

# COPING WITH THE CHALLENGES OF A RAPIDLY CHANGING VOICE LANDSCAPE

Rolf Nafziger, Senior Vice President Of The Deutsche Telekom International Wholesale Business Unit, shares his outlook on upcoming trends in the voice marketplace and talks about why voice partnerships have become increasingly important.

**Q | What are your views on how the voice market will evolve over the next years?**

With increasing volumes of traffic and the rapid evolution of technology, it has become more and more difficult and cost-intensive for carriers to invest in their own infrastructures, networks and solutions.

In the future, it will be exceedingly important to maintain a high level of flexibility in order to keep pace with changing market and customer requirements, and boost the efficiency needed to make voice offerings economically feasible. I believe the entire face of the voice market will be radically transformed in the not-so-distant future, and in order for operators to survive, many will need to look into completely revamping their business models.

**Q | What is the strategy of International Carrier Sales & Solutions (ICSS) for coping with the changes you have outlined?**

We realise that it is crucial to quickly respond to these market changes and to have a proactive strategy in place. For that reason, we created the ICSS International Voice Partnership Program, which has already provided flexible, proven solutions that maximise margins in the international voice business. It was specifically established to help providers refocus and reduce their overall allotment of resources and costs dedicated to voice services.

We are all confronted with similar problems, such as the necessity to keep abreast of rapidly evolving technology as well as the elevated expectations of customers to always be supplied with the latest solutions.

Operators need to rethink their approaches and decide if it makes sense to continually invest in new infrastructures and tools or

whether it is better to take advantage of our economies of scale, global network connectivity, voice expertise and strong resources that will help keep them at the forefront of technology.

Our voice program gives partners the ability to utilise DT's significant investment in international voice delivery so that they can allocate more into higher margin services and concentrate on core competencies. By partnering with us, they are able to uncover new revenue streams while letting us handle some or all of their less lucrative voice areas.

We realise that different business models require different solutions, so we provide a choice of several different and well-proven customised services. For those who would like to keep control of termination of traffic, we offer our Managed Service that allows access to our network as well as our innovative platforms and pricing, routing and management tools.

The second possibility is Managed Routing, where we only take care of trading and termination of specific non-core routes, thereby allowing the customer to achieve more cost-efficiency. Our complete solution is Managed Network, where we take over complete network operation management including trading, based on the specific needs of the client.

This has the potential for the highest revenue increases and margins. In addition, we offer Managed Exit to those wanting to exit the international wholesale voice market. Here, we support them with implementation and even compensate part of the margin they will lose in the future when exiting.

**Q | You have talked in general about the partner program's ability to reduce costs. Can you expand on this?**

By partnering with us they are able to reduce termination costs significantly. Depending on which of the three solutions has been



**Rolf Nafziger, Deutsche Telekom, SVP, International Wholesale Business Unit**

chosen, and taking into account customised requirements, it is possible to reduce both operating and capital platform expenditures down to zero.

**Q | What partnerships have you entered into since the start of the program?**

One of the success stories I can reveal is the five-year partnership we entered into this year with the carrier Colt Technology Services.

The mutual advantages of this partnership include all the benefits I have mentioned earlier – making this definitely a win-win situation for everyone involved. ■

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