

भारत संचार भवन, हरीश चन्द्र माथुर लेन
जनपथ, नई दिल्ली-110 001
दूरभाष: कार्यालय 91-11-23372424 फैक्स : 91-11-23372444
e-mail : cmdbsnl@bsnl.co.in
Bharat Sanchar Bhawan, H. C. Mathur Lane,
Janpath New Delhi-110 001
Ph. : 91-11-23372424 Fax : 91-11-23372444
e-mail : cmdbsnl@bsnl.co.in



भारत संचार निगम लिमिटेड
(भारत सरकार का उद्यम)
BHARAT SANCHAR NIGAM LIMITED
(A Government of India Enterprise)

कुलदीप गोयल

अध्यक्ष एवं प्रबंध निदेशक No. 4-17/2009-Restructuring

Date: 11th June 2009

Kuldeep Goyal

Chairman & Managing Director

All functional Directors of BSNL Board,
All Executive Directors of BSNL
All CGMs of Territorial/Non-Territorial Circles,
All PGMs/GMs in Corporate Office

Subject: Implementation Phase of Project SHIKHAR

Dear

As you are aware, over the past few months we have been working on a holistic transformation exercise (Project SHIKHAR) to strengthen our organization and enable it to get back on the path of growth and profitability. I am happy to inform you that during the design phase of the transformation exercise, we have been able to

- Develop a shared aspiration for BSNL's future.
- Articulate a well-defined strategy to take BSNL back on the path of growth and profitability.
- Create a 5-year business plan outlining a range of potential outcomes.
- Develop a thorough sales & marketing strategy for each of the core businesses.
- Outline key implications on operations and customer service to support various businesses.
- Define the right organizational model to achieve the strategic objectives, along with critical changes needed in HR policies.
- Initiate implementation of initiatives in the form of Pilots – Vijay, Dosti, Udaan, Sanchay and Kuber with detailed design and on-the-ground implementation.

2. We have now entered Phase 2 – the implementation phase of Project SHIKHAR. Several critical areas need to be addressed during this phase to make the transformation truly effective and impactful. After considerable deliberations in multiple forums, key priorities for our organization have been identified (Annexure I). The stage is now set for us to start implementing these action steps. The essence

.....2/-

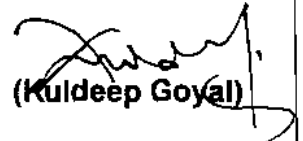
of successful large-scale change is that while doing so, we have to unlearn some of the old ways of doing things and at the same time learn new ways of doing things.

3. With a view to provide sustained focus and thrust to various priorities for Phase 2, we have constituted dedicated teams in the Corporate Office to drive each of the priority areas. Each implementation initiative will have a "Core" team structure comprising of Project Sponsor, Project Champion and Coaches (Annexure II).

4. Details of the critical projects/initiatives that are being taken up for immediate implementation in Phase 2 of Project SHIKHAR as well as the Core team for each of these are given in Annexure II. Besides the Core team in the Corporate Office, each project/initiative will also have a dedicated "Implementation" team at the Circle and SSA level. The composition of these teams will vary from project to project and their details will be communicated to respective Circles and SSAs by the Core teams of different projects shortly. More projects/initiatives will be added as we make progress in the implementation phase. A Transformation Management Office is also being set up under GM (Corporate Restructuring). The TMO will be the overall coordinating node for the implementation phase.

5. We are at a decisive juncture in our transformation journey. This year is going to be crucial for us to make substantial progress across the areas that we have identified for implementation. A lot needs to be accomplished and the passage is not going to be easy, but if we persevere and stay committed to the task of transformation, I am sure together we shall achieve our objectives. I look forward to your continued enthusiasm and support in this endeavor to shape a robust future for our organization.

With best wishes and warm regards,


(Kuldeep Goyal)

Copy to:

1. All Staff Associations and Unions in BSNL
2. All Members of BSNL fraternity

KEY PRIORITIES FOR BSNL

- Accelerating growth of mobile business by focusing on critical areas
 - Building extensive and strong distribution and retail footprint
 - Innovation in pricing
 - Acceleration of 3G sales to capitalize on first mover advantage
 - Improving effectiveness of VAS
- Leading and shaping the fixed access business by focusing on critical areas
 - Addressing gaps in sales & distribution
 - Innovation in product and pricing
 - Building capabilities and offering on content and VAS
 - Improvement in service delivery and provisioning times
- Growing the enterprise business and becoming provider of choice by
 - Establishing key account management
 - Innovation in products and solutions
 - Strengthening service delivery and service assurance
- Expanding into new businesses
 - Developing the infrastructure sharing business
 - Monetise other embedded assets
- Focusing on financial assurance
 - Fixing billing leakages and improving collection
 - Reducing operating costs
- Improving customer service levels across different interface points
 - Improving effectiveness of call center and CSC
 - Building new areas such as online
- Implementing operations improvement initiatives
 - Increasing service levels by reducing downtime and improving turn-around times
 - Reducing operating costs where feasible
- Implementing new organisation structure across the organisation – head office, circle office and regional office
 - Defining roles & responsibilities and key performance indicators in the new structure
 - Enhance effectiveness of new structure by appropriate top-management MIS and planning and budgeting
- Focusing on implementing critical HR priorities
 - Recruitment at DGM, MT and JTO/JAO levels
 - Capability development
 - Defining appropriate incentive management program

**PROJECTS/INITIATIVES BEING TAKEN UP FOR IMPLEMENTATION
AND CORE TEAMS**

Project	Project Sponsor (Corporate Office)	Project Champion (Corporate Office)	Project Coaches (Corporate Office)
Vijay	Director Mobile: Shri RK Aggarwal	GM Sales – Mobile: Person to be decided	3 dedicated DGMs: Persons to be decided
Udaan & Dosti	Director Fixed Access: Shri Rajesh Wadhwa	GM Business Strategy & Planning Fixed Access: Shri AK Jain	3 dedicated DGMs: Persons to be decided
Kuber 1 (Leased circuit billing)	Director Enterprise & Wholesale: Shri Rajinder Singh	GM Leased circuits: Person to be decided	1 dedicated DGM: Person to be decided
Kuber 2 (Collections)	Executive Director Finance: Shri SR Kapoor	GM Corporate Accounts: Shri PK Purwar	1 dedicated DGM: Person to be decided
Sanchay	Director Fixed Access: Shri Rajesh Wadhwa & Director HR: Shri Gopal Das	GM Network Operations – Fixed Access: Shri RK Sharma & GM Admin: Shri MSS Rao	1 dedicated DGM: Person to be decided
Enterprise key account management	Director Enterprise & Wholesale: Shri Rajinder Singh	GMs Sales, Enterprise Business: Shri Anoop Kumar and Shri Sunil Kumar	2 dedicated DGMs: Persons to be decided
Infrastructure sharing	Director Mobile: Shri RK Aggarwal	GM Marketing & Customer relations – Infra sharing: Shri NK Yadav	1 dedicated DGM: Person to be decided
Content & VAS push	Director Mobile: Shri RK Aggarwal & Director Fixed Access: Shri Rajesh Wadhwa	GM Business Strategy & Planning – Fixed Access: Shri AK Jain & GM VAS – Mobile: Shri SS Sirohi	"
Organisation structure implementation	Director HR: Shri Gopal Das	GM Restructuring: Smt Madhu Arora	2 dedicated DGMs: Smt Preeti Banzal Shri Deepak Aggarwal
HR policy implementation	Director HR: Shri Gopal Das	PGM Recruitment/GM (Trg)/GM (Restr): Shri RK Batra/Shri Neeraj Verma/Smt Madhu Arora	DGM Recruitment: Shri AK Gautam
Customer service	Director Mobile: Shri RK Aggarwal & Director Fixed Access: Shri Rajesh Wadhwa	GM Customer Service – Mobile: Shri Anil Kumar. GM Customer Service – Fixed Access: Shri Rakesh Babu & GM CSC: Shri N Kumar	3 dedicated DGMs: Persons to be decided
Operations excellence	Director Mobile: Shri RK Aggarwal & Director Fixed Access: Shri Rajesh Wadhwa	GM Network Operations – Mobile: Shri SC Sharma & GM Network Operations – Fixed Access: Shri RK Sharma	2 dedicated DGMs: Persons to be decided

Composition and Role of Core Teams

- **Project Sponsor:** Director/Executive Director in the Corporate Office responsible for providing overall guidance and direction, monitoring overall execution results, providing policy inputs and resolving key issues that need senior management attention
- **Project Champion:** CGM/PGM/GM level officer in the Corporate Office responsible for driving implementation of the project/initiative on a country-wide basis, monitoring overall execution results, preparing policy guidance, resolving key issues on a day-to-day basis and communicating on all projected related issues.
- **Project Coaches:** GM/DGM level officers in the Corporate Office responsible for day-to-day execution of the project/initiative, working with Circle and SSA level implementation teams (including training them on new ways of working), monitoring results at Circle/SSA level, trouble-shooting issues on a day-to-day basis and supporting Project Sponsors and Project Champions take the right policy decisions.