the contract gives the space to explore transformation initiatives without changing the contract which is great.”

Embracing the Need for Flexibility

The parties found out the value of having a flexible contract framework when Covid-19 reared its ugly head in March 2020. Of course, the Covid-19 pandemic was something nobody could have foreseen, and it caused major interruptions to the way business was done – especially for telecom industry.

Ton Bosters explains the sudden impact of Covid. “The onset of Covid meant home repairs with limited customer impact and installs of new additional TV services were no longer possible. Telenet also had shops that suddenly closed. The result? A part of the technicians and shop personnel were suddenly at home with nothing to do, while their salaries still had to be paid.”

The good news is one of the great benefits of a Vested relational contract is that it provides parties with the flexibility and the framework to pivot when unexpected things happen.

Telenet’s attorney Nathalie Verrijken shares how the parties responded. “The first reaction from both sides was to check the contract for each parties’ obligations and rights. But straight after that, the parties realized that that was not the way they worked together, so, we met to discuss the situation. We quickly realized that our customers actually needed field services even more than before since they were bound to their homes.”

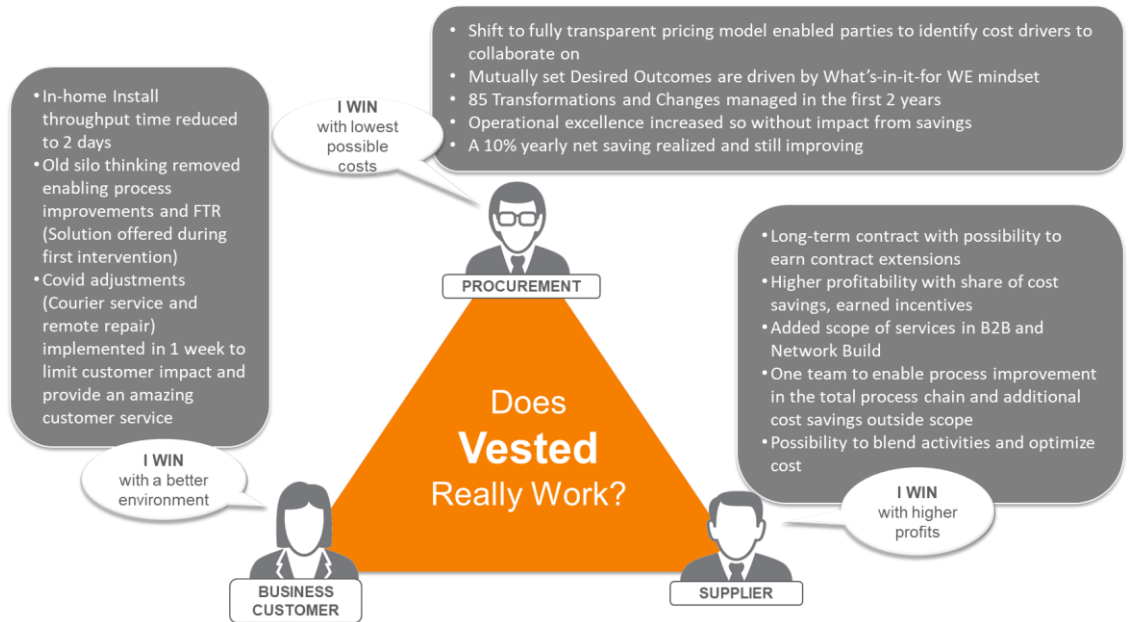
Gianbeppi adds, “Having an open dialogue about the situation gave everyone a feeling of comfort that the relationship was okay and flexible enough to cope with whatever would follow that no one knew what it would be.”



VESTED FOR SUCCESS: THE RESULTS ARE REAL

By the end of 2021 Telenet and Solutions 30 had been working under a Vested model for just over four years with significant success. John Porter, the CEO of Telenet, is glad the parties took a path to a Vested partnership: “Putting together the

partnership with Solutions 30 in 2018 is one of the best things we have done. The partnership enables Telenet to accelerate the delivery of differentiated customer value propositions and an outstanding user experience.” The below “performance pyramid” shares some high-level results.



ACKNOWLEDGMENTS / ABOUT THE AUTHORS

The University of Tennessee and the authors want to thank Telenet and [Solutions 30](#) / [Unit-T](#) for their invaluable contributions to this case study.

Kate Vitasek is one of the world's authorities on highly collaborative win-win relationships for her award-winning research and Vested® business model. Author of seven books and a Graduate and Executive Education faculty member at the University of Tennessee Haslam College of Business, she has been lauded by World Trade Magazine as one of the “Fabulous 50+1” most influential people impacting global commerce. Vitasek is a contributor for Forbes magazine and has been featured on CNN International, Bloomberg, NPR and Fox Business News.

Sibrecht Diender is a Vested Certified Deal Architect Coach who has facilitated almost a dozen Vested deal structuring projects across multiple industries and regions. Sibrecht is a member of the Vested Board of Advisors and co-author on various Vested Case Studies and Articles. She has over 10 years of experience as an independent consultant in various branches, focusing on strategic win-win collaborations and outsourcing deals.



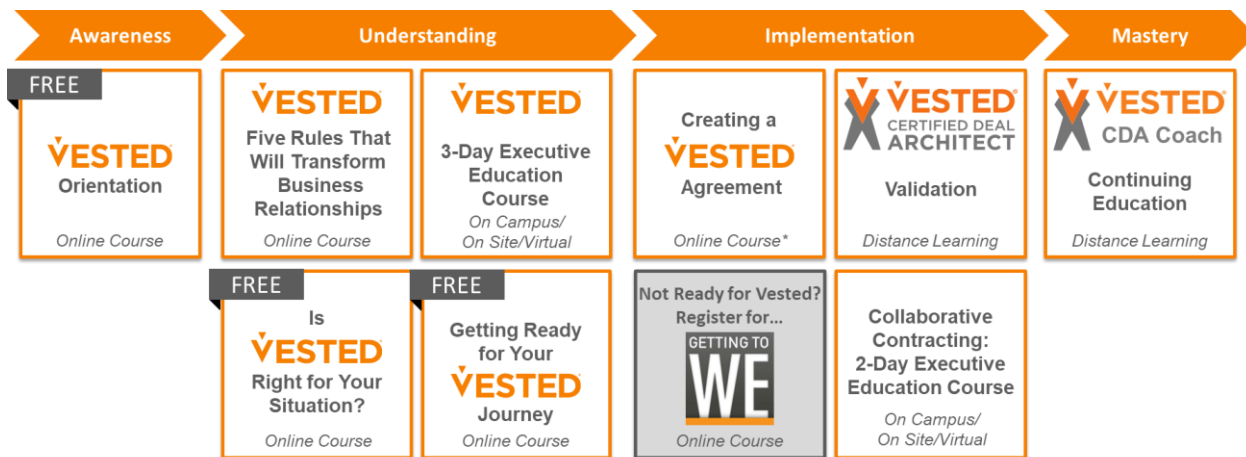
FOR MORE INFORMATION

The University of Tennessee is highly regarded for its Graduate and Executive Education programs. Ranked #1 in the world in supply chain management research, researchers have authored seven books on the Vested business model and its application in strategic sourcing.



We encourage you to read the books on Vested, which can be found at most online book retailers (e.g., Amazon, Barnes and Noble) or at www.vestedway.com/books.

For those wanting to dig deeper, UT offers a blend of onsite and online courses including a capstone course where individuals get to put the Vested theory into practice. Course content is designed to align to where you are in your journey ranging from Awareness to Mastery. For additional information, visit the University of Tennessee’s website dedicated to the Vested business model at <http://www.vestedway.com/> where you can learn more about our Executive Education courses in the Certified Deal Architect program. You can also visit our research library and download case studies, white papers and resources. For more information, contact kvitasek@utk.edu.



* Prerequisites for *Creating a Vested Agreement* class are:

Five Rules, Is Vested Right?, Getting Ready, and the Vested 3-Day Executive Education Course



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