



# Shanghai Telecom turns to skills training to maintain edge over competition

By Shirley Lei

**Company:** Shanghai Telecom Co. of China  
Telecommunication Group

**Industry:** Telecommunications

**Strategy:** Improve its competitiveness in the changing market through training and development.

**Implementation:** Leadership 2000, Professional Selling Skills (PSS) and customized customer service training.

**Training population:** Managers, customer service and sales employees among selected customer service departments and operational outlets.

**Results:** Based on a successful leadership pilot session, the company adopted AchieveGlobal's PSS and customer service training, which led to one operational outlet reducing customer complaints by 50 percent.

“Change, change, change. The only thing that has not changed is the change,” according to those in the telecommunications industry in China.

For the past half century, the government monopolized China's telecommunication services. The only state-owned organization controlled every aspect of the industry, from equipment to the operation.

At the end of the 20th century, with World Trade Organization entry imminent, the Chinese government gradually carried out the limited opening policy in the telecommunications market. This has

resulted in constant and intense market competition and reorganization.

New telecommunication operators were licensed in the domestic market within one year. Companies such as CNC, Railwaycom, Jitong and UniCom were making use of various ways to nibble the market shares once monopolized by China Telecommunication Group. At the same time, new technologies were making for traditional services slow-down. And foreign investors have set up joint ventures, preparing for the future battles.

The entire telecommunica-

tions industry in China is stacking the cards. Explosive news appears every day. In order to attract low-income customers to install phone lines, companies are slashing their initial fees. CNC recruited top qualified personnel with attractive packages never offered before in the market.

## Pressure and solutions

The huge market pressure has kept the China Telecommunication Group people awake at night. When consultants from AchieveGlobal (Shanghai) interviewed the young executives of the Group's subsidiary, Shanghai Telecom Co., they were told, “Those who were our colleagues three months ago now are the employees of other companies. Some are even our competitors, or the sales representatives of other suppliers. Now the customers are far more demanding. The cash burning of the new companies and the price war in the industry are also confusing us. So many changes are taking

place everyday, everywhere.”

In the past, the “human element” had not been regarded as a resource. Academic records and diplomas were more important, rather than competitive factors such as the individual's personal competence, skills or specialties. This outlook would have to change, as large state-owned corporations in China suddenly found it difficult to deal with the market upheaval.

Since the summer of 2000, Shanghai Telecom Co. of China Telecommunication Group (Shanghai Telecom) has taken a critical step by positioning staff through competition while giving consideration to their personal development plan. In order to retain talented staff, the company carried out a series of individual development plans that align with the company's strategy. For the first time in Shanghai Telecom history, young managers participated in skills training — AchieveGlobal's Leadership 2000 — to enhance their leadership abilities.

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After extensive interviews with all level people involved, the interactive workshop on leadership skills achieved excellent results. These young managers, with an average age of 30 and more than 30 percent having Ph.D. degrees, acquired “the basic principles for a collaborative workplace” for the first time. And facing the changes in their industry, they were well prepared to “navigate challenges and embrace opportunity.”

### From vocational education to business-oriented training

Based on the successful pilot session, Shanghai Telecom has boldly adopted a series of AchieveGlobal’s training programs on professional sales and customer service for selected customer service departments and operational outlets.

The company’s professional training is experiencing fundamental change in the area of technology, knowledge and skills. Traditional diploma-based vocational education has gradually moved into business-oriented training. The whole company is realizing the true value of adaptability and improvement of professional skills.

With a top-down vision on the value of training, Shanghai Telecom has changed its view and operation on training and development through professional assistance from AchieveGlobal.

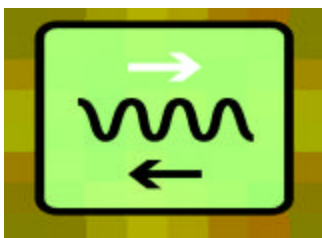
Before the training, AchieveGlobal consultants observed how customer service representatives and salespeople worked, attended the employee’s routine business meetings and even helped to coordinate their disputes with customers. The consultants used these observations to enhance the training programs and “mastery tests.” This effort made every participant feel that “this training program is specially designed for me.”

### Shanghai Telecom makes full use of its training investment

After sharing the customer service and coaching skills with the managers of other operational outlets, Shanghai Telecom customer service managers went back to make use of internal resources to set up a customer relationship process (CRP).

One manager of an operational outlet came back one month later to announce proudly, “I took some actions

after the training, encouraging my people to improve the service processes to meet the needs of different customers and enhance customer retention and customer loyalty. The complaining calls from customers have dropped by 50 percent since the new CRP was designed.”



“Our organization must benefit from continuous learning so that people will understand the significance of life through working. Working is for learning.”

— Dr. Wang Zhi Hong  
Former Division Chief of  
Training and Development  
Shanghai Telecom

and skills to the professional standard. We will build the relationship with our current and future customers not just for the short-term benefits. We must constantly improve ourselves, not only to meet the needs of our customers, but also to add value for them.”

### From “corporate training” to “training corporate”

In February 2001, Dr. Wang Zhi Hong, former division chief of training and development department, made a keynote speech on “From Corporate Training to

Training Corporate” at the Business Training and Education Forum held in Shanghai for the official visit of the Canadian Premier.

His speech made it clear that Shanghai Telecom’s vision is to be ready at the front tier of competition. It emphasized that investing in people adds immense value to the organization, its employees and the customers, and that putting quality before quantity when selecting training resources gradually increases the value of the training.

What surprised many of the forum attendees was the philosophy on training and development of Shanghai Telecom: “Our organization must benefit from continuous learning so that people will understand the significance of life through working. Working is for learning.”

Shanghai Telecom, as well as other business players, will face more changes in the new century. “Organization rebuilding” will be a hard but glorious challenge. The training and development team of Shanghai Telecom understands their roles and responsibilities. They are making the sustained efforts to meet the new challenge.

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