COMPANY PROFILE

SALESFORCE: CUSTOMER ENGAGEMENT

ATUL ARORA
Company summary

Salesforce is a software vendor that offers cloud-based customer relationship management solutions to industry verticals, including communications, finance, insurance, healthcare and the public sector. It was one of first to offer subscription-based software in the software-as-a-service (SaaS) delivery model, which is gradually becoming the go-to delivery model for communications service providers (CSPs) that want operational agility.

The company has an ecosystem of partners that have developed their solutions to work with the Salesforce platform, including vendors that have developed their solutions natively on the Salesforce platform, such as Vlocity. The platform can also be used by enterprise developers to build their own applications.

Salesforce’s offerings for CSPs are based on industry standards and focus on helping CSPs to:

- deliver customer engagement in an omni-channel manner, using an agile and flexible architecture
- reduce operational costs by providing a subscription model that includes pre-built processes, upgrades and support
- personalise every interaction with dynamic next-best engagement, using artificial intelligence and machine learning capabilities.

Salesforce features in the Customer Engagement segment of Analysys Mason’s software taxonomy.

---

Figure 1: Salesforce company facts

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Founded</strong></td>
<td>1999</td>
</tr>
<tr>
<td><strong>Offices</strong></td>
<td>Headquartered in San Francisco, USA, with offices worldwide, including in Europe, Asia and Australia</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>25000</td>
</tr>
<tr>
<td><strong>Regional focus</strong></td>
<td>Worldwide</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>Company revenue guidance (2017): USD10.4 billion</td>
</tr>
<tr>
<td><strong>Selected key customers</strong></td>
<td>Comcast, Liberty Global, TELUS, T-Mobile and Verizon</td>
</tr>
<tr>
<td><strong>Key solution partners</strong></td>
<td>Aria Systems, CloudSense, Matrixx Software, Nokia, Sigma and Vlocity</td>
</tr>
<tr>
<td><strong>Professional services partners</strong></td>
<td>Accenture, Capgemini, Cognizant, Deloitte Digital, IBM, NTT Group and Wipro</td>
</tr>
</tbody>
</table>

1Read Analysys Mason’s profile on Salesforce’s native partner Vlocity here.
Salesforce’s business model of delivering customer engagement solutions as SaaS is gaining significant traction among CSPs that are looking to transform their customer engagement systems and are moving away from monolithic, legacy applications to agile alternatives. Salesforce reported its overall revenue from 2016 to be USD8.4 billion.

It has won significant projects with Tier 1 and Tier 2 CSPs over the past few years, including Comcast, TELUS, T-Mobile, Verizon and Virgin Media. This includes projects that it will deliver together with its ecosystem partners.

Salesforce’s initial deployments were focused on helping sales teams at CSPs, primarily in the B2B domain. In recent years, its Service Cloud and Marketing Cloud offerings have also gained significant traction among CSPs (see Figure 3). In addition, it is now supporting needs for both B2B and B2C organisations with its customers.

The majority of its revenue is derived from its American clients (Figure 4). However, as customer expectations increase and CSPs in emerging markets look to transform their customer engagement departments, it will expand its presence in other regions.

Salesforce derives most its revenue from the sale of SaaS product subscriptions (Figure 5). However, it also has a professional services organisation and works with systems integration partners like Accenture and IBM.
Salesforce: customer engagement

Strategic direction

Salesforce is positioning itself to be the go-to strategic partner for CSPs that want to transform their customer engagement operations as part of the larger initiative of becoming digital service providers (DSPs). Such CSPs are increasingly looking to cloud technologies that deliver the agility needed to meet increasing customer expectations.

The company will continue to enhance its offerings to the communications sector through product development as well as by partnering with other solution providers. The partner strategy is expected to be two-fold.

- Partner or develop solutions that are delivered on the Salesforce platform.
- Partner with vendors that provide solutions in adjacent segments of telecoms, with which Salesforce integrates on a regular basis, such as revenue management and network management systems. The aim is to develop a comprehensive solutions portfolio to help CSPs deliver digital experience to customers.

Salesforce will support innovative and leading-edge CSPs by offering them its cloud-based platform to develop their own applications, helping these CSPs create and maintain competitive differentiation. For example, TELUS developed its door-to-door sales application for its B2C fixed services that is now its primary channel for its fixed line of business. ¹

Figure 4: Salesforce’s overall revenue by region, 2016

Figure 5: Salesforce’s revenue by type of offering, worldwide, 2016

¹Read more about the TELUS use case on slide 15.
Customer engagement business overview

Figure 6: Salesforce solution ecosystem for the telecommunications sector
Changing customer expectations, competitive OTT services and declining margins are driving CSPs to consider SaaS-based support systems

Competition from OTT service providers and the high cost of deploying and supporting current systems has driven CSPs to consider other models of software infrastructure deployment.

CSPs are facing operational challenges on multiple fronts. Competition from OTT-based service providers is increasing, which has resulted in a substantial decline in revenue from core voice and messaging services. This development coincides with the need for significant infrastructure investment in order to provide consumers with faster access to data.

Customer expectations and demands are changing and they now expect a simple, consistent and personalised experience. This has placed considerable strain on CSP support systems. Most CSPs have a mix of legacy and next-generation platforms and need to make a substantial investment in improving their digital experience and launching new services. The ongoing cost of deploying and supporting these systems is sizeable; for some types of systems, support and maintenance account for over 70% of the total spend.

Therefore, CSPs are considering alternative models of software infrastructure deployment, primarily as a means of establishing an agile, flexible and cost-effective foundation for the future. The success of SaaS-based services in other industries such as retail and the financial services is influencing CSPs’ considerations.
# Product summary [1]

**Figure 7a: Salesforce’s products**

<table>
<thead>
<tr>
<th>Product</th>
<th>Analysys Mason sub-segment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salesforce platform</td>
<td>Engagement Platform</td>
<td>The Salesforce platform forms the basis of its offering to the communications sector. The platform is offered as multi-tenant where all customers run the same code base. Salesforce delivers upgrades seamlessly three times in a year, including access to new features and functionality at no additional cost to the CSP. The platform includes a range of services that enable CSPs to deliver a unified omni-channel experience for all types of engagement. All Salesforce applications are built on the Salesforce platform, including applications of some of its partners. It includes the following. Lightning (UX): This includes a design system, app builder and components that help CSPs develop custom apps for use cases specific to their needs. It enables CSPs to create business applications once and deploy them consistently across all engagement channels and devices. Communications industry framework: This is a cloud-based instantiation of TM Forum Frameworx, and includes business processes and functions, common data models and an ecosystem integration approach including API specifications. Metadata-driven architecture: This enables the storage of information as metadata, including all customisations (schema, code and app) and allows for the decoupling of the runtime environment and services of the platform. This results in continuous running and consistency of operations, eliminating the need for data migration or problems of apps and customisations breakage.</td>
</tr>
<tr>
<td>Salesforce Sales Cloud</td>
<td>Sales</td>
<td>The Sales Cloud application is aimed at helping CSPs improve their sales engagement with customers and team efficiency. It includes capabilities such as ‘account’, ‘contact’, ‘opportunity’ and ‘lead management’. To help increase sales and internal collaboration and efficiency, it bundles in capabilities such as the Salesforce mobile app, sales data management and a process builder to increase automation.</td>
</tr>
<tr>
<td>Salesforce Service Cloud</td>
<td>Customer Service</td>
<td>The Service Cloud enables CSPs to deliver personalised engagement to customers. It includes features such as support on assisted and self-service channels, a 360-degree customer view, intelligent call routing and knowledge management. It includes case-management functionality that enables CSPs to cover customer issues including technical support, billing enquiries and disputes. This application also includes support for automating processes and streamlining workflows. In addition, custom reports and dashboards can be developed to support business objectives.</td>
</tr>
</tbody>
</table>
## Product summary [2]

### Figure 7b: Salesforce's products

<table>
<thead>
<tr>
<th>Product</th>
<th>Analysys Mason sub-segment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salesforce Marketing Cloud</td>
<td>Marketing</td>
<td>This application enables CSPs to deliver personalised marketing engagements to customers. It includes features such as customer journey design and management, campaign management and marketing support on social networks.</td>
</tr>
<tr>
<td>Salesforce Community Cloud</td>
<td>Customer Service</td>
<td>This application enables CSPs to create communities where customers can engage and serve themselves. It can also be used to develop internal communities to streamline and share information across departments and teams. The community channel can be integrated with other service engagement channels, to help agents deliver support as needed. Furthermore, CSPs can create partner communities to improve engagement with their sales, service and wholesale partners.</td>
</tr>
<tr>
<td>Salesforce Commerce Cloud</td>
<td>Sales</td>
<td>The Salesforce Commerce Cloud enables CSPs to manage consumers' shopping journeys on digital channels. It enables them to deliver a unified shopping experience, from customer interface to order management, including real-time inventory visibility and order lifecycle management.</td>
</tr>
<tr>
<td>Salesforce Analytics</td>
<td>Engagement Platform, Business Analytics</td>
<td>The Salesforce Analytics Cloud enables CSPs to collect and analyse data from multiple sources to support all types of engagement, including sales and services use cases. The analytics can also be applied to external data and can generate insights to help CSPs improve customer engagement.</td>
</tr>
<tr>
<td>Salesforce Einstein</td>
<td>Engagement Platform</td>
<td>Salesforce Einstein enables CSPs to deliver intelligent interactions across all types of engagement. It uses predictive models to anticipate customer behaviour and needs, which allows CSPs to proactively drive the next best action at any touch point. It can be used to support a variety of use cases, including sales, service and marketing personalisation. It is focused on supporting the real-time engagement needs of the business, to deliver business efficiency and personalised engagement.</td>
</tr>
<tr>
<td>Salesforce IoT</td>
<td>Engagement Platform</td>
<td>Salesforce IoT enables CSPs to capture IoT device data and usage, and integrate it with customer information to generate a more personalised and holistic view of customer engagement with customers. Its orchestration engine allows for the creation of next best actions based on triggers. Salesforce IoT also enables CSPs to detect issues that may impact the customer (around the network, device or bill) and proactively mitigate these issues.</td>
</tr>
</tbody>
</table>
Partner ecosystem

Salesforce has established a partner ecosystem which enables its partners to offer their solutions to CSPs on the Salesforce platform. The partner ecosystem adds value to CSPs in multiple ways, by:

- offering them a large pool of native on-platform capabilities
- accelerating the time to value from reduced integration needs
- providing multiple options to choose the partner that suits their need.

Figure 8: Salesforce’s key solution partners for telecoms

<table>
<thead>
<tr>
<th>Partner</th>
<th>Relationship Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aria Systems</td>
<td>Aria Systems is a cloud billing solution provider that offers its Aria for Salesforce application on the Salesforce platform. The application delivers cloud-based billing functionality including the ability to manage the subscriber lifecycle, a 360-degree customer view and bi-directional synchronisation of updates, including plans, promotions, transactions and invoices.</td>
</tr>
<tr>
<td>Nokia</td>
<td>Nokia (which acquired Comptel in 2017) has partnered with Salesforce to enable CSPs to deliver personalised engagement in real-time. As part of this partnership, Nokia will integrate its Fastermind offering with the Salesforce platform, making use of Fastermind’s AI capabilities to support customer journeys.</td>
</tr>
<tr>
<td>CloudSense</td>
<td>CloudSense offers its CPQ, Product Catalog and Order Management applications on the Salesforce platform. The application is native to the platform, offered with industry specific functionalities and can make use of any data held in Salesforce.</td>
</tr>
<tr>
<td>Sigma Systems</td>
<td>Sigma offers its CPQ application that works as part of the Salesforce Sales Cloud interface. In addition, the Sigma Catalog provides the platform for creating new products and services to marketing and technical teams.</td>
</tr>
<tr>
<td>Matrixx Software</td>
<td>Matrixx Software together with Vlocity offers its Go Digital solution on the Salesforce platform to CSPs. Go Digital is an acquisition-to-cash solution to help CSPs monetise digital services, including video and music streaming.</td>
</tr>
<tr>
<td>Vlocity</td>
<td>Vlocity is a strategic partner for Salesforce and offers cloud-based applications, built natively and additively on the Salesforce platform, for multiple industries including communications. Some of the applications deliver functions such as sales, marketing, CPQ and order management.</td>
</tr>
</tbody>
</table>
# Key acquisitions and mergers

Figure 9: Salesforce’s key acquisitions and mergers, 2011–2017

<table>
<thead>
<tr>
<th>Date</th>
<th>Company</th>
<th>Business focus</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb-17</td>
<td>Sequence</td>
<td>Professional Services</td>
<td>Sequence is a user experience design consultancy that supports strategy planning and design-driven transformation of its clients’ digital and physical customer touch-points. The acquisition strengthens Salesforce’s existing design practice that forms part of its consulting offering.</td>
</tr>
<tr>
<td>Oct-16</td>
<td>Krux</td>
<td>Marketing</td>
<td>Krux is a data management platform that focuses on delivering a holistic understanding of customers’ usage, across devices, to enable improved marketing experiences. It strengthens Salesforce’s marketing offering by including known customer data with prospect data to deliver a detailed understanding of customer journeys.</td>
</tr>
<tr>
<td>Aug-16</td>
<td>Quip</td>
<td>Customer Engagement</td>
<td>Quip is a productivity application that is mobile native. Salesforce has positioned the acquisition as focused on improving productivity and efficiency, and has integrated the tool across its Cloud portfolio.</td>
</tr>
<tr>
<td>Jul-16</td>
<td>Demandware</td>
<td>Sales, Marketing</td>
<td>Demandware offers a cloud-based digital commerce solution and services. The acquisition has been repositioned as the Salesforce Commerce Cloud, strengthening Salesforce’s customer engagement solution portfolio.</td>
</tr>
<tr>
<td>Dec-15</td>
<td>SteelBrick</td>
<td>Sales</td>
<td>SteelBrick offers CPQ and its acquisition has strengthened the company’s Sales Cloud portfolio.</td>
</tr>
<tr>
<td>Jul-14</td>
<td>RelateIQ</td>
<td>Sales</td>
<td>RelateIQ offered large scale data-mining technology that uses machine learning to analyse and capture data that help automate sales processes.</td>
</tr>
<tr>
<td>Jun-13</td>
<td>ExactTarget</td>
<td>Marketing</td>
<td>ExactTarget offered a cloud-based marketing platform that provided marketing automation. The company was acquired and repositioned as the Salesforce Marketing Cloud, strengthening Salesforce’s portfolio of offerings across all primary customer engagement types.</td>
</tr>
<tr>
<td>Jun-12</td>
<td>Buddy Media</td>
<td>Marketing</td>
<td>Buddy Media offered a social media focused marketing solution. The acquisition enabled Salesforce to boost its marketing capabilities.</td>
</tr>
<tr>
<td>Mar-11</td>
<td>Radian6</td>
<td>Marketing</td>
<td>Radian6 offered businesses a social media monitoring tool while also delivering actionable insights in real-time. The acquisition enhanced Salesforce’s marketing portfolio.</td>
</tr>
</tbody>
</table>

© Analysys Mason Limited 2018
# Significant customers [1/2]

**Figure 10a: Salesforce’s customers and scope**

<table>
<thead>
<tr>
<th>Customer</th>
<th>Country</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bouygues Telecom</td>
<td>France</td>
<td>Bouygues Telecom has implemented Salesforce Marketing, Service and Community Cloud to deliver a consistent and omni-channel experience to customers during their engagements with the operator. This includes making the same interface available to both the customer and the CSP representative as well as managing consistent customer journeys across multiple channels.</td>
</tr>
<tr>
<td>CenturyLink</td>
<td>USA</td>
<td>CenturyLink uses Salesforce to improve its acquisition process by enabling its sales team to prioritise and maintain account information. It also uses Salesforce Chatter for internal collaboration and increased productivity and efficiency.</td>
</tr>
<tr>
<td>Comcast</td>
<td>USA</td>
<td>Comcast uses Salesforce’s solution to support its B2B sales organisation. It has used the Salesforce App Cloud to develop its mobile app that enables its sales team to be more productive by making up-to-date information available on their iPads. Comcast also uses the Salesforce Signature Success Plan service for premium global support.</td>
</tr>
<tr>
<td>Liberty Global</td>
<td>Europe</td>
<td>Liberty Global has implemented the Salesforce Sales and Service Cloud together with its partner CloudSense to improve its B2B customer journeys and deliver an omni-channel experience. The company has reported a reduction of quote-to-order timeframes from 10 days to almost 2 days.</td>
</tr>
<tr>
<td>Sky Italia</td>
<td>Italy</td>
<td>Sky has implemented the Salesforce Service Cloud and Vlocity Communications’ applications to modernize its customer experience and enhance operational efficiency. More than 7600 B2C contact centre, sales, retail and field service users use the Salesforce and Vlocity solutions. Sky has reported a 20% reduction in call handling time, 12.5% improvement in agent productivity, and 25% reduction in IT infrastructure costs.</td>
</tr>
</tbody>
</table>
# Significant customers [2/2]

Figure 10b: Salesforce’s customers and scope

<table>
<thead>
<tr>
<th>Customer</th>
<th>Country</th>
<th>Scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telstra</td>
<td>Australia</td>
<td>Telstra has implemented the Salesforce Platform and Sales Cloud to support its global business services. It has made use of the APIs available on the platform and the Salesforce partner ecosystem to develop capabilities that serve its business needs.</td>
</tr>
<tr>
<td>TELUS</td>
<td>Canada</td>
<td>TELUS has utilised the Salesforce Platform and Sales Cloud to develop applications for its sales and service teams to help reduce the customer on-boarding process from 10 days to a few hours. In addition, the app has permitted a centralised information repository that helps improve efficiency for the sales team as well as to deliver an efficient experience to customers. It has also deployed Vlocity’s CPQ and contract management capability.</td>
</tr>
<tr>
<td>T-Mobile</td>
<td>USA</td>
<td>T-Mobile is using Salesforce’s Service and Sales Cloud to better engage with customers and prospects in retail stores, and enable them to continue their journey across other channels by sharing information in a seamless manner to ensure consistent experience.</td>
</tr>
<tr>
<td>Virgin Media</td>
<td>UK</td>
<td>Virgin Media is using Salesforce’s Sales, Marketing, Service Cloud and Analytics Cloud for managing and optimising buying journeys of prospective customers across its channels, in order to deliver seamless and consistent customer experience.</td>
</tr>
<tr>
<td>Vodafone</td>
<td>Europe</td>
<td>Vodafone business teams are using the Salesforce platform across multiple markets to consolidate their global opportunity pipeline onto a single global selling platform. It is using Salesforce’s Advisory Services and Data.com capabilities to achieve this objective.</td>
</tr>
</tbody>
</table>
Virgin Media uses Salesforce to transform its B2C cross-channel sales engagement process and enable a consistent customer experience

**STATE OF THE BUSINESS**

- **Customer relationships (million)**: 5.3
- **Parent organisation**: Liberty Global
- **Total revenue (USD billion)**: 6.5

**BUSINESS DRIVERS**

- Streamline all sales channels and deliver consistency and a single view of the company to the customer.
- Enable customer sales journeys across channels.
- Enable a 360-degree view of the customer, and enable personalised interactions.

**FOCUS OF THIS EFFORT**

- **Sales channels**: 6
- **Employees**: 2,200
- **Focus on sales experience**: 1 priority

**PROJECT APPROACH**

- **1 country**
- **1 vendor**
- **3 clouds**

**STRATEGY**

- Enable a seamless customer experience across channels.
- Replace siloed systems with a platform-driven approach.
- Achieve a single view of the customer, and track and manage customer journeys for personalised engagement across channels.

**ANALYSIS**

- Consistent information available on all channels, enabling personalised engagement.
- Consolidated customer view allows for analysis to deliver next-best-actions.
- Deliver internal efficiency by making dashboards available to measure KPIs against business objectives, at all levels of the organisation.

**BENEFITS**

- 3% increase in inbound conversion
- 40% higher conversion rate on Salesforce leads
- GBP1.2 million annual opex savings

Source: Analysys Mason, Dreamforce
Sky Italia undertakes digital transformation of its front-office with Salesforce and partners (Vlocity, ServiceMax)

### State of the Business

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total subscribers (million)</td>
<td>21.8</td>
</tr>
<tr>
<td>Employees (thousand)</td>
<td>31</td>
</tr>
<tr>
<td>Total revenue (EUR billion)</td>
<td>16</td>
</tr>
</tbody>
</table>

### Focus of This Effort

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscribers (million)</td>
<td>4.7</td>
</tr>
<tr>
<td>Country</td>
<td>1</td>
</tr>
<tr>
<td>Target employees</td>
<td>7600</td>
</tr>
</tbody>
</table>

### Project Approach

- **Transform B2B and B2C**
- **Salesforce, Vlocity, ServiceMax**
- **Salesforce Sales Cloud, Service Cloud**

### Business Drivers

- Become customer-centric while enhancing employee experience.
- Significantly reduce ongoing investments into legacy systems and enable process automation.
- Enable an integrated and holistic view of the customer for personalised engagement.

### Strategy

- Deliver an omni-channel customer experience for marketing, sales and customer service engagements.
- Adopt a platform-based approach, utilise analytics for intelligent engagement and automate processes.

### Analysis

- Modular approach to transformation, sales and service engagement completed.
- Hybrid approach to transformation – protect past investments while enhancing customer experience and reducing future costs.
- Transformed customer and employee experience, improving customer satisfaction and training period for agents.

### Benefits

- 30% increase in leads
- 55% reduction in order entry time
- 12.5% increase in agent productivity
- EUR1.8 million savings in system upgrades
- 25% savings in recurring infrastructural investments

Source: Analysys Mason, Dreamforce
TELUS uses the Salesforce platform to develop its own door-to-door sales app as part of a larger initiative to digitalise customer experience¹

**STATE OF THE BUSINESS**

- **Total connections (million)**: 12.7
- **Employees (thousand)**: 50.5
- **Total revenue (USD billion)**: 13

**BUSINESS DRIVERS**

- Siloed engagement approach across channels, resulting in customer dissatisfaction.
- Support outcome-based customer journeys across channels to deliver seamless and personalised experience.
- Increase team engagement as well as empower customers to self-serve.

**FOCUS OF THIS EFFORT**

- **Total connections (million)**: 4.1
- **Sales representatives**: 300
- **Digital CX**: 1 priority

**PROJECT APPROACH**

- **Multiple channel integration**
- **Salesforce platform**
- **Digitalise order capture process**

**STRATEGY**

- Digitalise end-to-end customer engagement processes.
- App-based approach for increasing team engagement and improving efficiency by automating processes.
- Platform-based approach, enable a centralised view of the customer through transformation.

**ANALYSIS**

- Enabled omni-channel experience for customer with reduced order-to-fulfilment timeline.
- Re-designed KPI measurement to support business objectives, focus performance of a customer journeys as compared to an individual channel.
- Digitalised and automated the order capture process.

**BENEFITS**

- **40% reduction in time from order capture to fulfilment**
- **Reduced customer acquisition related opex-spend by 15%**
- **Increased ARPU**

¹The highlighted use case is part of a larger front-office digital transformation project for TELUS and Salesforce.

Source: Analysys Mason, Dreamforce
Analysis: strengths, weaknesses, opportunities and threats

**STRENGTHS**

- Salesforce’s SaaS-based solutions have set the benchmark for CSPs that plan to transition to cloud-based customer engagement solutions.
- Its comprehensive portfolio, along with its partner ecosystem, continues to strengthen its position in the market as a leading customer engagement solution provider.
- Salesforce’s ability to deliver agility and flexibility positions it strongly among CSPs that want to deliver digital experiences, but are restricted by the nature of their current on-premise monolithic systems.

**OPPORTUNITIES**

- Salesforce has a significant presence at CSP units with its Sales Cloud offering. This gives the company an opportunity to expand horizontally by offering other solutions, such as Service and Marketing Clouds.
- As CSPs increasingly become interested in solutions that give them agility, Salesforce is in a good position to make use of this opportunity with its SaaS-based solutions.
- Salesforce is partnering with solution providers that have significant presence in the CSP market, such as Ericsson. This gives it the opportunity to expand its reach across a wider market.

**WEAKNESSES**

- Delivering digital experiences requires a holistic transformation of front-end customer engagement systems together with related back-end systems. Salesforce enables the digital transformation of customer-facing processes, but CSPs are also looking to transform their back office processes, in which case Salesforce would need to partner with BSS vendors to provide a complete solution.
- Salesforce’s ability to deliver its solution requires it to have its own data centre in the region where the CSP operates. This limits its ability to expand. However, it has started to remedy this weakness by partnering with public cloud providers, such as Amazon.

**THREATS**

- Leading telecoms-focused vendors that offer customer engagement solutions are upgrading their capabilities to deliver on CSPs’ demand of agility and flexibility. They are also beginning to market these solutions with an emphasis on this aspect of their solutions. This is a threat to Salesforce’s competitive advantage in the telecoms sector.
- Leading customer engagement vendors for the telecoms sector are building their own cloud-native solutions that will work with their own as well as other vendors’ BSS and OSS offerings. This is a threat to Salesforce’s ability to win business as CSPs tend to prefer buying complete solutions from a single vendor.
About the author

**Atul Arora** (Senior Analyst) is the lead analyst for the Customer Engagement programme and a contributor to the Digital Experience, Software Forecast and Strategy and Telecoms Software Market Shares programmes. His areas of interest include the digitalisation of CSPs’ customer engagement systems, including support for customer journeys and omni-channel commerce and care. Atul also works on custom projects for telecoms operators and vendors, which include providing strategic advisory and undertaking market assessment work. He holds an MSc in Neuroscience from University College London and a bachelor’s degree from Jaypee University (India).
Analysys Mason’s consulting and research are uniquely positioned

CONSULTING

- We deliver tangible benefits to clients across the telecoms industry:
  - communications and digital service providers, vendors, financial and strategic investors, private equity and infrastructure funds, governments, regulators, broadcasters, and service and content providers
- Our sector specialists understand the distinct local challenges facing clients, in addition to the wider effects of global forces.
- We are future-focused and help clients understand the challenges and opportunities that new technology brings.

RESEARCH

- Our dedicated team of analysts track and forecast the different services accessed by consumers and enterprises.
- We offer detailed insight into the software, infrastructure and technology delivering those services.
- Clients benefit from regular and timely intelligence, and direct access to analysts.
Consulting from Analysys Mason

REGULATION AND POLICY
- Quality of service
- Market review
- Margin squeeze tests
- Analysing regulatory accounts
- Regulatory economic costing
- Policy development and response
- Media regulation
- Expert legal support
- Radio spectrum management
- Net cost of universal service
- Radio spectrum auction support
- Postal sector policy: universal service obligation (USO), liberalisation, costing, pricing and regulation

TRANSACTION SUPPORT
- Commercial due diligence
- Technical due diligence
- Mergers and acquisitions (M&As)
- Debt and initial public offerings (IPOs)
- Joint-venture (JV) structuring
- Mid-market financial sponsors

STRATEGY AND PLANNING
- Commercial expertise
- Technology optimisation
- New digital frontiers

analysysmason.com/consulting