

The Customer Experience

An Interview with Michael Boustridge,
Chief Executive Officer, BT Americas and Asia Pacific

EDITORS' NOTE In April 2007, Michael Boustridge joined BT Americas, part of the BT Global Services division, assuming responsibility for all aspects of BT's operations and performance in the United States and Canada. He also manages BT Professional Services globally and recently assumed leadership of BT's Asia-Pacific region. Before this, Boustridge was Vice President, Sales and Marketing, at EDS where he was responsible for



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management of enterprise-wide Marketing, Branding, Market Management, Product Marketing, Global Sales, and Business Development. Boustridge joined EDS in 1996 from Hitachi Data Systems and worked at IBM earlier in his career. He serves on the Board of Trustees for XPRIZE Foundation, an educational nonprofit prize institute whose mission is to create radical breakthroughs for the benefit of humanity in the areas of Exploration (Space and Underwater), Life Sciences, Energy & Environment, Education, and Global Development.

COMPANY BRIEF BT Group (www.btplc.com) is one of the world's leading providers of communications solutions and services. One of four BT business units, BT Global Services employs around 30,000 people in 70 countries and delivers services in more than 170 countries, helping multinational, multi-site, and public sector organizations master the complexity of networked IT and communications. BT has had a U.S. presence since 1988 and there employs more than 4,300 people and provides a range of solutions for multinational enterprises, including convergence, security, mobility, contact center services, and IT outsourcing and transformation.

Have you been surprised by the depth and speed of the economic crisis, and where are we today on the road to recovery?

We're seeing optimism from our customers in terms of an increase in capital expenditure. While there may still be 9 to 12 more months of pain, we need to now start spending some of the capital that we put the shutters on, and in turn, we're starting to see that capital is going to be spent on much more technologically innovative solutions to enable customers to be ready for rapid growth, to enable them to change their

cost structure, and to enable them to respond more quickly and to be much more flexible.

From our point of view, the crisis happened very quickly. The good thing is that looking ahead, there is an enormous opportunity for our networked IT services, a market where corporations want to invest now for the future.

With regard to recovery, many agree that the stimulus was necessary to stave off a complete collapse, but that long-term growth is going to have to come back

through growth companies and private sector innovation. Do you agree, and do you worry that with all the regulation being put in place today, some of the potential for that long-term growth is being stymied?

Recovery will tend to be led by that small and medium market and it will continue to be driven from there. Regarding regulation, broadband is key to the digital economy and to U.S. economic recovery. Countless businesses and organizations and millions of U.S. consumers depend on affordable broadband services. Enabling end users and other broadband providers to obtain these services at a reasonable price is critical to broadband deployment and also to stimulating the investment and innovation that the U.S. economy needs. BT believes that fair and targeted regulation is necessary to ensure healthy competition and a fair deal for American consumers, businesses, government, Internet innovators, and other organizations that depend on reasonably priced broadband Internet services.

In the competitive market that you're in, is it challenging to differentiate, and can you highlight BT's competitive edge?

Customers today are looking for a global solution and they expect you to have it organized and operating in a global fashion. So number one is that global, seamless, consistent approach to the way that you serve their needs.

Second, they want consistency in the network that you supply. MPLS (Multiprotocol Label Switching) is the global standard we're selling at the moment, and they expect you to have a connective MPLS network offering.

How do we differentiate ourselves and our products and services against competition that can offer the same global connected network?

For us, it's in three or four key areas: one is security, and when you look at the security asset that BT brings, it's second-to-none; second is through the work we're doing to virtualize data centers and how that changes the business model; third is this whole business paradigm change where technology is facilitating a true shift in the business and also in the culture of a company. With telepresence and unified communications, you don't have to wait hours for someone to get on the phone and have a meeting – you can talk to them in a very real-time environment and then move on. This allows you to not only get in contact with people you don't see on a normal basis, but it allows you to interact in a much more responsive virtual world. When you're running a global business, the ability to click, connect, talk, and then move on is really important; and a fourth differentiator is the way that we deliver. So we look to be the best and to get it right the first time, which means, from the time we sell a service, to the time we install it to the time it's delivered, is the shortest time possible and it's always done 100 percent. So differentiating on service and being the best in the industry is important.

In dealing with different cultures and markets, can you truly have that seamless service platform?

On a network basis, everybody desires to have the same network in 190 countries around the world. But we'd all probably have to spend \$20 or \$30 billion to get there and, therefore, it's practically impossible. So you have to build up where your core assets are and then be the best in the business in terms of partnership. When you do that, you can provide the ultimate goal of seamless delivery of a global network around the world.

What are some of the largest sectors in which BT is the leader today?

If you look at the multinational corporations, it's really the top 500 or so corporates worldwide. If you look at where BT Global Services is today, our customers are 87 percent of the top 500 of the Forbes 2000 global listing. When you look at our verticals, today we are leading in the telecommunications sector. In the global financial services sector, BT is providing the network to allow trades, machine-to-machine, in less than one millisecond. So we provide some of the largest financial institutions and banks in the world with everything from global network connectivity and management right through data center

hosting and management. When you look at the next vertical, consumer package goods (CPG), we are also the largest in this space. Cadbury, Procter & Gamble, and Heinz are just a few of the CPG companies in the world that we work with. In our pharmaceutical sector, we probably have at least 50 percent of all global pharmaceutical companies running components of their network with BT Global Services.

You have talked about the importance of maintaining that customer relationship no matter how busy you are. Recently, at your new offices in New York, you held a customer experience event with some 100 or so of your customers. Would you give an overview of that and the critical nature it played in bringing your customers together?

Through this customer experience, we showed how partnerships are really important to us, because we're the world's best at integrating the technologies from our partners with ours to provide the solutions that customers are looking for. So with telepresence, for instance, we have three rooms set up in New York with different vendors, where for the first time, customers in one location can move from room to room and evaluate the different telepresence systems. They can see how high the quality is and experience the touch, feel, and look of the different systems. So technology customers are able to make their own choice and we will then wrap the BT service around it. We've also integrated all of our partners' products and product suites into our backbone so we overlay the security component, the special services, provide the ongoing installation, maintenance, and so forth. What we were able to demonstrate to customers was our ability to provide all-around unified communications. Customers walked out of that event with a much better understanding of what the BT brand offers, based on its own experience and that of its partners, all working in a collaborative environment to provide solutions for the customer.

Is it more challenging in a large company like BT to foster innovation? Do you have to sometimes go outside to get it, or can you still maintain that when you're a certain size and scale?

Whether it's a start-up with 10 people or a company with 140,000, you either have innovation in the DNA of your culture or you don't. But once you have mastered the secret of innovation, you shouldn't make it a backroom project – put it out front, and get the people leading it who know how to operate it, package it, deliver it, sell it, and use it so you can continually show what a culture of innovation can do.

Innovation is about people as well as technology. You can say every microwave that comes out is more innovative than the previous microwave, but the user experience and their perception of that innovation is what marks you as a

true innovator or as an innovative company. But I wouldn't underestimate the change of business process that has to come with any innovation. That's why I use telepresence as the example. People have had videoconferencing for a long time, but no one really used it, because you'd move your hand at one end and three seconds later, people on the other end would see the motion. So now we have telepresence, which we're calling immersive technology, because you truly immerse yourself in the experience. You're looking at somebody in a room that has the same look and feel of the room you're in, and you can watch the nuances of body language in real time. This innovation changes the perception of meetings, so, therefore, the business process around how a meeting is conducted changes. People get to meetings in a quicker fashion because you can get a lot more done when the meeting is conducted face-to-face than when you're simply on a call. So the business process changes and

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is embedded in the way you work and, in turn, that new process and its results feed right back into the innovation cycle.

How much have you focused on making sure your employees understand BT's positioning in this type of market, and the path going forward?

A lot. BT knows that what really makes a difference is the individual, and I've tried to be very open and transparent about the challenge we face, about why and how we got to this challenging position, and about what we collectively need to do to go forward. My obligation as a leader is to be clear with my management team about what the expectations and accountabilities are and, subsequently, it's their obligation to understand what that means to them, and how they contribute to it.

I ran a campaign in which we discovered how many activities we do that add no value to the customer, the shareholder, or the corporation, but are done simply because we've always done it that way and, although we may have changed, we haven't changed the process. So we started an "Ask Michael" campaign where they tell me their thoughts about such matters. As a leader, the grassroots level is where you get the best information supplied to you. By collecting it there, I'm showing people that the management teams and I listen, and that we are flexible and responsive.

Is it sometimes hard as a leader to maintain an optimistic view?

Everything in life is a cycle – you have up cycles and down cycles. The most important thing is making sure that there is a continuity and candor in your appearance and your approach. So whether we're racing because we can't keep up with growth, or we have to do some things to cut, I always try to remember the word "pace." It's important during the fast times to keep moving fast but not appear to be panicked, and during other times when you have to slow things down, not to appear frustrated. If you are able to keep yourself measured in the way you act, look, and feel and to maintain the appropriate pace at all times, it will differentiate you and you will position yourself as the leader.

How does corporate responsibility manifest itself at BT?

What continues to amaze me about the people at BT is that corporate sustainability is like innovation in that it is now well ingrained, is practiced locally and globally, and is considered an investment. It's really about a person, or a team, or a group of teams deciding to do things that collectively have major impacts on issues that affect us on a global basis. We really have a very kind, open, and generous employee base.

When you look back to 2007, when you joined BT, has the experience been what you expected or have you been surprised along the way?

What surprised me was the difference between what I thought BT was and what I discovered BT really is, and that was a pleasant surprise. Certainly, it has been a roller coaster, and that happens in any business in any cycle, but the people make the difference at BT. I'm really proud of our people and the passion they have for our business – that's what drives me.

You've talked about the importance of work/life balance, but has it been more challenging lately to find that balance?

I've learned that along with pace, there has to be discipline. I've started to embrace what we sell, and use that as a way to enhance my work/life balance. Since the Americas and Asia-Pacific regions have such different time zones and communities, instead of getting on a plane, I can, through telepresence, be at the office at 6 AM or 10 PM, and with a few clicks, bring up employees, or even clients, on the other side of the world and have a really good discussion with them. So I'm using our network to help give me a better balance by avoiding some travel I would have had to do previously. Will I ever get a great work/life balance? That's up to me and how disciplined I am about it. Certainly, with a little help from technology, I now have the opportunity to choose to work at a pace that is right for me and the business. ●