

Vodafone Group – Cultivating the Habit of Visual Communication



Vodafone serves 279 million customers world-wide. One of its key success factors is its ability to provide a wide spectrum of services to a large and diverse pool of subscribers. The 279 million customers give Vodafone significant economies of scale and bargaining power. To protect and grow its customer base, Vodafone must successfully adapt its services to local market conditions. At the same time, Vodafone's cost rationalisation initiatives have consolidated functions such as IT, finance, HR, marketing and product R&D into Vodafone Shared Services located in key countries in each region. Video conferencing is thus a useful collaborative tool for communicating at a regional and local level. By the end of Financial Year 2007/8, overall adoption of video conferencing has grown steadily. From January 2006 through April 2008 it is estimated that total usage of video trebled. Vodafone employees are now becoming more accustomed to using video conferencing, resulting in an estimated 25% reduction in the number of business trips made during the two year period, resulting in double digit millions of cost savings.

The company-wide initiative to encourage video conferencing adoption is championed by Vodafone's Düsseldorf-based Dr. Armin Hessler, Head of Customer & Service Operations - IT, Vodafone Group Services. Within this initiative, video conferencing is positioned as a strategic tool for several internal objectives:

- Cultivate the habit of using video to enhance communication so that the experience can translate into Vodafone's own service offerings to its customers,
- Facilitate quality collaboration between the local and regional shared services operation centres, and
- Meet its corporate social responsibilities by tracking the reduction in carbon emission as a result of fewer business trips.

Cultivating the habit of using video communication

Dr. Hessler's team created the programme of re-engineering video conferencing in a very structured and organised way, carefully analysing the deployment of existing systems, patterns of use, and employee views of the facilities that were then available. It then implemented a 'video conferencing ecosystem' to enhance and support the use of video conferencing into the future:

- Standardisation on a single vendor's technology,
- Development of a first-class control environment for video conferencing,
- Creating alternative, dedicated accommodation for the endpoints, and
- Promoting and creating incentives for usage.

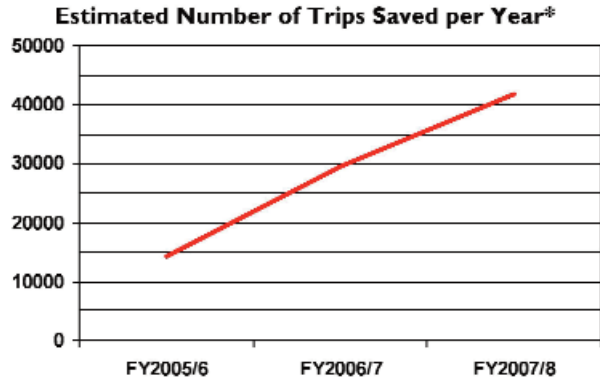
When determining on which vendor's technology to standardise, the team found that TANDBERG's product portfolio offered capabilities, simplicity and reliability – three factors essential to the success of video conferencing in its organisation. TANDBERG's product portfolio addressed Vodafone's requirement that the technology overcomes any interconnectivity challenge and be capable of supporting corporate-wide use of video conferencing end points, regardless of location.

Vodafone was keen to deploy a technology that was easy to use. At the click of a button, TANDBERG's solution enables a user to check the availability of meeting participants sign up for and adjust a video conferencing session. Finally, Vodafone's requirement for reliability was fulfilled by TANDBERG's IP-based technology, providing a good and consistently stable video and audio user experience.



With the TANDBERG solution in place, the Vodafone team set about encouraging usage through education and incentives. A typical, everyday video meeting involves 2-3 people in one of Vodafone's offices, connecting with a similar number of people at one or two other locations. To cater for this need, VC Lounges were introduced with a single screen system in a room optimised for four people. The lounges are conspicuous, and a simple scheduling system allows users to check availability, sign up, and even have a cup of coffee while waiting for their turn. The high visibility of the VC lounges has helped to raise the profile of video conferencing, generating immediate employee acceptance.

The VC team also relied on internal marketing to encourage increased usage of the new service. It embarked on a positive campaign that emphasises the new video conferencing facilities instead of the negative connotations of a reduction in travel budget. The marketing team used such advertising slogans as "try-instead-of-fly", "Say Good-bye to red eye" and "Spend more time with your family" and rewards for "trying" instead of "flying" were introduced.



*) Figures are estimates based on the following assumptions:

1. The average monthly number of video conferencing sessions per end point of 15 (FY2005/6) and 18 (FY2006/7 and FY2007/8) apply to all Vodafone locations with video conferencing facilities.
2. Each video conferencing session replaces 0.5 trip in FY2005/6 and FY2006/7 and 0.4 in FY2007/8. This also applies to all Vodafone locations with video conferencing facilities.

Source: Vodafone

The result has been a significant growth in video conferencing sessions by the end of Financial Year 2007/8. Between FY 2005/6 and FY 2007/8 the total number of video calls trebled, from 28,440 to 85,710, as a result of an increased use of existing units, and a marked increase in videoconferencing end points.

The figure illustrates the estimated number of trips saved each financial year. It is estimated that the number of trips saved in Financial Year 2005/6 was 14,220 from 22 Vodafone locations. By Financial Year 2007/8, the estimated number of trips saved exceeded 40,000, a 200% increase in 2 years.

Sustain Collaboration Efforts between Regional and Local Offices



Vodafone sees video conferencing as a complement to face to face meetings for regional and local office collaboration. When new services are defined, there is significant cross-office input throughout the development and product launch process due to the importance of local content. As the network of video conferencing facilities expands, the ease of use increases the efficiency of its decision-making process. For example, there are frequent users of video conferencing using the VC Lounges located in the Vodafone Group Services offices in the UK and Germany. It is such collaboration that allows Vodafone to maintain the quality of communication - video conferencing allows users from all locations to brainstorm more effectively, collaborate and arrive at a decision more easily. The positive quality provided further evidence to increase the rollout of video conferencing systems within Vodafone's global operations. The collaborative efforts between offices can be enhanced with a significant increase in video conferencing systems in such key markets as Italy and Spain.

"Acceptance has been incredible and usage is widespread throughout Vodafone's hierarchy of employees from the CEO and his senior management team to experts and team workers in IT, Marketing, and other functions of the business."

Dr. Armin Hessler, Head of Customer & Service Operations - IT, Vodafone Group Services

Meeting Corporate Social Responsibility Obligations

Video conferencing is one of the corner stones in Vodafone’s drive to meet its social obligations. Through the use of TANDBERG’s video conferencing management system, it is able to track and measure the savings in business trips and the subsequent reduction in carbon emissions. In the Financial Year 2007/2008 Vodafone estimated that the use of videoconferencing facilities saved over 17,000 tonnes of CO2 from a reduction in business travel.

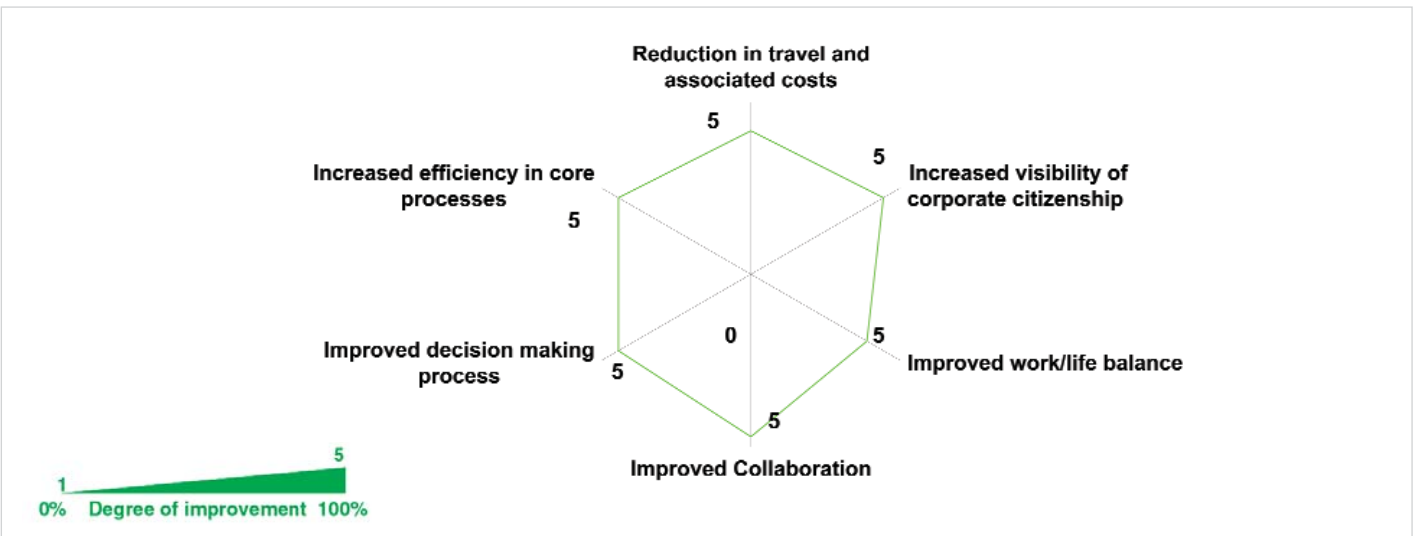
By using video conferencing as an alternative to travelling for meetings, Vodafone’s employees can better utilise their time more productively at work and enjoy the remaining time for non work activities.

“We also wanted to focus on our people’s work-life balance. In addition to the wasted, unproductive time of sitting in airport lounges and on aeroplanes, few people are happy with the prospect of having to get up at 4.30am to fly to another country for a morning meeting.”

Dr. Armin Hessler, Head of Customer & Service Operations - IT, Vodafone Group Services

Video conferencing benefits at a glance

The spider diagram summarises the importance of the business benefits of using video conferencing for Vodafone. The scale of 1 to 5 reflects the degree of improvement that Vodafone has observed as a result of using video conferencing facilities. For example, Vodafone has observed that video conferencing contributed greatly to its collaboration efforts between its regional and local offices.



Source: Frost & Sullivan analysis

Key Business Benefits at a Glance

Vodafone relied on video conferencing for meeting several internal objectives:

- Cultivate the habit of using video to enhance communication so that the experience can translate into Vodafone’s own service offering to its customers
- Facilitate collaboration between regional and local offices
- Track and measure its performance in social responsibility obligations