

# **BUILDING WINNING TEAMS IN THE MIDST OF CHALLENGES AND DIFFICULTIES**

## **Smart Situation in 2000**

Smart was the Philippines' largest cellular operator with a well-developed analog platform called TACS (Total Access Communications System) and digital transmission system. Smart had won over 360,000 subscribers and became the Philippines' largest cellular operator. The 2,500 employees of Smart were proud and happy with its stature as being #1. (#1 in TACS but not in GSM-Global System for Mobile Communications).

Mission:

Smart's new Mission – **"To become the number 1 cellular provider in the country by 2002"**.

While the organizational changes were all happening, the company had only one thing in mind and that was for Smart to win, lead and be #1.

## **I. Business Mandate**

### **The Stakeholders and PLDT**

With the telecoms business continuing to grow, the outlook of the strategic and financial partners of Smart (in terms of managerial and technical expertise) remains robust. Business was good and the stakeholders knew that it could be better, thus, First Pacific Company Limited, acquired a controlling stake in the PLDT, the Philippines' largest telecommunications company. And in March of 2000, Metro Pacific (Philippine Affiliate of First Pacific) and NTT also swapped their shares in PLDT. As a result, Smart became a wholly owned subsidiary of PLDT.

As a result, Smart has turned over its local exchange network (LEC) to PLDT. All of its LEC engineers were transferred to the Wireless Group (from landline to wireless). Smart has in turn taken over the management of the cellular business of Piltel. ACeS Philippines, on the other hand, which offers the country's satellite phone service provided by ACeS International was also integrated into Smart.

### **Organization Situation / People**

In order not to displace any LEC engineers (since PLDT cannot absorb them), the LEC engineers (landline) were re-tooled to learn wireless technology. These engineers had to move and learn fast in order to cope.

At this time, Smart's headcount was 2,500 while Piltel employees for absorption to Smart numbered to almost 800, approximately, 32% of Smart headcount. These employees were transferred to same if not similar roles/jobs.

In general, the integration brought about tension on both groups initially because former competition is now part of the team. Unfortunately, for some groups the impact of integration was more evident than the other groups. This was apparent in Network, other technical groups and the Customer Care and Sales teams. Naturally, there was initial misalignment in terms of work processes, discipline and culture. But most importantly, the biggest challenge - Piltel was a unionized organization.

## **II. Business Mandate**

### **Call Center Spin-off**

The market was showing much potential for call centers as income generating entity. Given this potential business, the company decided to spin off the call center group as an independent contact center. I-CON was born, a wholly –owned subsidiary of Smart and is now a multi-channelled contact center that provides companies access to its customers via fax, internet and SMS.

### **Organizational Situation/ People**

While the company was integrating a former competitor (PILTEL) into SMART, the organization at the same time spun-off its call center as a separate entity. What happened next was a massive movement of the call center agents to ICON. The transferred employees were sad because they were no longer Smart employees. According to the FGD and ODS conducted that year, Smart employees always had high scores on company engagement and company's pride.

### **III. Business Mandate**

#### **New Technology- from TACS to GSM**

In response to digital cellular services gaining popularity in the Philippines, Smart shifted from Analog to GSM. Smart launched its post-paid -Smart Gold and pre-paid-Smart Buddy brands. Globe, major competitor had a 4-year headstart in this technology. Smart aims to be no.1 also in this arena.

### **Organizational Situation / People**

Given that, employees needed to transition their technological skills quickly to respond to the needs of the organization. These engineers have to adapt and learn the new technological skills fast. Learning the new technology and services (voice and SMS, etc.) VAS platform was not just pertinent to the engineers/IT, it was also true for other groups like Marketing, Sales and Customer Care. The challenge was to evolve the technological skills of the workforce to meet the objectives of the company. In addition, amidst all the re-tooling and training, the organization should not falter in maintaining the quality of performance – service level as required and expected by its subscribers. Skills were transitioned while maintaining the “business as usual” situation.

### **IV. Business Mandate**

#### **New Leadership/New CEO**

As brought about by Smart being a subsidiary of PLDT group, a new leader / CEO was appointed to Smart Communications, Inc. The new appointed leader was Piltel's former CEO.

### **Organizational Situation / People**

The former Smart CEO was well loved and popularly known as a person who personally and actively participated in all company's programs and initiatives. The relationship of the CEO with the employees was open / transparent.

Fortunately, the new CEO, Polly, is a people person, open, pragmatic and approachable. The challenge was to help employees get to know the new CEO.

### **HR Mandate/Challenges**

#### Organization

1. Help the organization achieve its mission:
  - a. Link the new CEO with the employees.
  - b. Align the Smart Culture to attain the mission.
  - c. Align the whole organization towards its business direction of technological change from Analog to GSM.

#### People

2. Set off the smooth transition of both Piltel, ACES and ICON to feel accepted and equally important, and feel that they are part of the “team Smart”.
3. Transition and evolve the employee skills as required given the business direction of the company.
4. Reinvigorate “tired” employees from massive intense start-up operations.

#### HR

5. HR has to reinvent itself to become a credible change catalyst to the aforementioned challenges.