

Business Case for Transition to New Technology for a leading Brunei Telecom Operator

• Situation & Challenges

The client, a perennial market leader, was apprehensive that with the changing consumer preferences and the emergence of technological trends in the telecom services market, new entrants in the market might come in with a better proposition. The client was also worried about the possibility of competition from non-traditional entities (e.g. non operators offering data communication services), which can put the client in an unfamiliar scenario. It feels that it needs to upgrade its network technology to be able to compete in the ever dynamic telecom market.

Specifically, client wanted a business case that will evaluate the next generation network technologies available. In addition, the client wanted a business plan to optimize this technology in terms of services that can be launched.

• Our Approach

Having evaluated the evolving customer needs, we recommended offering next generation services by transitioning to GPRS and postpone upgrade to a 3G network as it was not viable at the time.

	Key Drivers	Network Dominance	No Dominance	Brand Dominance
Inherent Market Characteristics	Presence of a Dominant Mobile Voice Operator	✓	✗	✗
	Degree of Buyer Dependence on Existing Internet Portals	Low	Low	High
	Buyer Preference for a Single Billing Agent	✓	✗	✓
	Extent of Buyer concerns on Privacy	Low	High	Low
Competitor Dynamics	Control of Location Information	With Operators	With Sellers	✗
	Airtime available as a Wholesale Service	✗	✓	Neutral
	Extent of Proliferation of Services and Applications	Low-Medium	Low	High
	Willingness of Seller to enter Exclusive Arrangements	✓	✗	✓

In support for our recommendation, we segmented the client's customer base & designed a targeting approach which we included in a comprehensive business plan along with scenario analyses, projections and financial models. We further assisted client in developing content, alliances, marketing and go-to-market strategy for GPRS services in collaboration with Motorola.

• Results

Based on our business plan recommendations and the business case, the client adopted GPRS upgrades to existing network and postponed plans to upgrade to 3G network. They went on to launch limited data services most relevant to market needs and achieved the return on investment projected.