

International Carrier Sales & Solutions (ICSS).

Opinion Piece

Bonn, 23. August 2010

Specialists Talk. It's All About ... Development and Innovation.

The technology market has never undergone such strong growth as now. Transformation is unavoidable. In the process, knowing the significance of changes and developments is particularly important. Increasing innovative output and using opportunities to their full potential quickly and completely play a special role here.

ICSS is redefining old markets and defining new ones. The organization is meeting the call of the market with new, innovative, network-based services, generating agile time-to-market business models with best-in-class partners and innovating with a renewed focus on customer experience. The ICSS organization is challenging and reorganizing itself to serve new visual and video-based markets.

The international wholesale business is also continuing to grow, and forecast losses in the classical voice market are being overcompensated by the increasing broadband hunger in the IP business and by newly arising enabling services in the areas of multimedia and unified communication. New products and activities supplement voice services and change the usage behavior of the customers.

International wholesale, however, means saying goodbye to existing business models and actively approaching new business opportunities. This requires the ability to set up and care for a partner ecosystem in order to react quickly to the changing market conditions.

ICSS says that "we have to develop ourselves. We cannot rely on classical business, but rather we have to change existing conditions to adapt to the new world. We can rely on our strong core competencies, but we have to develop a modular system to offer new services for all our existing customers with the same need for development, as well as new customers relying on our core."

The specialists of Deutsche Telekom International Carrier Sales & Solutions (ICSS), Matthias Maurer and Carsten Schindler, whose daily job is to look into market developments and deal with new ideas, product innovations, and strategy, exchange and give their views on current and future developments. Are we doing everything right?

Matthias Maurer, Head of Customer Value Management at ICSS:

How will the wholesale business develop in the next five years?

"IP will continue to be important due to the broadband explosion, for example, through video. The question is, how can wholesale participate in this area positively without the constant need to invest in



capacity? That's why the topics of content delivery networks and media enabling are at the top of the agenda.

Wholesalers have to keep their ears near to the end customer. In the future, they must be able to offer enabling services, for example. For this purpose, an enabling layer for own services and for third parties is required. A first step in this direction is the MyCommsuite product."

Will the "wholesale" terminology still be the same?

"With the all-IP technology we already see that new players are establishing themselves in the market and offering communications services. These players also need corresponding preliminary services for their own services. The terminology will certainly change because wholesale is developing towards enabling, and the business is becoming solution-based, close to the end-user business."

What will be the future focus in terms of demand, products and business?

"The network remains the core element.

International Carrier Sales & Solutions (ICSS).

Applications on the service delivery platform must be developed in such a way that third parties can create customized offerings on our existing platforms. To offer those specific interfaces to our network, wholesalers must expand their software competences.”

What will a future wholesale customer look like?

“Classical, traditional segments will continue to exist and will even continue to represent the majority of business. New customer segments are arising. The topic of communication no longer belongs solely to telecommunications companies.”

How important is the topic of “partnering”?

“Partnering offers ‘speed.’ With partners, I can quickly take advantage of a specific expertise to enter niche markets vertically and horizontally. Partnering can also take place with large telecommunications companies, especially in regard to regional partnerships.”

What is “innovation”? What will it be like in five years time?

“Innovation means having our ears close to the market and our eyes on development, while having the ability to develop the right business models, quickly.”

Carsten Schindler, Head of Innovation Projects at ICSS:



How will the wholesale business develop in the next five years?

“Besides a consolidation of the voice business, we have to focus on solution-oriented business and new customer

segments served by wholesalers as all-IP networks arise around the globe.”

Will the “wholesale” terminology still be the same?

“Wholesale means providing services to ‘resellers,’ who use the service to offer the same one or adapt it for others. But with solution-focused business and new segments, a different

approach is required. Wholesalers have to be aware that this means longer sales cycle and more project management, for example.”

What will be the future focus in terms of demand, products and business?

“As with all-IP technologies and the growing independencies of services and network, new opportunities will arise. This means that, instead of being a ‘bit-pipe provider,’ wholesalers will have to extend their activities along the value chain by offering enabling functions and managed applications based on their core competencies, for example. And since investment budget will be declining, we also have to explore new business models for ‘pay as you grow’.”

What will a future wholesale customer look like?

“We have to serve new customer segments and demands and therefore adapt our organization to the new world, be it sales, sales support, marketing, billing, expectations from Management, and so on.”

How does the customer change?

“Given these developments, wholesalers have to find their position in the solution-oriented business by setting new competences in sales, sales support, and even marketing. They need to shift budgets and position themselves in the new market requirements.”

How important is the topic of “partnering”?

“Time-to-market is a critical effort. In the new world, no one will survive by relying on existing long processes. With partnering, telco wholesalers coming from traditional services have to change their habits and be open to partners with smaller, more dynamic companies.”

What is “innovation”? What will it be like in five years time?

“Innovation is not the exchange of an existing service by adding new pricing models, for example; it is all about disruptive development: new markets and new business models. However: innovations have to be explored by all within an existing organization. The message is: find ten solutions, set them up, fast fail, and, at the end you might have only three.”



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- Transition leader to the all-IP world
- Outstanding voice outsourcing solutions
- Component provider for the content and media segment
- Best-in-class roaming and messaging solutions
- Highly-experienced wholesale VPN player
- Industry-leading customer care