



**ICKM 2009 CONFERENCE  
WORKSHOP  
KM IN SALES & MARKETING  
TELCO 2.0**

**A Collaborative Partnership Model**

Eric Chan  
Chairman, KMDC

# REVISITING THE TRADITIONAL TELCO MODEL

- End to end development (vs. open platform)
- Long product development cycle
- Prudent ROI evaluation
- All or nothing, no risk sharing with partners
- Tendency of looking for one size fit all
- Killer apps (vs. long tail theory)
- Heavy R&D and differentiate on proprietary (vs. standardization)
- Market relatively homogeneous and stable



# TRANSFORMATION OF TELECOM BUSINESS

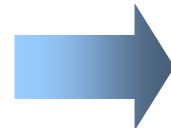
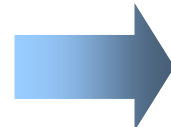
**Telecom**

**Closed network**

**End-to-end  
development**

**Conservative  
ROI  
evaluation**

**Connectivity  
provider**



**Internet**

**Open platform**

**Collaborative  
model**

**Aggressive shared risk &  
return investment model**

**Innovative service platform**





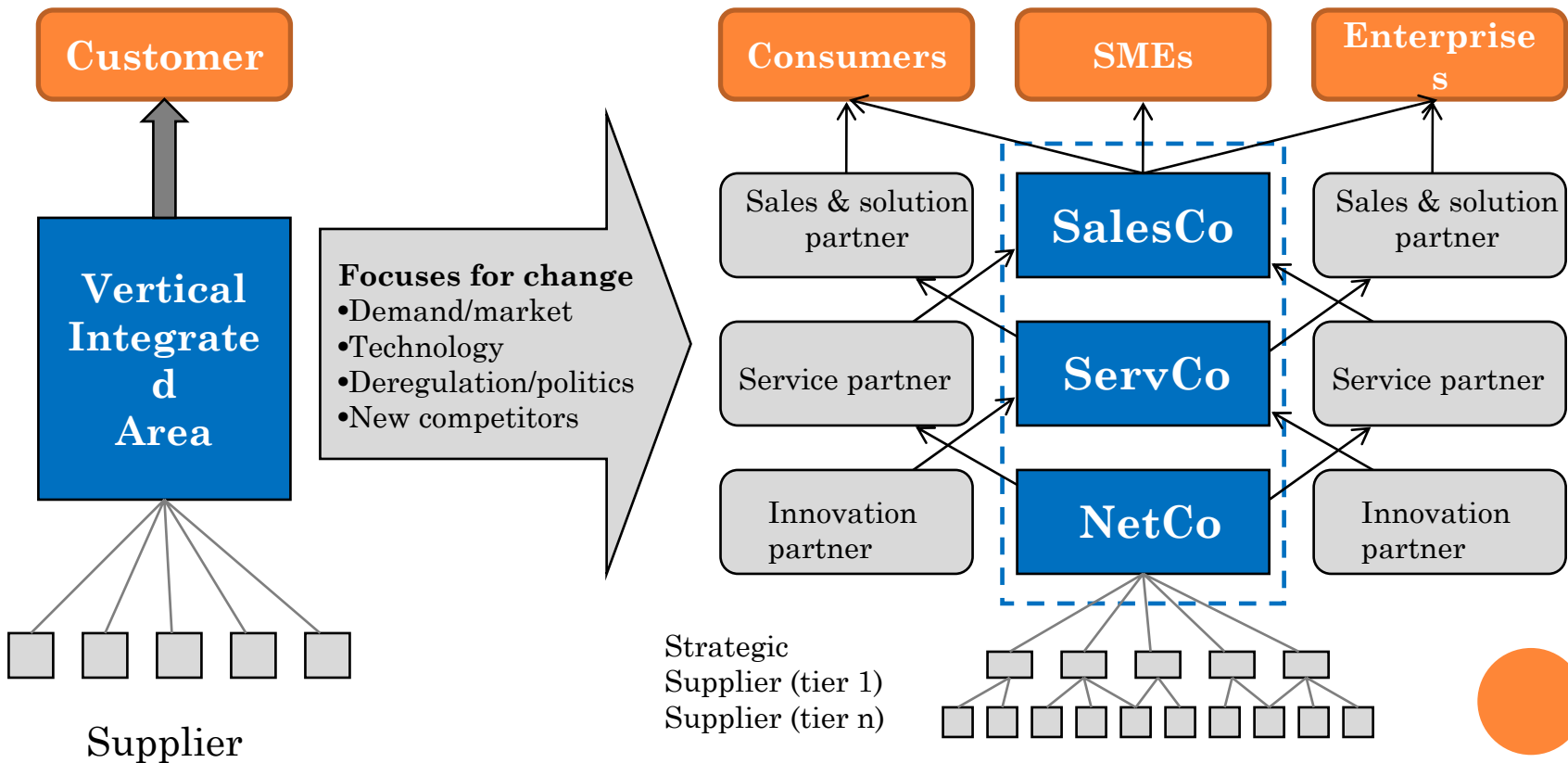
# THE NEED TO CHANGE !

# TELECOM LANDSCAPES

## SEGMENTATION OF A TELECOM VALUE CHAIN

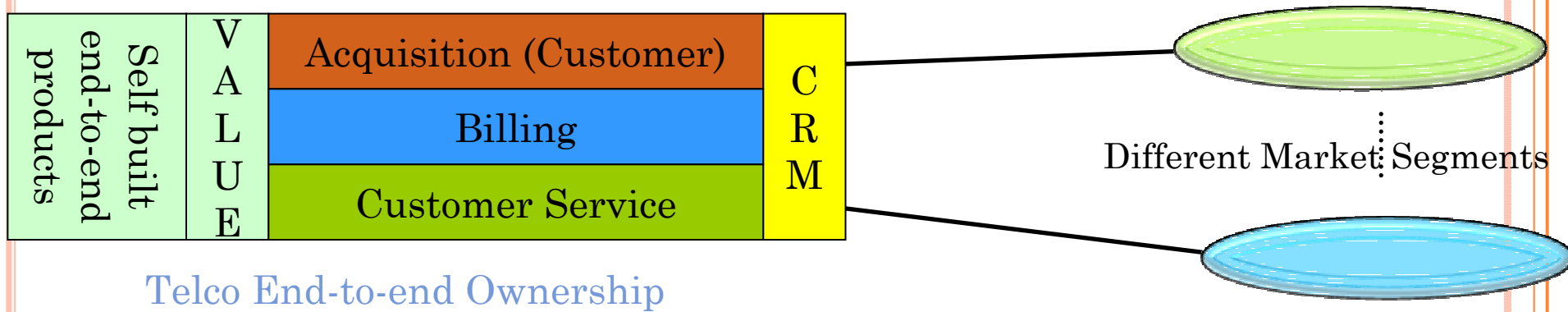
Traditional TelCo Value Paradigm

Future TelCo Value Network Paradigm

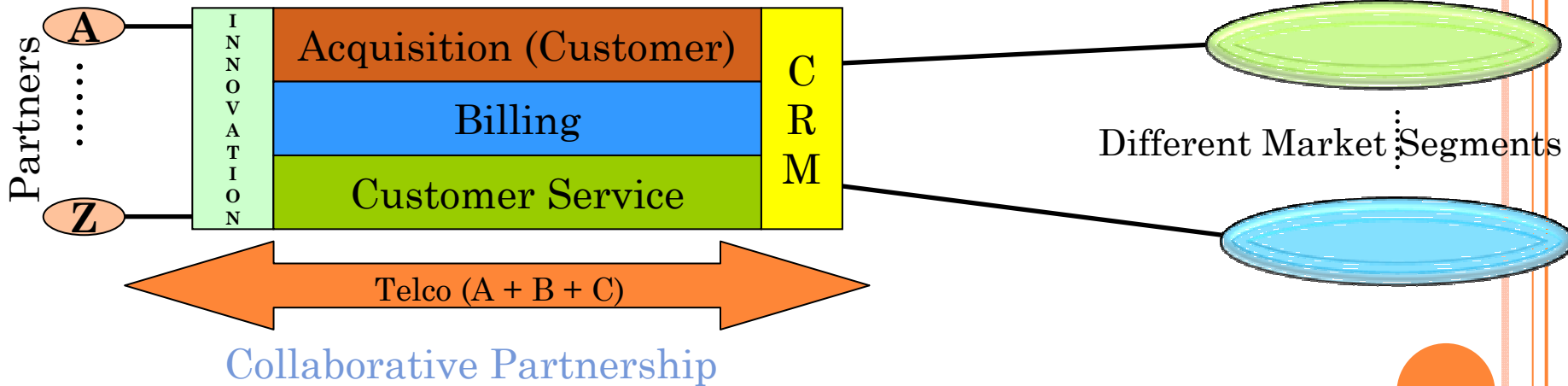


# A COMPARISON BETWEEN TWO MODELS

Old Model

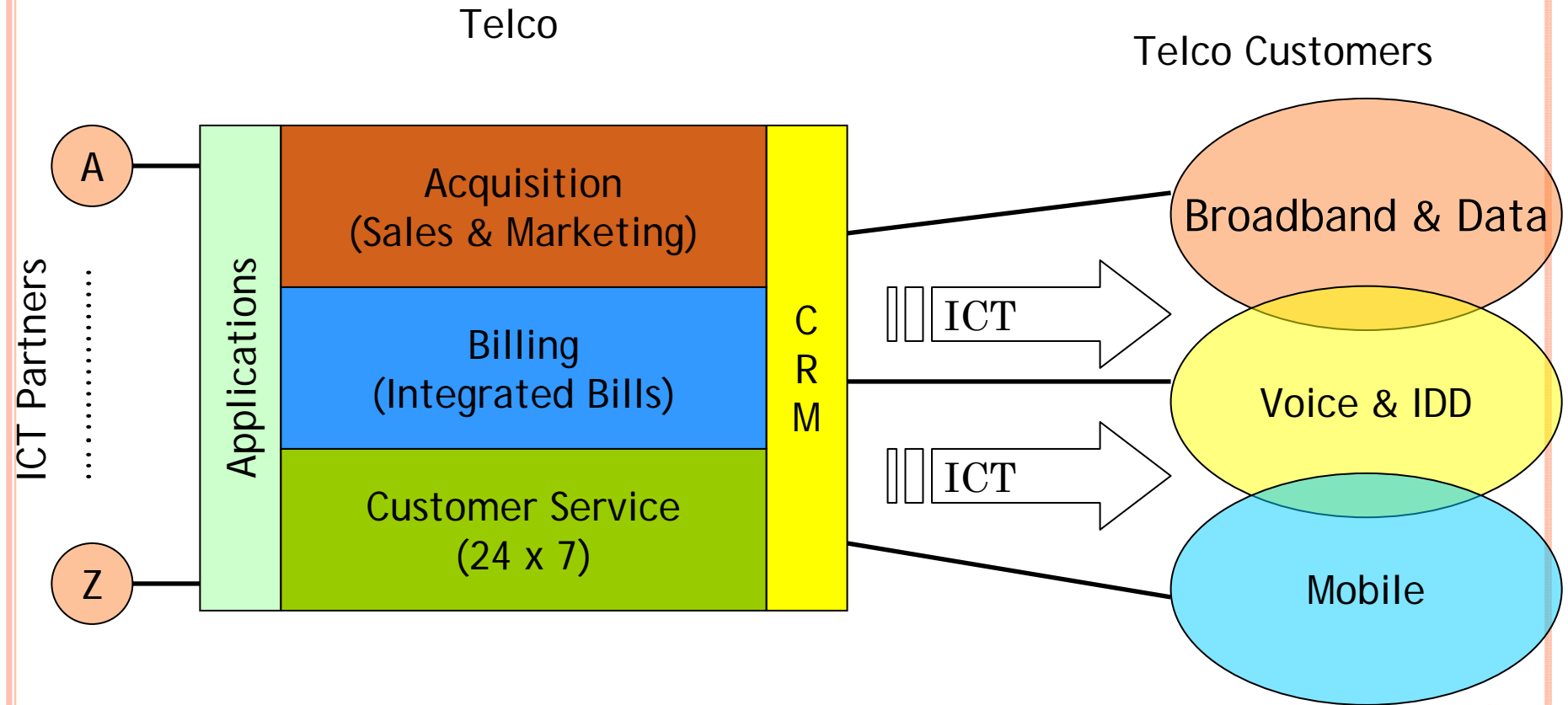


TELCO 2.0



# THE ABC OF TELCO : ACQUISITION, BILLING, CUSTOMER SERVICES

*One Stop Shop and Cross Selling Advantages*



Telco adding value (ABC) along service delivery chain



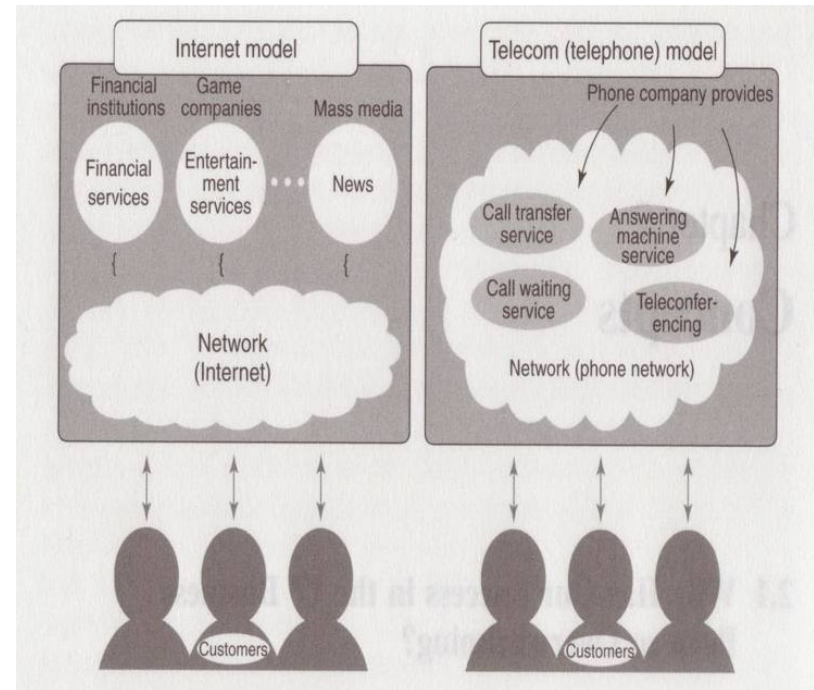


# **HOW TO FACILITATE COLLABORATION AMONGST PARTNERS ?**



# SUCCESSFUL MARKET REFERENCE

- Takeshi Natsuno (MD, i-mode Strategy, NTT DoCoMo, Inc.)
- NTT DoCoMo's i-mode
  - “DoCoMo takes care of the billing & collection for the content provider ... most of the fees would flow into the content providers' pockets”
  - One secret of i-mode's success: “we applied an Internet way of thinking, not a telecom way of thinking”



How the Telecom & Internet models differ



# CUSTOMER VALUE



# KEY PRINCIPLES ADOPTED

- Long Tail, not just the head
  - Fragmented market : the need of solution variety
  - Narrow time window : the need of agility
- Harnessing collective intelligence
  - No need to re-invent the wheel
  - Let the customers choose
- Data (customer knowledge) as driving force
  - Usage, profile as business intelligence
  - Listen to what the customer want



# KEY PRINCIPLES ADOPTED

- Innovation in assembly
  - Meaningful bundle
  - Application/Service integration
- Perpetual Beta
  - Continuous improvement from Partner
  - Free trial of new features, new services
- Services, not packaged software - SaaS
- Architecture of Participation
  - Standard Interface, quick rollout to test market



# EXECUTIVE SUMMARY

- Key value is the new innovative applications, no matter on fixed or mobile, any device
- NGN and Web 2.0 technologies provide means for collaborative innovations
- Market testing on continuous emerging product
- Long tail, not just the head (try new ideas)
- Revisit & strengthen core competence e.g. ABC
- Create value for all stakeholders through collaboration and the internet way of thinking

