

LUCENT TECHNOLOGIES

QUICK FACTS

Company:

Lucent designed, built and delivered public and private networks, communications systems and software, data networking systems, business telephone systems and microelectronic components

Industry:

Network/Telecom

Geography:

Murray Hill, NJ

Void:

- Commodity versus Solution Sales Dynamic

VRM Solution

Interactive Training
Modules: Solution Selling

Results

- Evolved business model
- Sustained change

EXECUTIVE SUMMARY

In 1999, WhiteSpace worked collaboratively with Lucent Technologies to evolve the sales and solutions organization.

Lucent's goals for the engagement:

- Redirect Lucent's sales efforts through an evolved business model to lead with solutions; and
- Implement a sustainable change management program.

COMPANY PROFILE

In February 1996, AT&T spun-off its systems and technology unit, renaming itself Lucent and becoming a major player in optical, data, and wireless networking; Web-based enterprise solutions that link public and private networks; communications software; professional network design and consulting services; and communications semiconductors and optoelectronics.

VALUE PRODUCTION VOID

In the late 1990's, hardware, software and telecom sales were at an all-time high and innovative research and development was increasing customer demand. Lucent Technologies revenues were distributed approximately: 80% equipment, 15% consulting, 5% maintenance and support.

James Styring, President of the Solutions Group however was facing an enormous challenge: impending equipment patent lapses and margin erosion created a need for an alternative selling point. Sales staff would no longer be able to lead with hardware sales which were previously protected by patent; efforts would need to focus on selling solutions and consulting, which was more lucrative in the long-term, first and hardware, which was becoming highly commoditized, second.

Styring had previously engaged two large management consulting firms with the challenge, neither of which had been successful implementing a successful transformation. WhiteSpace had recently had successful experiences with transformation in technology firms, and was engaged by I-Media to assist in the development and implementation of the new business model.

The change management effort would encompass shifting attitudes and changing behaviors for the 2,500 person hardware sales team. Sustained change would need to be reinforced by implementing commensurate reward systems and realigning commission structures to encourage the new model.

Testimonial...

"Using Business Creation Engineering® to develop practical, efficient and effective change management tools generated excitement within the sales organization far beyond our expectations."

Frank Tampone, Project Director
Lucent Technologies

CONSULT WHITESPACE SOLUTION

WhiteSpace employed the process of Business Creation Engineering® in conjunction with the principles of the Value Component® System to create an interactive, computer generated training simulation of the sales transaction.

In building a new dynamic, half-day workshops were utilized to uncover the attitudes, behaviors and rewards systems associated with the customer-centric bias embedded in the hardware sales team. By their patented process, WhiteSpace was able to clearly, concisely and easily identify the components of value that were being impacted and those assets that required transformation and alignment.

The resultant interactive training format, called Solution Selling, was made up of nine rules-based control stations, each representing an aspect of the purchase decision and was designed to create or change attitudes and influence behavior. The one week process was first tested on 10% of the sales population (250 candidates) with overwhelming success.

RESULTS

The training and change management process resulted in a successful transition to a solution-oriented sales force and was utilized for 18 months following the initial engagement.

The sales team thought it was a phenomenal way to embed the "Solution Mentality" into their sales methodology. The management team explored alternate compensation and commission strategies to encourage sustained changes in attitudes and behaviors; this was ultimately extremely successful in Lucent's revenue generation, but also in retaining key performers.

In October of 2000, Lucent spun-off its Business Systems arm into Avaya, Inc., and in June, 2002, it spun off its microelectronics division into Agere Systems. In April, 2006 the Alcatel-Lucent merger was announced which became effective December 1st of that same year.