

ON THIS DAY 10 YEARS AGO: FROM THE COMMSDAY 2006 ARCHIVES

The Internet Industry Association called for a national broadband target of 10Mbps for 80% of people by 2010, and urged that 24Mbps – full ADSL2+ capability – be made available to 67% of the population by that date... TelstraClear was ramping up its consumer branding positioning and marketing with the launch of its “largest advertising campaign” to date, an ‘Hello World’ themed national TV, print and internet campaign... independent industry consultancy Market Clarity launched a comprehensive online directory of Australian consumer, business and wholesale VoIP providers, prompted by a surge in growth in the emerging sector.



COMMENT BY ROD BRUEM

Being telco is not being techno

Like every other Telstra CEO, Andy Penn has tried to put his own individual branding stamp on the company with the launch of the cinematic masterpiece “Thrive On.”

The magical 90-second commercial has Disney-like effects, an original sound score, poetry and even a quote from Arthur C Clarke.

It’s a brave investment in marketing in this digitally fragmented media age. Few other companies have the resources or desire to splash cash in such a big way. So will it generate returns?

Telstra’s marketing head Joe Pollard said the ad aimed to be aspirational and present the new “techno” futuristic side of the Big T.



The risk Telstra faces is letting its aspirations overtake reality.

For all the board’s ambitions to go “techno”, most of the audience watching are still “telco” customers. Collectively they’re paying millions to Telstra every month, funding those juicy shareholder dividends.

For them, the expensive ad could be seen as a case of what former Telstra exec Phil Burgess used to call “putting lipstick on a pig”.

You’d be hard pressed to find a single Telstra customer without a story of woe when it comes to customer service.

Andy Penn has taken over a challenging shop where a big part of his bonus is based on improving the company’s poor reputation for service. But most of the people at the front counter don’t actually work for him. They’re all overseas contractors. It’s much the same out the back of the shop too. The bulk of the offshoring happened under David Thodey, but Penn has continued it.

Unions have blamed offshoring for Telstra's recent service outages and even speculated it was behind the departure of Telstra COO Kate McKenzie. Of course, the unions would say that but they deserve to shoulder some of the blame. They helped design a nightmare industrial relations system that encourages companies to send jobs overseas.

Thodey and Penn have repeatedly defended Telstra's massive move to offshoring, saying the service is actually as good if not better now than it was when call centres were Australia-based.

Whether that's true or not, you'd have to wonder after several years of repeated trying and Telstra's reputation for service not improving, when will the company consider other options?

As long-suffering customers have found out, ring Telstra with a simple request and the person answering will probably get it right most of the time. Give them anything complex, like reporting a mobile base station is down on a neighbouring rural property and they just have no idea. They'll wish you a nice day and then nothing happens.

That's the problem with telco and techno - you're dealing with big and complex systems in challenging environments. It's not easy for a low-paid worker with a moderate understanding of Australian English.

Can you repair a change a company's reputation when you've outsourced your service to someone else?

You don't need to the brains of Arthur C Clarke to know the answer.

Rod Bruem is a journalist and independent communications consultant based in rural NSW. He left Telstra recently after 16 years in the company's communications and public policy unit and remains a Telstra shareholder.

About Communications Day (Including the Line of NZ)

Communications Day is the telecommunications news authority of Australia and New Zealand. Published daily since July 1994, CommsDay is expertly written and edited by a team of industry writers with a combined 80 years experience in technology reporting across Australia, NZ, Asia, the United States and Europe. CommsDay is available by subscription only and read by 10,000 industry executives as well as policymakers and parliamentarians every week day.

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From CWU Secretary Greg Rayner re Rod Bruem column

Rod Bruem must be congratulated on belling the cat.

For years Telstra has denied that its ongoing problems with customer service and technical performance could be in any way related to the offshoring of Telstra jobs.

Now a recent insider has pointed to the obvious – it is unrealistic to expect a geographically remote and technically limited workforce to deliver a standard of service that will satisfy the increasingly complex demands of today’s networks and their customers.

It’s not only a question of “low paid worker(s) with a moderate command of English” as Bruem suggests, although both end-customers and Telstra employees interacting with the offshore workforce (some 15,000+ and growing) frequently express frustrations on this score. It’s also the increasing fragmentation of work functions that is at issue along with the threat this process poses to the company’s internal technical culture.

In recent times Telstra has embraced a workforce model which sees supposedly lower level work – high volume, repetitive and semi-automated tasks – outsourced and, typically, offshored, with work considered more complex, such as higher level diagnostics, product development/integration and project management retained in-house.

No doubt this model reduces labour costs and can sidestep “nightmare industrial relations” ie a unionised workforce. But at what price?

The ultimately arbitrary division between higher and lower work in this approach ignores the interdependence of network functions and of related employee knowledge and understandings. At the same time it drives a wedge between sections of the workforce which would previously have worked together – often informally - at collective problem solving.

The dangers are heightened by the fact that those making the decisions do not always have a technical background themselves. To put it bluntly, they may not understand what their workers do! These circumstances are frustrating and demoralising for employees.

For unions to highlight such dangers is not special pleading, as Bruem suggests (though of course they deplore the loss of jobs). It is rather to argue that, along with destroying local employment, offshoring tends to undermine Telstra’s technical capabilities, while eroding that sense of shared enterprise and pride in the job which underpins good customer service.

It is, in short, self-defeating ..and Rod Bruem’s comments are a wake-up call in this respect. But is Telstra listening?

Greg Rayner
Secretary, Communication Workers Union (CWU)