

Boston Consulting Group to draw up BSNL's revival plan

BCG will set up a project management office at BSNL's corporate office in the Capital, for its team to work on the project.



Boston Consulting Group (BCG) will prepare a three-year roadmap to transform state-owned Bharat Sanchar Nigam (BSNL) so that it can effectively compete with private telecom operators.

BSNL will be paying BCG Rs 132 crore for the advisory service, sources said. The key areas on which BCG will advise the loss-

making telecom service provider include reducing operational cost, improving revenue, providing better customer experience, leveraging emerging technologies to improve sales, and sales & marketing strategies in line with industry benchmarks.

Sources said BCG will devise strategies and also help implement them. It will be given performance incentives as well, and the contract can be extended by a year on the same terms and conditions as well as cost, according to the document reviewed by FE.

BCG will set up a project management office at BSNL's corporate office in the Capital, for its team to work on the project. The consultancy project will have a director and seven other managers.

The project is divided into two phases. In the first phase, BCG will focus on analysing the gaps in BSNL's current approach across key circles. It will focus on strategy/solution development aimed at the telco's revival and achievement of vertical-wise revenue targets.

The company has a target to achieve Rs 35,960 crore revenue from operations by 2027-28, a growth of 80% over Rs 20,008 crore estimated revenue in FY24. From FY25 to FY27, the aim is to grow revenue 20% year-on-year.

Similarly, BSNL has asked BCG to implement an immediate and long-term plan to reduce its operating expenses by 5% annually, in line with industry best practices. In 2024-25, BSNL has projected operating expenses of Rs 10,323 crore, a y-o-y growth of 8%. The same for FY28 are projected at Rs 12,838 crore, a growth of 3% y-o-y.

Of the major expenses, employee benefit expenses account for over 30% of BSNL's total spends. The company is also targeting an Ebitda of Rs 12,110 crore by FY28, up from Rs 1,839 crore estimated for FY24.

Phase 1 for gap analysis and solution development will cover six key areas, including improvement of quality of service (QoS) parameters in 11 circles: Kerala, Tamil Nadu, Karnataka, Punjab, Gujarat, Uttar Pradesh West, Uttar Pradesh East, West Bengal, and Rajasthan & CNTX South/North.

“BSNL lags other telecom operators on key network QoS parameters...Improvement is required in network availability, BTS (base transceiver station) downtime, call-drop rate, VLR (visitor location register), MTTR (mean time to repair) less than four hours, and other QoS parameters such that leading industry standards are met,” the company said in the terms document.

BCG will also study the customer complaint resolution process in eight circles and come up with a comprehensive proposal that shall include solutions for digital-led customer discovery, acquisition and retention. It will also look at data monetisation as revenue stream for BSNL using emerging technologies and how BSNL’s brand can be strengthened.

To effectively rollout 4G and start revenue stream, BSNL is focusing on scaling its sales and marketing infrastructure to capture new customers and increase market share. The company will emphasise on digital sales and marketing techniques to generate leads and also to promote products.

As per the deliverables, BCG will come up with a new sales and distribution policy for BSNL with 25% reduction in total outgo on commissions and incentives.

Going forward, BSNL is also looking at strengthening its business in the enterprise segment through cloud solutions, 5G captive networks and internet of things (IoT) solutions. “By integrating cloud services into our portfolio, we can unlock new revenue streams, enhance customer experience, and improve operational efficiency, positioning ourselves as comprehensive providers of telecom and cloud solutions,” BSNL said in the deal terms.

The company said it is aiming to differentiate itself in the cloud market by prioritising data privacy and security. “With the increasing concerns about data breaches and privacy regulations, BSNL can leverage its trusted brand image to assure customers that their data is secure and compliant,” BSNL said.

In the second phase, BSNL will look at implementing the recommendations in a phased manner subject to availability of resources, primarily capital expenditure funds. First, it will implement the required solutions in the 10 selected circles, following which it will be implemented country-wide in 33 circles.

BSNL, however said, it reserves the right to close the project at an early stage by giving a notice of two months to BCG.

For the nine-month period ended December, BSNL’s revenue rose 1.2% to Rs 12,915 crore. Losses narrowed to Rs 4,520 crore in April to December period from Rs 5,457 crore in the same period year ago.

In 27 consecutive months till March, the company lost 26.2 million subscribers, taking its total subscriber base to 88.06 million as of March.
