

# Telecommunication Services

## Canada

Sector Overview

### Executive Summary > Overview

#### Top 3 Strengths

- Noticeable shift to customer focus
- Device makers build great product
- Track record of action (regulatory)

#### Top 3 Weaknesses

- Messaging not Customer-focused
- Need for recruiting strategies
- Sector retail footprint sub-optimal

#### Executive Summary

There are 4 firms in Canada classified as Telecommunications companies and 1 firm classified as a Consumer Discretionary. All 5 firms are ranked in the top 50 companies in a Canadian universe of 301 firms.

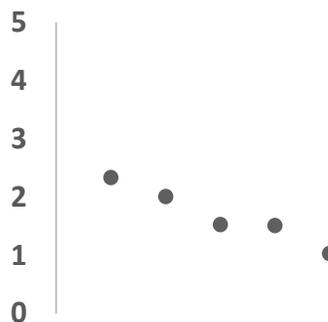
The environment for telecom firms in North America relative to disability has been dominated by regulatory demand, not customer demand—this holds true for every firm in our universe. There is a real opportunity to shift focus to the customer and the disability market for material profit gains.

Device makers have leapt ahead with product, leveraging disability to drive ease-of-use for all customers. Carriers, however, have not capitalized on these efforts to attract market share with differentiation. All major Canadian telecom companies have followed the ‘cool’ factor of Apple Store design. Our primary research shows that this can create unintended barriers for customers that rely on structure and process to navigate retail customer experiences. Brand connection with the customer has been a struggle, with only 1 firm making a material attempt to bond with the consumer – and that attempt is more rooted in charity than delighting customers.

Regarding sourcing talent, telecom firms lag behind bank peers. Banks have developed pipelines both internally and with external partners, including scholarships and internships. Telecoms can learn from this example.

Access for people with disabilities (PWD) at Headquarters is fair, with some firms struggling with legacy buildings. Overall, firms have the opportunity to build significant value in PWD markets by reaching out to customers and engaging in activities to grow marketshare.

TABLE A – Telecoms Sector Peer RoD Results



#### Overall Result



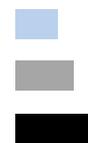
#### Customer Result



#### Talent Result



#### Productivity Result



**■ Sector Minimum**

**■ Sector Average**

**■ Sector Maximum**

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### The RoD Model > Capturing Shareholder Value

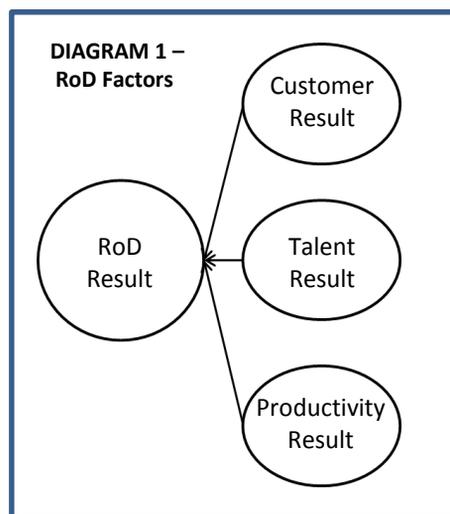
Cambridge Dictionaries defines shareholder value as “the total worth of a company to its shareholders”. Many things can increase shareholder value, such as new products and services, entering a new market, and streamlined operations. The basis of the Return on Disability model is to measure those activities relative to disability that add to shareholder value. Specifically, we identify actions that:

- 1) add to net revenue and/or
- 2) reduce ongoing operational costs

The 20 disability-related KPIs that RoD measures within organizations ultimately impact one of these two fundamental building blocks of value creation. We focus on value for one simple reason: to shift the disability paradigm from ‘added cost and effort’ to ‘added value’ by demonstrating the shareholder value of disability.

#### **Customer** – *Delighted Customers Lead to New and Enhanced Revenue Opportunities*

For most established brands, finding a new way to talk to a mature market is the Holy Grail. From a purely demographic point of view, 53% of the entire consumer marketplace is touched by disability. The value-add comes from the ‘halo effect’ of talking about inclusion, empowerment and innovation that comes from a focus on disability. Consumer-facing firms drive top-line growth by leveraging insights from PWD, refining messaging, and incorporating insights from disability to enhance the customer experience.



#### **Talent** – *Finding Great People and Keeping Them at Their Best*

The war for talent is real, and PWD represent a new pool to tap as part of the talent acquisition strategy. While the pool is real, it requires some effort to address. Understanding the space and connecting talent to core business goals are good first steps. Diversity recruiting has taught practitioners a few things: a) robust pipelines precede hiring; b) PWD must be attracted to the firm through brand appropriate messaging, and, c) done properly, the firm must be aligned internally on the rationale in hiring PWD. It is critical for companies to open their employee base to PWD in a robust way, which initially will be a high touch effort. Data and experience shows that this approach results in high productivity, higher quality and higher returns.

#### **Productivity** – *Leveraging Insights from Disability to Drive Efficiency*

Innovation is born from extreme environments, solving for a set of demands outside the norm. PWD do things in ways that “Joe Average” just does not think about. They are extreme users of technology and infrastructure. If one can solve for ‘extreme users’, one innovates applications for the average user. By empowering a line worker with one hand; who happens to have low vision, to reduce a 100 step process to 23 (simply because it is easier for her), it just became easier for all while removing complexity and cost from the operation. Firms acting in this area today are seeing efficiency gains in the area of 20%. This can also be applied to product development.