

Pipeline

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www.pipelinepub.com Volume 5, Issue 11

What Has the Economic Crisis Exposed About the Telecommunications Industry?

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The economic crisis is sparing few industries. Telecommunications companies, like most others, are feeling its effects. Although many organizations and individuals would like to upgrade their current programs or invest in new systems, they are perceived as "nice to have" rather than "must have." As such, in many cases, telecommunications programs are being put off for now.

Because so many people consider telecommunications a cost, or "overhead," it takes special insight to invest in it during a down economy. However, when a company perceives telecommunications as more than functionality (and does not scrutinize or eliminate every telecom expense) the rewards can be great.

So, what prevents companies from leveraging telecommunications as a strategic asset? It's a familiar problem: Many companies are unable to align their *information technology* capabilities with their *business* requirements.

Today, telecommunications are much more than simple tools companies rely upon for basic communication. In many ways, they can be strategically powerful. Unfortunately, this is still a difficult message to express to some large companies, even more so in IT departments. On the other side of the wall, business professionals may not give their IT brethren enough information (or respect), limiting their ability to serve effectively.

Considering that in Malaysia, Corporate data services, mobile, and internet services are likely to grow, Telecom Malaysia is investing in making sure that infrastructure is there to support the business needs. This needs an alignment and confirmation from business in terms of what services will be effective. For example, managed services will bring in new revenue streams to effectively optimize IT usage.

The fact that the Defense sector is interested in TM Forum, a leading Telecommunications Industry Standards body, shows that significant IT and Operations management streamlining and automation is needed to support mission critical applications. This needs a highly reliable and standardized IT environment that can accommodate changing business application requirements. A must in terms of the alignment between the business and IT, using modular frameworks that will help not lose any time when **Time to Service** is critical.



How Can Telcos Leverage IT to Reduce the Impact of the Crisis?

Organizations that understand the ways telecommunications provides strategic opportunities—how it can make a dramatic business difference—can make considerable strides, even in challenging economic environments. It's a two-way street: When they do, superior solutions are created, and everybody wins. The ROI for IT costs are significant and easy to identify.

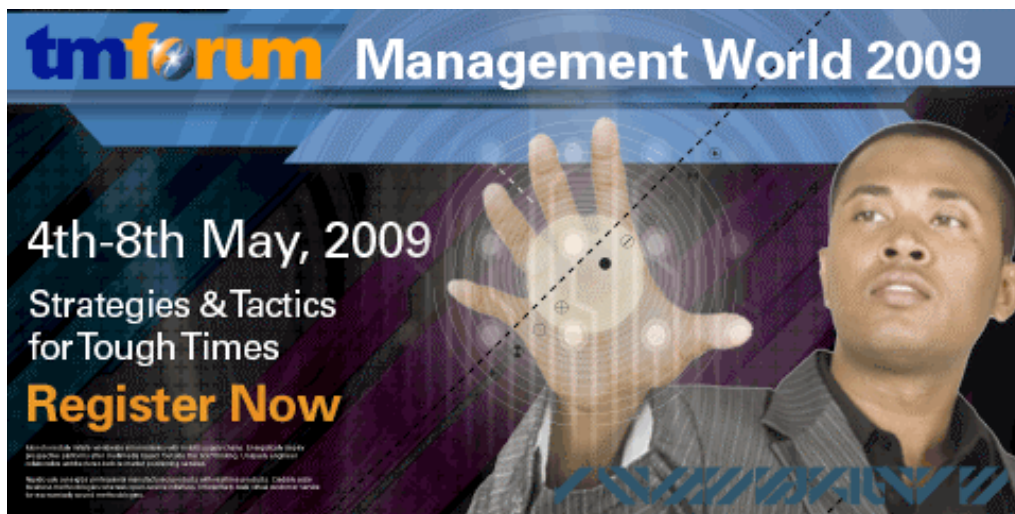
Too often, companies don't realize how the IT shop can play an enormous role in making them considerably more agile and efficient. In fact, when optimized, IT does more than simply enhance the bottom line; it creates differentiators in the telecommunications industry. This takes place through service innovation, streamlined operations and business process excellence, and other attributes. As a result, revenue leakage risk is minimized, and problems are resolved far more quickly.

Companies gain substantially by leveraging IT effectively. To achieve those ends, it helps to go the extra mile, to look at a customer's pain areas. What really affects its revenues? How can IT enhance service levels and management? By targeting such

breakthroughs, organizations will absolutely have a better chance of succeeding, despite the global economic crisis.

Should Telcos Focus On Offering New Services in A Tough Market?

Today, telcos should focus on doing more with less, on optimizing their existing assets, and building on what they already have. They also ought to introduce innovation in both service offerings and pricing service bundles. If cable providers can bring content online, can't telecommunications providers innovate to make their customers' lives easier? Consider: Today, the laptop is accepted globally as a full-time device, just like a Blackberry is in the mobile world. Telcos need to create and market services that enable consumer-handy devices to achieve the quad play and more.



What Are Some Non-IT-based Moves Companies Can Make to Handle the Crisis?

Technology can accomplish a great deal. Any strategy to manage expenses and create new revenue streams ought to include an IT focus. However, it is equally important to effect organizational change and realignment. Achieving this requires doing more with less (again).

A telco's existing professionals need to undergo training to enhance their capabilities and manage more responsibility. And, from a markets perspective, growth in various parts of the world is at different maturity curves. In short, there are numerous opportunities in some markets. Identifying and exploiting "ripe" markets can be very profitable. For example, telcos can enable further growth for wireless and enterprise users by:

- Providing basic services to rural areas where volumes can be very high

- Creating enterprise communities to share IT infrastructures (a new idea that will create opportunities for new types of security and IP protection processes, tools, and technologies)

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