

**REPORT OF THE COMMITTEE CONSTITUTED BY SNEA KERALA CIRCLE FOR THE
MERGER OF CMTS IN TO A SINGLE BUSINESS UNIT UNDER CM VERTICAL**

The committee constituted by SNEA Kerala circle has analyzed in detail, the adverse impacts in the quality of our mobile network consequent to the disintegration of CMTS in Kerala circle to SSA level. The objective of this committee is to find a way out to rectify the damages and to restore back the past glory of our network standards. As part of this analysis, various circulars issued by BSNL corporate office on this subject were studied in detail and the salient points in each circular are listed below:

A. Ref: DO letter of DIR(CM) MOB/8/CMTS/QoS/2014-15 dated May 16,2014

1. In para 2 of the above cited reference, then Director CM and present CMD Sri. Anupam Srivastava has clearly stated that Kerala is one of the best performing circles in India and the average revenue per BTS is very high.
2. Vide para 6 of the above DO letter he had reiterated that the other circle CGMs should take help from circles like Kerala and Orissa to initiate and implement the process of structural revamp after discussing with heads of above circles. Attached to the above letter a model has been proposed by the Director CM.
3. In this vide point 6 it is clearly stated that BSS/NQM teams should be under the control of CM vertical under Sr.GM/GM(NWO-CM). The telephone exchanges where BTS is located will continue to be maintained by Sr.GM TDs.

B. Ref: Lr.No.FNOMOB-14/NWO CM-3/QoS(Structural revamp)/2014-15/6 dated 02-09-2014

As per the above cited reference, a committee has been constituted under the chairmanship of Sri. Syam Naren, Sr.GM(NWO-CM), Corporate Office for the organizational structure implementation in ERP for suggesting the appropriate changes in ERP implementation. Committee submitted its report on 31/12/2014.

C. Ref: Lr.No.FNOMOB-14/NWO CM-3/QoS(Structural revamp)/2014-15/55 dated 02-12-2014

Salient features of the Report

- **QoS Parameters:-** QoS parameters of Kerala circle is good and at par with the other operators even though it is very poor for BSNL in other circles(As per M/s Deloitte Report)
Observation:- Kerala Circle was following the same CM vertical Structure up to BSS/NQM level under Sr.GM(NWO-CM).
- The committee also instructed to implement the following major recommendations for the network maintenance.
 - ❖ BTS Infra(Tower, Shelter, DG, earth, AC, battery, PP etc) for non exchange BTS sites shall be maintained and supervised through a BSS Infra team under CM vertical and the assets also should be accounted under CM Vertical.
 - ❖ BTS infra(Tower, Shelter, DG, earth, AC, battery, PP etc) for Exchange cum BTS sites shall be the assets of SSA and will be maintained by the SSA team.
 - ❖ BSS system like BTS, Node Bs and associated items (RF cable and antenna), BSC, RNC and Mini Link shall be the assets of CM vertical. The maintenance activities have to be carried out by BSS team directly under CM Vertical.
 - ❖ The expenditure for the manpower (Salary, TA, and DA) and other payments (AMC) shall be monitored and approved by CM Vertical.
 - ❖ All statutory payments (Electricity bills, rent etc.)to be escalated by CM vertical
 - ❖ SSAs will be responsible for the related transmission network excluding mini links.
- The committee is in of strong opinion that BSS jobs, RF Optimisation Jobs, RF Planning jobs and OMC-R jobs are the four wheels of a vehicle which are essential and cannot be separated in order to maintain the required QoS and should be under the single CM-Verical. But unfortunately in Kerala circle, only RF Planning jobs and OMC-R jobs are in CM-Vertical and BSS jobs and RF Optimisation jobs separated and attached to SSAs.

Even though the committee has submitted the above recommendations for the implementation by circles on 02/12/2014 only, Kerala circle effected the structural revamp, totally against the recommendations of the committee in September 2014 itself without waiting for the recommendations of the committee report.

D. Ref: F.N O MOB-14 /NWO-CM-III /QoS(Structural revamp)/2014-15/56 dated 19/01/2015.

Based on the committee report dated 02/12/2014, Corporate Office has issued detailed guidelines of the organizational Structure in ERP for CM vertical vide letter cited above under reference. In this report CMTS Assets are defined as: BTS Infra Items(excluding Exchange BTS sites), BSS Items, Mini Link and M/W systems, core network items and zonal network items are assets of CM vertical.

Equipment/ assets for which maintenance is required under CM vertical should be mapped in ERP in such a way that they are available as assets of CMTS vertical. This aspect should be taken care during migration in ERP. The circles that have already migrated in ERP may review and ensure that the specific asset(e.g. BTS Infra for non-exchange BTS site) are available in CMTS vertical on which the expenditure is likely to be made by CM vertical. If this is not done correctly the revenue and expenditure figure of CMTS vertical will not reflect correctly.

Regarding the organizational Structure of CMTS unit, the report gives following recommendations as per point 3a(vi) The committee also opined that if any BTS infra team for non exchange sites are still under the control of SSAs they should brought under the control of CM vertical.

From the above cited circulars and the analysis, it is established that corporate office reiterates again and again for a single CMTS unit in each circle headed by PGM under CM vertical.

Kerala circle model of CMTS unit:

Kerala circle CMTS has been following the same model as recommended by corporate office right from its inception in 2002 till September 2014. The advantages and achievements are many fold. Some of them are listed here:

Advantages of this model:

1. All crucial decisions were taken at a single point. They were quick and effective.
2. AMC/warranty could be finalized centrally and payments made for the entire circle from the single point. The procedure for the entire circle was uniform.
3. Housekeeping, diesel filling, vehicle hiring tenders were finalized and managed centrally.
4. Infra sharing decisions could be taken quickly and effectively.
5. Network optimization and utilization of network elements like BTS/BSC/RNC cards, Antennae, wave guide, power modules battery power plant etc across the entire network of the circle could be done without any issues since the entire network was controlled administratively and technically from a single point.
6. Payments for the works done by civil and electrical wings could be released very quickly.
7. HR matters and personnel claims of staff were managed effectively and quickly from the centralized point without delay.
8. Financial approval for various works (LPCs), Administrative Approval and Expenditure Sanction could be processed and issued without delay since the finance was also centralized and collocated in the same office.

Achievements of this model:

1. The quality of the Kerala circle mobile network was adjudged to be the best among all the circles.
2. BSNL could effectively compete with our competitors, private operators.
3. Revenue growth and customer addition was the best in Kerala circle.
4. Port in/Port out ratio was the highest in Kerala circle.
5. Operation and maintenance cost was minimum.

6. Corporate office appreciated the functioning of Kerala mobile services in various management meetings and conferences and quoted it as an example.
7. Other circles were recommended to follow the Kerala mobile services working model.
8. Considering all the above merits, advantages and achievements of the above model of working in Kerala circle, corporate office has issued guidelines/instructions to all circle heads including Kerala circle to retain the Mobile Services as a single Business Unit under CM vertical even in the post-ERP implementation scenario.

Unfortunate development in Kerala circle in September 2014:

In September 2014, in the name of ERP implementation, the then CGM deliberately ignored and violated all the above orders. Without consulting any of the senior officers, unions and associations, Mobile Services, Kerala was disintegrated into fragments. He has openly declared in management meetings that, corporate office may issue many orders, but he has no intention of obeying any of them and he need not and will not do so.

The changes introduced are listed below:

1. The 65 BSS sub divisions and NQM teams were handed over to the respective SSAs along with the assets.
2. The concept of centralized monitoring and maintenance of the network was lost.
3. Even the finance wing of the Mobile Services was dismantled and merged with circle office.
4. The team of skilled and talented officers specially fine tuned to up-keep the maintenance standards of the mobile network were made over to the SSAs and even the portfolios of some of them were changed in the SSAs .

As a result, all the advantages mentioned in the previous page have been reversed to disadvantages. Some of them are listed below:

Disadvantages of fragmentation of Mobile network maintenance:

1. Since the decisions were taken at multiple points there is considerable delay in many decisions
2. AMC/warrant procedures and payments are made complicated.
3. Housekeeping, diesel filling and vehicle hiring tenders called from all the SSAs and there is no uniformity.
4. Infra sharing is scattered to all the 11 SSAs and there is considerable delay in decision making.
5. Inter SSA movement of BTS cards, power modules, battery, power plants, antennae, RF cables etc for optimizing the network resource utility is facing stiff resistance from SSAs since the assets are owned by the respective SSAs and in some cases even SSA heads have to be contacted and permission to be obtained. There were no such issues in the pre-erp model.
6. Payments for the works done thru' civil and electrical units are delayed abnormally and the vendors have stopped supplying crucial equipments like DGs to BSNL.
7. Financial approvals like administrative approval and expenditure sanction are delayed too much and the development activities are delayed and affected.
8. Petty contractors' bill payments are delayed for months together and the installation teams find it extremely embarrassing to order further works when the bills for the works done already are pending for months.
9. Effective network optimization and execution of Automatic Frequency Planning (AFP) could not be carried out.

All the above, have caused severe damage to BSNL mobile network in Kerala and some of them are listed below:

1. The maintenance standards achieved so far in the mobile network of Kerala circle due to the merits of the previous model have started deteriorating.
2. This has caused loss of revenue, customer dissatisfaction and loss of reputation for BSNL

3. Port in/port out has decreased.
4. Our competitors have started capitalizing this.
5. Rate of growth in customer base and revenue have decreased.
6. Operation and maintenance cost have increased.

Conclusion:

From the above deliberations, it is proved beyond doubt that the disintegration of mobile network in Kerala circle has caused severe damages to our network in all the performance parameters and our competitors are enjoying the fruits.

Recommendations of the committee:

The one and only remedy is sight is to integrate the mobile network as it was and restore its glory and standards to the pre-erp implementation norms by bringing it back to the centralized model.

- As suggested in corporate office guidelines and instructions, in ERP, mobile services may be retained as a separate business unit (BU) with a new plant code in ERP under CM-vertical.
- All existing assets pertaining to mobile services in SSAs to be brought back to the above business unit (BU)
- Administrative and financial control of mobile services in Kerala circle to be brought under this BU.

Corporate office has already issued clear-cut orders and guide lines in respect of merger of CMTS as a single unit in each circle which are already cited and discussed above.