



Jaymin B. Patel

EDITORS' NOTE Jaymin Patel is the President and CEO of Brightstar Corporation, a leading provider of B2B services to mobile device manufacturers, operators, retailers, and enterprises, with global revenues in excess of \$12 billion.

Prior to joining Brightstar, Patel held a number of global leadership positions for more than 20 years at IGT plc, formerly GTECH S.p.A, and served as a Board Member. From 2008-2015, Patel was the President and Chief Executive Officer of GTECH Corporation and from 2007-2008 President and Chief Operating Officer. Prior to that, in 2000, Patel was appointed as the CFO of GTECH Holdings Corporation, at the time making him one of the youngest CFO's of a NYSE listed company.

During Patel's tenure he was responsible for the management and strategic development of GTECH's global businesses including the company's lottery, gaming, and interactive businesses. Patel also launched the company's highly successful credit card transaction processing business in Eastern Europe. He has worked extensively in emerging economies with specific emphasis in Eastern Europe, Latin America, and Asia Pacific.

Previously, Patel worked at PricewaterhouseCoopers (PwC) in London. He grew up and was educated in the U.K., holds a B.A. (honors) degree from Birmingham Polytechnic (UK), and qualified as a Chartered Accountant with PwC.

In addition, Patel is a Director of Willis Towers Watson Group Holdings plc, a leading global advisory, insurance broking and solutions company.

COMPANY BRIEF Brightstar (brightstar.com), a subsidiary of SoftBank Group Corp., is a leading provider of B2B services to mobile manufacturers, operators, retailers, and enterprises and is the largest specialized wireless distributor in the world. With more than 50,000 customers in about 100 countries across six continents, Brightstar is firmly positioned at the center of the wireless ecosystem®. Brightstar touches almost

Brightstar 3.0 - Transformation to Customer-First

An Interview with Jaymin B. Patel,
President and Chief Executive Officer, Brightstar Corp.

every aspect of a mobile device somewhere in its lifecycle by providing innovative services such as supply chain and omnichannel solutions, financial solutions, device protection, and buyback and trade-in services – seamlessly integrated across customer mobile value chains.

Will you talk about the history and heritage of Brightstar and how this company has grown to where it is today?

When I joined the company, I found tremendous entrepreneurial spirit. The founder, Marcelo Claire, had built the company from the ground up to about \$10 billion in revenues over a 16-year period – starting in 1997 as a mobile phone distributor. During the late 1990s and early 2000s, Brightstar's business grew substantially as we worked with mobile phone manufacturers to take their product to market in different countries and retail outlets around the world as the wireless industry was developing.

That model worked for many years; however, the world has changed. A carrier's fundamental business is to provide high quality network connectivity and services to consumers and enterprises. For carriers and retailers that sell devices, there is a myriad of complexity to be managed between getting the right mix of devices from manufacturers to the end consumer – whether it be via retail, online, or any combination thereof.

Over time, Brightstar grew more broadly into a supply-chain business, providing technology and innovative services including forecasting new product and replacement demand, in-store ranging of available devices, inventory management, in-stock rates, managing excess and obsolescence, and ultimately driving high levels of customer satisfaction.

In 2007, Apple launched its first iPhone and the market changed dramatically. With the launch of the iPhone, combined with existing OEMs working more directly with carriers and retailers, the role of mobile device distribution companies began to change. Over time, Brightstar began to see new opportunities in used markets. Smartphones were becoming more developed from low to high price points and demand in emerging countries grew exponentially. The used device market began to grow, particularly with higher-end phones that could be recycled effectively and sold into both existing mature and emerging markets. Brightstar developed innovative solutions in

the global buyback and trade-in business and has since become a leading player in the global market for recycled devices.

The company is known for innovation and helping customers solve problems. We listen to our customers to understand what kind of issues they're facing in servicing their customers, and we innovate a solution to solve their problems. For example, over the past two years, we have developed a process and technology around reverse logistics and grading devices. Today, there are approximately 80 million high-end used devices in the world. Brightstar manages approximately 15 million of those used devices so we have significant market share. Managing so much of the recycled industry has caused us to drive tremendous innovation in the way we collect devices, the way we grade them, and the way we get those products back into the marketplace.

We have opened up whole new markets and channels for our customers in the ultimate disposition of used devices – as an example, we have provided Uber with used devices for its drivers in many countries around the world. The industry around reverse logistics is just one example of where Brightstar has been very innovative.

With the growth that Brightstar has seen geographically, how challenging is it to avoid losing the company's culture?

Today, Brightstar is a large organization but has retained a small company culture with a start-up philosophy. We are developing a range of new services to carriers, retailers, and consumers with an entrepreneurial mindset, and we see tremendous growth potential.

We now measure growth in terms of development of innovative services and how that can generate cash flow and drive profitability. I'm not so driven to grow the top line – I'm driven to make sure we deliver services that will result in making our customers more competitive and best in class. This will help transform Brightstar into a business with longer-term service relationships resulting in a recurring revenue business model.

In a broader sense, the understanding and awareness of the Brightstar brand doesn't seem at the scale it could be. Does brand matter broadly or is it more important within the specific industry?

We are a B2B business so our philosophy is that we don't want to trumpet our brand in

terms of taking over the mindshare or servicing our customers. What's important for us is to make sure our customers' brands and their businesses are at the forefront and we are behind the scenes, providing these important services that drive their business. We are honored that the Brightstar brand is recognized within the industry, but I'm always careful not to make our brand too prominent if that takes away the shine from our customers.

When we work with customers, be it a retailer, a carrier, or the end consumer, our job is to make sure we are bringing forward bold solutions that empower their businesses.

I think about services in two broad categories: the first is accessibility and the second is affordability.

In terms of accessibility, the question is, how do we get relevant product to the right place at the right time with the optimal level of inventory and product ranging in the store? It is a complex conundrum to address these days with the number of mobile devices in the universe and consumers having a huge number of choices. Our job is to work with our customers to narrow down the best way to get the product to market to make the consumer choice the best possible.

On the other hand, a very big part of our business is driven by affordability. The mobile phone, which is today a handheld PC, is the main device for running one's life day to day. So the question is: how to make the device more affordable in the hands of the consumer? We have developed a series of financial solutions

that leverage our deep know-how of the value of recycled devices.

Brightstar played a prominent role in developing financial solutions and in the global buyback and trade-in business. We leveraged our wide view of the industry and connected the dots to bring bold new ideas forward to our customers – ideas that changed the whole landscape for people by making mobile devices more affordable and accessible. When I say we're "boldly serving wireless," it ties back to our entrepreneurial culture and our ability to innovate.

You continue to bring in top talent. How critical has it been to continue to find the right people and bring in the next generation of leaders?

As we go through our transformation journey from a successful distribution supply chain business into a broader global services business, talent acquisition has been a top priority.

We are building a global team – a group of people that first and foremost possess leadership capabilities with experience and global vision to build upon our tremendous customer relationships to deliver new solutions. We want to evolve from a transactional relationship with the customer to a solutions model, where we are developing technology platforms that enable us to innovate – this requires deep knowledge of our customers' businesses.

There are important skill sets required to run a global solutions business leveraging global technology platforms. The way that we build an account plan and look inside of our customer to develop these new innovative solutions from scratch and building product management capabilities requires a whole new set of managerial thinking and leadership. The people we have hired, together with the great people we currently have on the management team, are an important part of the mix that is driving the company forward.

How critical has the internal communication with your people been for you?

Transparency on where you are going and how you will get there is a must at the outset of any transformational journey. Additionally, a global company like Brightstar has multiple business lines with operations in 100 countries, so a clear and concise message is needed for the foundation of all of our communications. After several months of work, we developed a messaging framework that captured the essence of our company – we call it "1Brightstar" and we communicate our story in four parts: 1) new corporate values; 2) our five-year strategic plan to transform our company; 3) a newly unveiled company mantra – "Boldly Serving Wireless" – all adding up to; 4) our goal to be the number-one Mobile Solutions Leader in the industry.

To make the transformation a reality, we set in place a plan with very clear objectives in a number of areas, which ultimately helps us to communicate all of this to the 8,000 people

at Brightstar. This kind of substantial change is difficult for people. However, people can deal with it better if they understand the reality of the current situation and we clearly show them the path we're going down. There is a vision that gets us to a more successful, fun, and profitable place in the future, but people have to understand that there is some pain along the way.

Having honest communication with a clear set of directions and strategies makes people better able to cope.

This isn't the first time I'm going through a major transformation, so I have drawn upon lessons from my past and take the right advice from people within Brightstar, as well as external help.

What is our approach? We have taken a comprehensive view of how to approach the Brightstar 3.0 transformation, and it starts with an understanding and realization that our traditional business model has changed. As we project the impact, we can see what happens to our legacy business lines – this drives the impetus for change.

From that point forward, we put in place a thoughtful approach to implement a number of transformation streams so that we had clarity around how we are going to transform Brightstar. Our first transformation stream naturally revolves around people and organization. Who are the leadership team and the key people we need inside of the company to drive a transformation into new services?

Our second transformation stream is identifying future growth areas. We have been thoughtful and analytical about identifying new trends and understanding where our customers are going. We put in place a growth stream and defined three or four areas where we felt there was tremendous scope for innovation: buyback and trade-in or the recycled business was one area. Creating more affordability solutions through financial solutions was a second one.

A third area was accessories – mobile phone accessories are changing and consumers are wanting more choice. We felt there was much room for improvement in the way that our carriers and retailers went to market for accessories.

A fourth area was device protection insurance. Not everybody in the world wants to buy insurance. We can buy lesser forms of protection that still give the consumer ways to protect their device.

Our third transformation stream was looking at the composition of our cost structure and how we invest. Are we investing our cost structure to keep the lights on inside of Brightstar or investing more in driving development and innovation with our customers?

Our fourth transformation stream was looking at our balance sheet: are we properly financed to drive the growth for the next five years?

Beyond great products and solutions, it takes engaged and energized employees to create superior customer experiences. By instilling shared values and goals in our employees, we stimulate their innovative thinking to create genuine competitive advantage for our customers. ●

