



No. 14-2/2009-Sales

Date: 08.07.2009

Sub: Minutes of meeting held by CMD, BSNL with National BSNL Franchisee Association on 25.06.09 at 16:30hrs. at 9th Floor Meeting Room of Bharat Sanchar Bhawan, New Delhi

The meeting started with the Welcome Address of DGM (Sales), he showed his concern about the fact that in-spite of about 1200 franchisees and approx. more than 3 lakh retailers, BSNL is not able to match the growth rate of telecom sector of country. He said that, there may be one reason behind it that we are having much less no. of retailers compared to other operators. Then he invited CMD BSNL for his inaugural speech.

CMD was very much concerned about the declining market share of BSNL, he briefly mentioned about the performance of BSNL in the previous months and stated that during the months of April'09, BSNL could add only 1M of connections compared to 2.8 M of Airtel or 2 M of Vodafone, and in the month of May'09, this figure has dipped drastically to less than 0.5M. The main cause of concern is that in-spite of having sufficient capacity why performance of BSNL selling and distribution network is so poor? Revenue of BSNL in 2008-09 shows decline of almost 10% and even in current year there is further decline. VAS services are also not being properly marketed, PCOs income has reduced to 25% in two years. Only revenue from Broadband is increasing but the increase is more than nullified by revenue decrease from Landline.

So, if BSNL wants to maintain its market share, it has to add more than 2.5 Mn. connections per month, as total 10 Mn. connections per month are being added by all the operators. For achieving this we have to strengthen our sales and distribution network by increasing no. of retailers to 10 lakh and we have to make it more efficient and aggressive.

As per the report of M/S IMRB retailers are not being serviced at all. In Lucknow out of total 4600 retailers only 1500 retailers are of BSNL and even amongst them, all are not promoting BSNL's products. There is a drastic need of increasing the number of retailers and to service them at their door step and make them to promote BSNL products.

For proper monitoring of sales and distribution network, implementation of IT tools is very much necessary and that is why it was decided to implement "**Sanchar soft**" in all the Circles for all the Franchisees and retailers. Data regarding each and every retailer should be added to "Sanchar soft" by 31st July'09.

BSNL has also launched its **100 days program** from 23rd June 2009 covering:

- **Brand Building**

BSNL sign board shall be provided to all retailers to increase the visibility of the company

- **Customer Care**

The performance of Call Centres should be improved and the behavior of officers and officials of BSNL towards customer should also improve.



- **Sales and distribution aspects**

No. of retailers should be doubled

"Sanchar soft" should be fully implemented covering all franchisees and retailers

A Terminal should be extended to all franchisees on Broad band VPN. The link is to be provided by the BSNL as per the S&D Policy 2006 and the computers shall be arranged by franchisees by July'09.

Restructuring of whole BSNL has already been started and business wise separate verticals have been created under Directors of the board. In the SSAs separate teams shall be created for franchisees and retailers as "Franchisee Management Team" FMT and "Retailer Management Team" RMT. The FMT shall service franchisees and it is the responsibility of franchisees to service the retailers and to push the products of BSNL through them.

The franchisees have to rise up to the occasion to achieve all the targets in 100 days with full dedication.

Then discussion on the agenda points was started, which is as below:

1. **Issue of non achievable target.**

The target assigned to the Circles as per the growth of the market and achievement of other telecom operators. The 100 days targets communicated to Circles by Corporate Office should be distributed among the franchisees with mutual discussion with the franchisees at the circle level.

Action to be taken by: All Telecom Circles and Districts

2. **Expired Recharge Cards are still not replaced.**

Guidelines already been issued from BSNL CO vide letter no. 26-28/2006-R&C dated 26-12-2008, CGMs were empowered for one time replacing/ extending validity of cellular prepaid recharge/ top-up vouchers, again on the request of HP circle permission was granted vide letter no. 26-28/2006-R&C dated 15.06.2009.

Action to be taken by: All Telecom Circles and Districts

3. **There is lack of interaction between BSNL officials and franchisees leading to inadequate sale despite of very good willingness of franchisees for selling product and services of BSNL.**

Vide Letter No 38-4/2008-sales dated 23.12.2008, instructions for monthly meeting with all channel partners at SSA level was circulated as below:

- a. One Meeting per month for franchisees along with retailers.
- b. One meeting per month for DSA/PCO operator/Other Channel partners.
- c. Quarterly meeting with all channel partners at Circle level (para 13(b) xix S&D Policy page13/35)

It was also agreed that on first MONDAY of every month at corporate level and on second TUESDAY of every month at the circle level, a meeting will be conducted with the representatives of franchisees. Also atleast two SMS per week may be



send to all C-TOPUP SIMs by the circles about launching of any new scheme or current schemes.

Action to be taken by: All Telecom Circles and Districts

4. Automatic renewal of agreement of eligible franchisees.

The case may be forwarded to M/S BCG for examination, who is currently reviewing the S&D Policy.

Action to be taken by: Sales Cell BSNL CO

5. Reduction in commission/discount badly affected all the franchisees.

The request of franchisees to either make the discount rate flat @ 5% or link it with sale of recharge coupons only, instead of linking it with the acquisition of customers, would be considered. Same may also be examined at the time of revision of policy after recommendations of M/S BCG.

Action to be taken by: Sales Cell BSNL CO

6. There should be improvement in quality of service, poor network and solution of composite constraints.

Action to be taken by: CMTS (O&M) Cell BSNL CO

7. In building solutions are almost negligible in the case of BSNL where as it has become one of the major strength of competitors.

Action to be taken by: CMTS Cell BSNL CO

8. To improve customer interface.

Action to be taken by: CMTS (O&M) Cell BSNL CO

9. To setup Zone-wise Call centre for Customer.

Call centres are already working on zone basis.

10. Definition of performing and non-performing franchisees.

11. Criteria for DSA/BA/PCO Operators should be more or less same because the DSA/DBA etc. are entitled to receive @80% commission.

12. The difference in commission of franchisee and the other channel partners including E-PIN franchisee should always be minimum 20%.

Points no. 10, 11&12 may also be examined at the time of revision of policy after recommendations of M/S BCG.

Action to be taken by: Sales Cell BSNL CO

13. No marketing support for franchisee regular advertisement must carry the names of all the franchisees.

Action to be taken by: All Telecom Circles and Districts

14. There should not be frequent changes in the commission structure and/or the policy will hamper the day to day business.

Action to be taken by: Sales Cell BSNL CO



15. Once the agreement signed for a particular period as per the terms of EOI, and then the department can't change the terms without calling the fresh EOI for that particular product, for which the agreement has been entered into.

Action to be taken by: All Telecom Circles and Districts and Sales Cell BSNL CO

16. C-TOP UP problems and lack of facility to dealers and retailers.

Action to be taken by: CMTS (O&M) Cell BSNL CO

17. Franchisee's claim settlement

Action to be taken by: All Telecom Circles and Districts

18. New Schemes to make the sales more competitive.

GM (Comm.) BSNL CO shall look into various schemes by BSNL and other operators during his forth coming visits to each zone. Representatives of franchisees may also be permitted to attend the meeting in zones to decide various schemes to be launched.

Action to be taken by: All Telecom Circles and Districts and GM (comm.) BSNL CO

19. Existing retailer's chain is disturbed by E-Pin distributors (Violation of agreement and encroachment of area.)

Action to be taken by: All Telecom Circles and Districts and Sales Cell BSNL CO

In the last it was instructed by CMD BSNL that a meeting shall be arranged at Circles in the first week of July'09 to resolve the payment issues, local issues, replacement of unsold recharge vouchers, distribution of C-TOP UP SIMs (both activation and recharge) to franchisees and retailers etc. GM (Mktg. /Sales) of Circles should attend the meeting at BSNL CO in mid of July'09 with compliance of all the points. **A letter 14-2/2009-sales dated 26.06.2009 has already been issued by Sales Cell BSNL CO containing detailed instructions.**

The meeting concluded with vote of thank by AGM (sales) BSNL CO.

(Upendra Bakolia)
DGM (sales)

Copy to:

1. PPS to CMD BSNL
2. PPS to all Directors of BSNL
3. ED (F) BSNL CO
4. All GMs of BSNL CO
5. All CGMs of Telecom Circles and Districts
6. Sh. Shankar Gupta Chairman NBFA