

The Portland Project

Securing an MVNO network deal

Piran Partners LLP

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Background

Portland, a global telecommunications company, has grown to become one of the most successful mobile virtual network operators (MVNO) in its sector. Portland's growth has been fuelled by a simple concept and an understanding of how to market and distribute this concept.

Piran Partners' challenge

Portland approached Piran Partners seeking an MVNO agreement in the UK. Portland's success outside of the UK was an obvious positive however Portland's brand was completely unknown in the UK. The UK also has the reputation of being one of the most difficult countries in which to obtain an MVNO agreement. Additionally, the sector in which Portland operates is particularly sensitive, and mobile operators were understandably wary of associations in this sector.

Getting to know the business

With experience of obtaining many MVNO agreements across Europe, Piran Partners knew that implementing its Virtual Partner Programme (VPP™) would maximise Portland's chances of successfully gaining an MVNO agreement.

Piran Partners VPP is a structured process that guides a client from concept development through to MVNO launch. During Step 1 (the MVNO Quick Start Tool) we work closely with the client to align their strategy, refine the proposition and business case and create an engaging story to explain the proposition. Hence everything is well prepared for Step 2 when we engage with the selected mobile operators. Once we have received offers from mobile operators we enter Step 3, Commercial Contract Agreement, during this step our clients benefit from our wealth of experience negotiating MVNO agreements. During Step 4 we help our clients specify and deliver the systems and processes required to quickly implement a successful MVNO.

Our practical experience is that you only get one opportunity to present your case to a mobile operator.

Making it happen

Obtaining an MVNO agreement is a complex process; mobile operators receive hundreds of proposals each year and typically only complete two or three deals each year. Having prepared Portland's proposition by implementing Piran Partner's VPP makes the proposition special, but would it stand out in the crowd?

The Proposition

Like with any MVNO, the go-to-market proposition was critical to Portland's success; imprecise propositions mean lost customers and lost profits. As Portland had shown elsewhere, a killer proposition can easily over compensate for a weak wholesale cost base or distribution footprint.

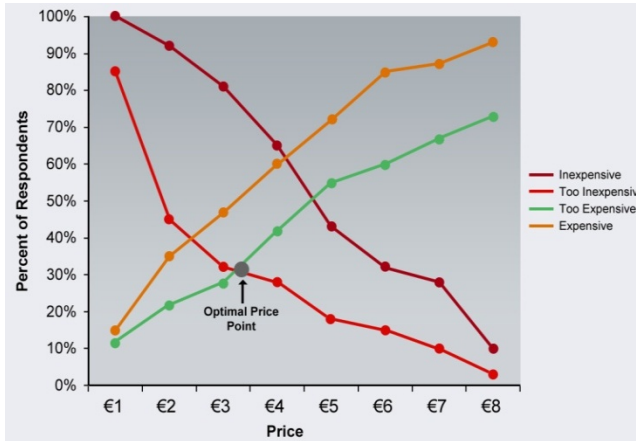
Portland knew that their proposition had to be optimised for the local national market. Piran Partners helped Portland put the science back into the art of creating a killer proposition. Piran Partners conducted the detailed research and analysis including focus groups and determined the optimum pricing point using a technique known as the price sensitivity meter. Of course judging the future state of the market requires insight and experience; an area where Piran Partners' extensive experience proved invaluable.

An ability to demonstrate such a high level of professionalism and commitment clearly impressed potential mobile network partners. Operator feedback indicated that Portland's pitch was amongst the best they had received.

Closing the deal

Within 6 months, Piran Partners had received two formal MVNO offers on Portland's behalf.

Portland entrusted the complex contract negotiation to Piran Partners; having an experienced third party



manage this process has many advantages to both the client and mobile operator. Piran Partners co-ordinated Portland's team of professionals including programme managers, lawyers, accountants and technologists.

What value do the parties think Piran Partners added?

The tier-1 mobile operator said to Portland, *"You know Piran are making this happen for you, they really know the MVNO business."* Director of Wholesale.

Portland said of Piran, *"Our relationship [with Piran] is really special, you've delivered more value than we ever imagined possible."* Portland's CEO.

What Piran Partners thinks: It's great to hear that both our clients and their partners value our services. Our relationships are built on a no-nonsense approach backed by our practical experience which means we really know what we are talking about.

Top 5 tips to obtain an MVNO agreement

Tip 1: Get the story straight

Don't approach mobile operators until the story and strategy stands up from all angles.

Tip 2: Be Realistic

Be realistic with both revenue projections and timeline expectations. Clearly over optimistic business plans with little substance are of little interest to mobile operators.

In some instances, especially where an operator has not previously supported service providers an experienced MVNO team may be considerably more knowledgeable than the mobile operator team. Large mobile operators are large corporations, by their nature they move more slowly than entrepreneurial organisations – be aware of this.

Tip 3: Be conscious of the mobile operator's hidden hurdles

“Warning: Hidden icebergs waiting to sink your pitch”

When you present to a mobile operator your pitch needs to skilfully avoid the hidden icebergs whilst relating to the mobile operators current hot topics. Your view of what's most compelling may differ radically from that of a mobile operator.

Tip 4: Ensure that everything is consistent

Your presentation will undoubtedly lead to follow-up questions, it's too late at this point to discover that the forecasts you presented are wildly inaccurate or unrealistically over optimistic. Your credibility has now been damaged, possibly beyond repair.

Tip 5: It takes longer than expected

In our experience the time from initial engagement with mobile operators to service launch typically ranges from 9 to 18 months. During this period it is

important to minimise expenditure within the MVNO and not make un-necessary commitments with vendors.

About Piran Partners

Piran Partners provides clear, practical and straightforward advice to clients in the Telecoms, Media and Technology sector. We approach challenges from a commercial perspective, aiming to add significant value to your business.

We work with MVNOs, mobile operators and organisations throughout the mobile value chain from retailers through to equipment suppliers.

Our Virtual Partner Programme has successfully delivered 10 MVNO agreements on behalf of European clients in the last 5 years.

Piran Partners' founders are industry veterans with over 20 years experience each of the TMT industry. We pride ourselves that all our partners and associates are carefully selected based on their proven practical experience in the industry.

For more information on our services, please visit www.piranpartners.com or call +44 (0) 8708 799 300

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