

Required Try-It Activity 7.1: Value Proposition Expansion

Learning Outcome Addressed:

- Create a value proposition for a chosen organization in response to changing customer needs.

In this three-part activity, you will gain hands-on experience in defining and developing a value proposition in response to changing customer needs. You will start by defining your existing core product or offering and the value received by each customer type, then you will pinpoint new value you could add by rethinking your current offering.

Answer the questions in Parts A, B, and C in the space below each section.

Part A: Defining Today's Core Product or Offering

1. Pick a well-established industry that you are quite familiar with (e.g., air travel, retail, financial services) and choose a single, well-established organization within that industry. For example, if you've worked in the oil and gas industry, you might choose a category leader, such as Exxon Mobil. **What is your chosen industry and organization?**

Industry: Telecommunications

Organization: T-Mobile US Inc.

I chose this industry and organization because of Concentrix's deep 14-year partnership with T-Mobile, where we've grown from 100 to 1,100+ consultants supporting their digital transformation. Having personally worked on their complex technology architecture spanning frontline retail, network engineering, digital operations, and cybersecurity platforms. I have intimate knowledge of their business model evolution and the challenges they face in today's competitive telecommunications landscape.

2. **What is your organization's core product or offering?** This should be the main offering to most of your customers and what generates the most profit in aggregate.

T-Mobile's core offering centers around wireless telecommunications services including:

- **Wireless Service Plans:** Unlimited data, voice, and text plans for consumers and business
- **Device Sales and Financing:** Smartphones, tablets, and connected devices with financing options.
- **Network Coverage:** Nationwide 4G LTE and expanding 5G network infrastructure

Through our partnership, I've seen how T-Mobile's revenue primarily comes from monthly recurring charges for wireless services, device sales, and activation fees. Their core value proposition has been disrupting the traditional telecom model with "Un-carrier" initiatives – eliminating contracts, reducing fees, and providing transparent pricing. However, this commoditizes connectivity and puts pressure on traditional revenue streams.

Part B: Evolving a New Value Proposition

Imagine that the profit of the core business will decline to zero in five years. You may still be able to sell it to gain customers, but there is no margin left.

3. What new value propositions could you offer customers; that is, what could you charge them for beyond the current core offering? Propose two or more ideas for new value propositions you might offer.

Value Proposition 1: Smart City Infrastructure-as-a-Service

Transform from providing consumer connectivity to becoming the intelligent infrastructure backbone for smart cities. Leverage T-Mobile's 5G network and edge computing capabilities to provide municipal governments with complete IoT platforms for traffic management, environmental monitoring, public safety, and energy consumption, guaranteeing measurable improvements in city operations efficiency.

Value Proposition 2: Enterprise Digital Twin Platform

Evolve from basic business connectivity to providing real-time digital twin capabilities for enterprises. Using T-Mobile's network edge and IoT connectivity, create comprehensive digital replicas of manufacturing facilities, supply chains, and operations that enable predictive analytics, autonomous optimization, and virtual collaboration experiences.

Value Proposition 3: Personalized AI Life Assistant Ecosystem

Move beyond communication services to becoming a complete AI-powered life management platform. Integrate T-Mobile's network data, device connectivity, and location intelligence to provide customers with proactive assistance for daily activities – from optimizing commute routes and managing smart home systems to coordinating healthcare appointments and financial planning.

Part C: Building the Future Business Model

Pick your most intriguing idea(s) for new value propositions for your customers from the ones you generated in Part B.

Your challenge now is threefold: to define a new business model that will enable you to deliver this value proposition (or these value propositions) to the customer, to capture revenue from that value proposition (or those value propositions), and to defend against new competitors.

Respond to the following questions:

4. What would you need to be able to deliver this offering? That is, what capabilities, assets, partnerships would enable you to deliver it?

Focusing on Value Proposition 1: Smart City Infrastructure-as-a-Service

Core Capabilities Required:

- **Municipal IoT Platform:** Comprehensive sensor networks for traffic, air quality, noise, energy, and public safety monitoring
- **Edge Analytics Infrastructure:** Real-time processing capabilities at cell towers for immediate response to city events
- **Smart City Application Suite:** Traffic optimization, emergency response coordination, environmental compliance, and citizen engagement platforms
- **Predictive City Operations:** AI models for predicting and preventing urban infrastructure issues.

Strategic Assets:

- **5G Network Infrastructure:** Leverage existing nationwide 5G deployment for ultra-reliable, low-latency connectivity
- **Edge Computing Nodes:** Deploy processing capabilities at existing cell tower infrastructure.
- **Network Analytics Platform:** Utilize anonymized mobility and usage data for urban planning insights
- **Cybersecurity Expertise:** Apply existing network security capabilities to protect critical city infrastructure

Key Partnerships:

- **Smart City Technology Vendors:** Partnerships with Cisco, IBM, Microsoft for IoT sensors and analytics platforms
- **Municipal Software Providers:** Collaborations with Tyler Technologies, Oracle, SAP for government ERP integration
- **Infrastructure Partners:** Alliances with utility companies, transport authorities, and emergency services
- **System Integrators:** Leverage existing Concentrix partnership for implementation and ongoing operations support

5. How could you earn revenue? Who would pay? Remember that this may not be just your current customers.

Revenue Models:

Infrastructure-as-a-Service Subscription (Primary):

- Monthly recurring revenue based on city population and number of connected endpoints
- Tiered Pricing: Basic Monitoring, Advanced Analytics, Premium AI-driven optimization
- Performance-based pricing with guaranteed SLA improvements (traffic reduction, response times, energy saving)

Outcome-Based Municipal Contracts

- Revenue sharing based on measurable city improvements (reduced traffic congestion, lower crime rates, energy efficiency)
- Multi-year contract with municipalities for comprehensive smart city transformation
- Professional services for custom integration with existing city systems

Who Would Pay:

- **Municipal Governments:** City and county governments seeking digital transformation and operational efficiency.
- **State Transportation Departments:** State agencies managing highway systems and public transportation.
- **Federal Agencies:** Department of Transportation, Homeland Security for national infrastructure initiatives.
- **Public-Private Partnerships:** Consortia of government and private entities funding smart city projects.

Revenue Expansion:

- **Data Insights Platform:** Anonymized urban analytics sold to urban planning consultancies and academic researchers
- **Citizen Engagement Services:** Mobile apps and digital services for resident interaction and government transparency
- **Emergency Response Services:** Premium public safety coordination and emergency management capabilities

6. What could you do to prevent other competitors from offering the same value proposition(s)? How would you respond if Google, Amazon, or Uber attempted to enter your new market?

Defensive Strategies:

Infrastructure Moats

- Leverage T-Mobile's Extensive 5G network coverage that competitors would need years to replicate
- Build extensive partnerships with municipal governments through long-term smart city contracts
- Create deep integration with existing city systems that would be costly and disruptive to replace

Technical Differentiation

- Develop proprietary urban analytics algorithms using T-Mobile's unique network data insights.
- Build the most comprehensive smart city platform with broadest geographic coverage
- Create industry-specific solutions that require deep municipal domain expertise

Partnership Ecosystem Lock-in

- Establish exclusive relationships with key smart city technology vendors
- Create network effects where more connected cities improve the platform for all participants
- Build relationships with municipal bond agencies and federal funding sources

Response to Big Tech Competitors:

If Google enters: Emphasize data privacy and local control vs. Google's data collection model; highlight carrier-grade infrastructure reliability vs. consumer-focused platforms; leverage existing municipal relationships and regulatory expertise

If Amazon enters: Position as neutral infrastructure provider (not competing with local business like Amazon); emphasize real-time network capabilities vs. AWS's cloud-centric approach; highlight commitment to local communities vs. global corporation

If Microsoft enters: Leverage superior network infrastructure and IoT connectivity vs. software-only solutions; emphasize telecommunications

regulatory expertise and government relationships; focus on real-time capabilities that require carrier-grade networks

Strategic Partnerships:

Form exclusive partnerships with major city management software providers; develop proprietary APIs for municipal system integration; invest heavily in smart city R&D to maintain technological leadership; leverage Concentrix 1,100+ consultant relationship for rapid implementation and support capabilities.