

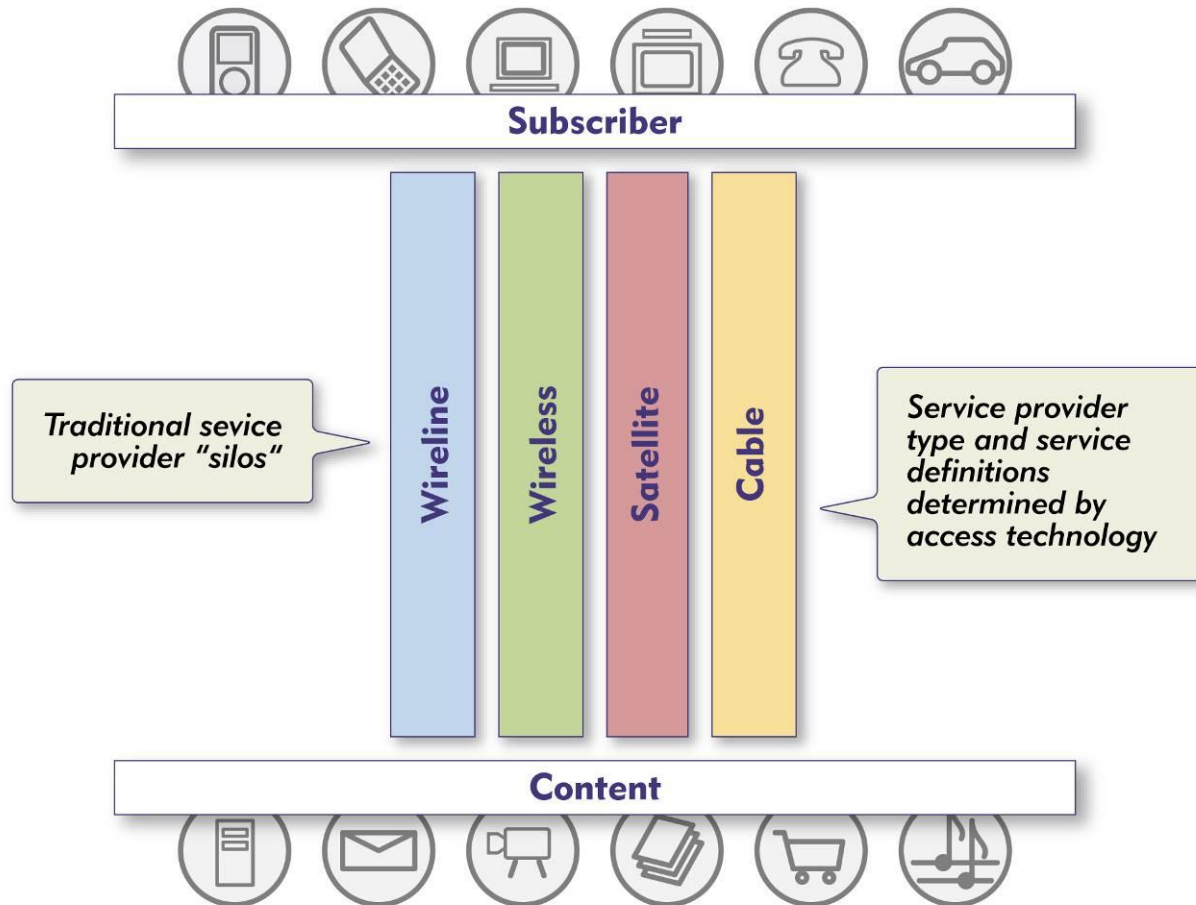
So what do you do when
you must change ?

Roberto Peón
TSTT

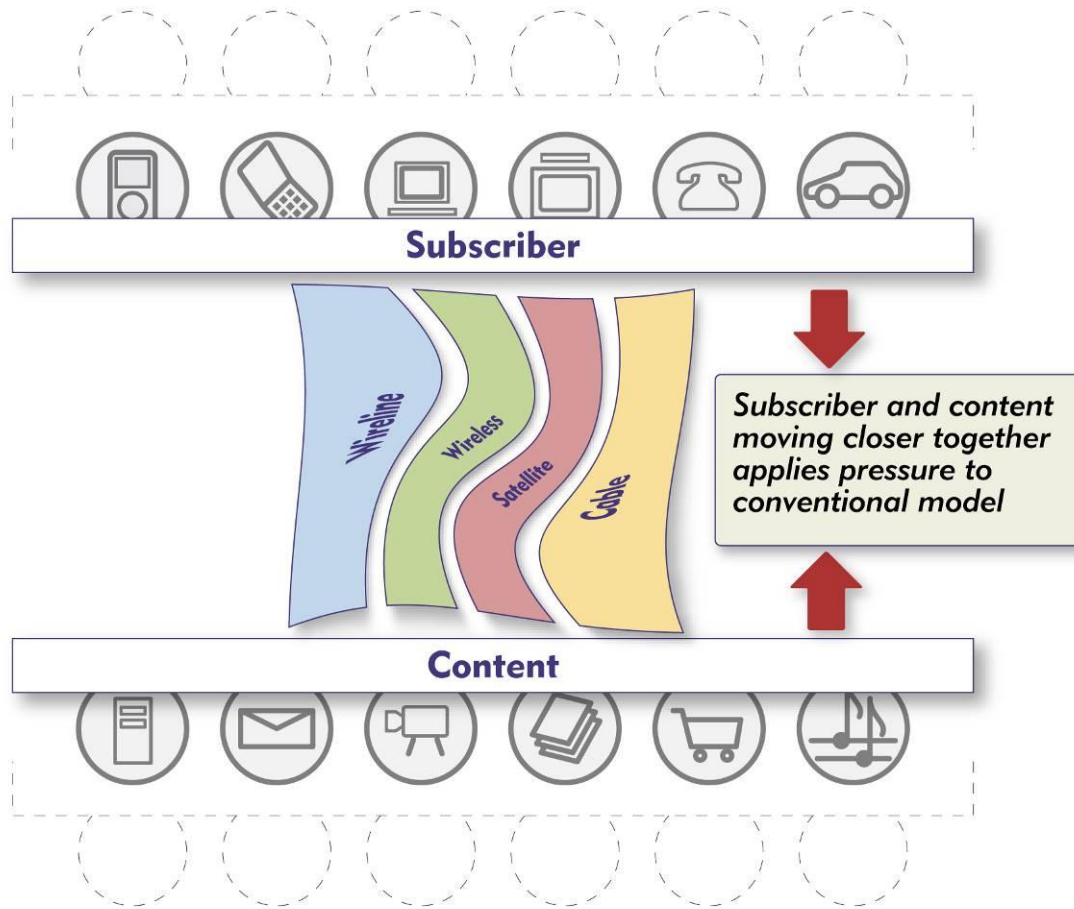
The many screens of life in the 21st Century.....



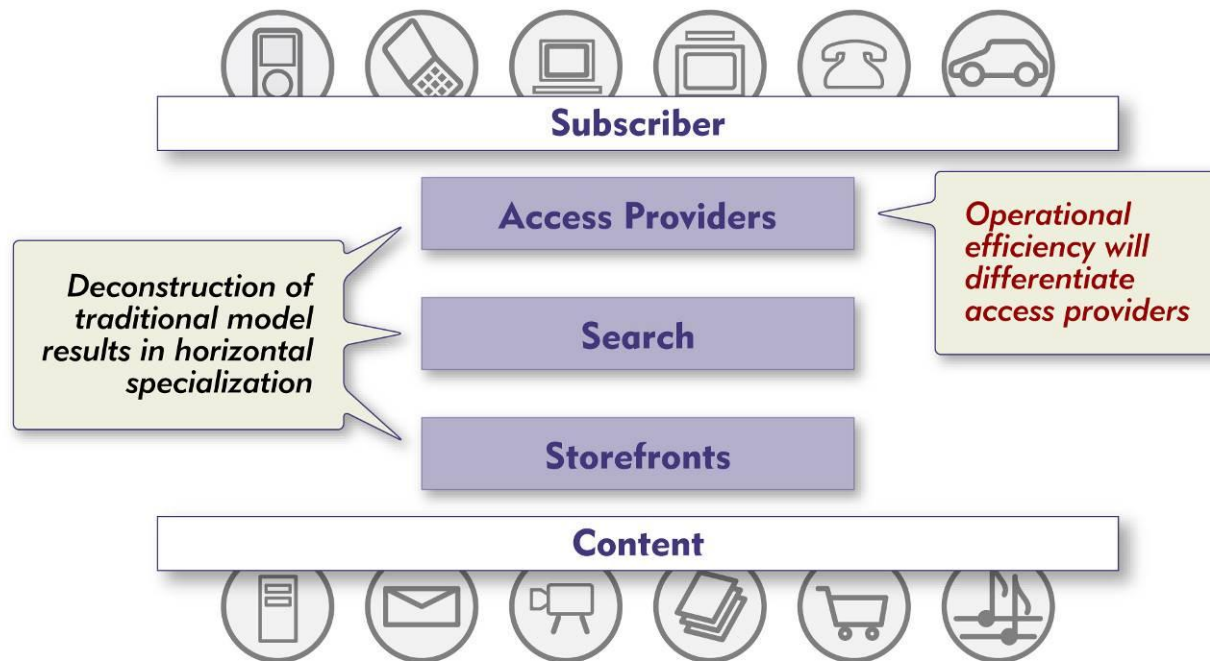
Industry Ecosystem



Ecosystem Shift



Ecosystem Reconstruction



Disruptive Events in Telecoms

Technology & Svc Provisioning

- Internet Protocol
- Fibre optic (bandwidth)
- www. as major disruptor
- Device proliferation
- Billing as core
- 24x7x365 + Self service

Competition

- Price Wars, Cost containment
- Agent proliferation
- Network over capacity
- Product Bundling convergence
- Unconventional/disruptive competition
- VOIP/LD substitution
- Many Screen of Life

ACCESS SERVICE PROVIDER

Mobile Revolution

- Fixed to Mobile substitution
- Cell site proliferation
- Pre paid billing model
- Perpetual handset subsidy
- 2G/3G/4G data evolution
- Continuous CAPEX demand

Regulatory

- Anti-incumbent bias
- Focus on consumer price
- Behind the Technology curve
- Cookie cutter approach worldwide
- Huge legal battles

Consumer Behavioral Shift

- Generational
- Quad Play; Gadget focused
- APPS for everything (iTunes, MySpace, YouTube)
- Increasing high speed demand
- Three screens of life

Moving from Monopoly to Competitive Model

Monopoly

PRIVATE

Bureaucratic & Slow
pace of change

Decision Making

Market Driven & fast,
constant change

Risk averse

Risk Profile

Risk taker

High Dividend + Subsidizing
Gov't Social Policy

Financial Approach

Revenue Growth + High ROI
Growth based

Subsidies + Cross
Subsidies

Cash Flow

Maximize CF + NPV

Ad-hoc

Audit Cycle + Governance

Structured, yearly external
audits + strong internal audit

Procedural

Procurement

Market response timed-
decentralized

Internal focus - hassle

Customer Service

External focus – no hassle

All “customers” equal

Customer Focus

Segmentation “pay for more”

Political necessity

PR & Advertising

Competitive
advantage/segmented

Price minimization +
Egalitarianism

Pricing

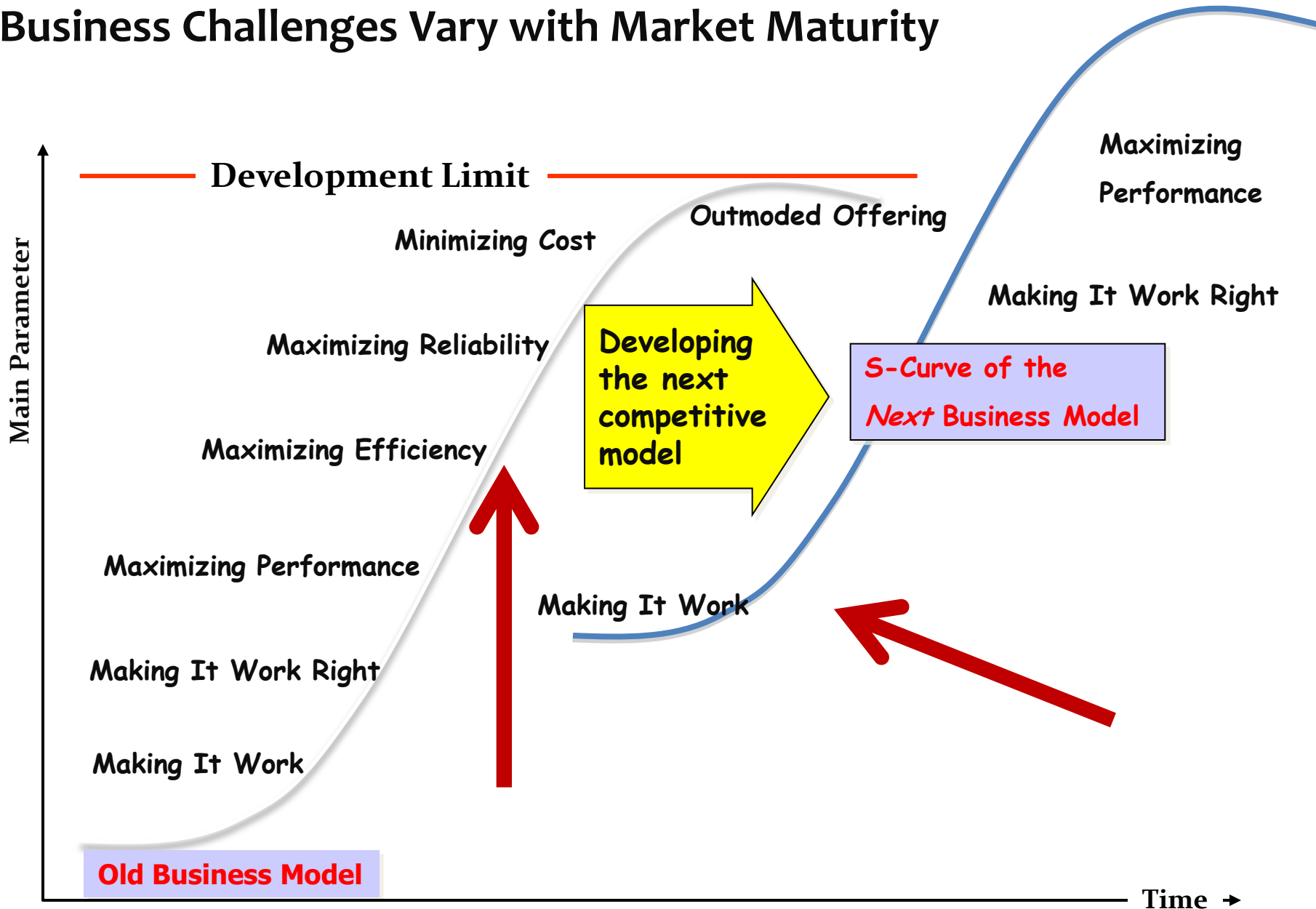
Market Pricing

Slow to Market

Products

Fast to market - Innovative

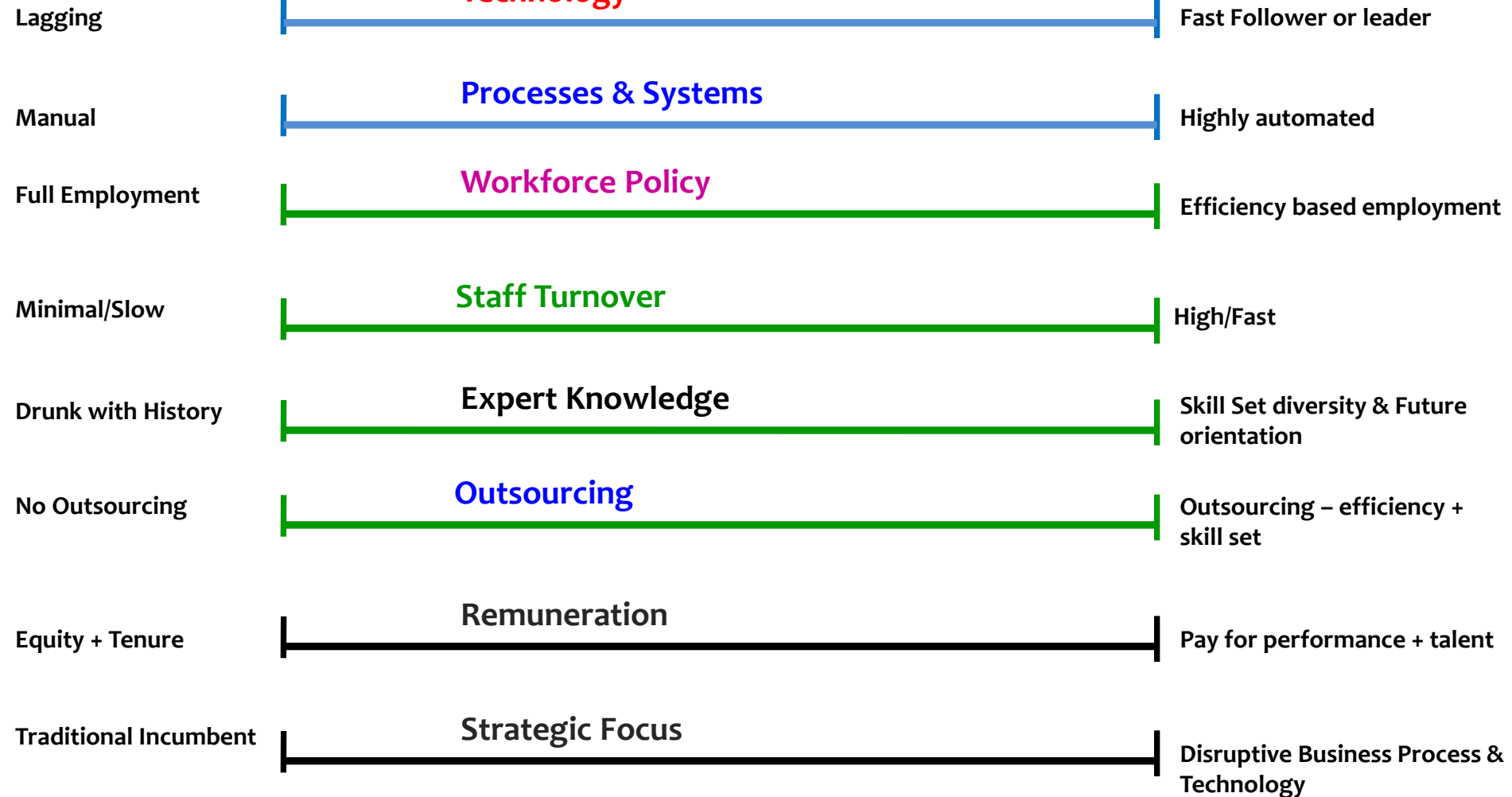
Business Challenges Vary with Market Maturity



Moving from Monopoly to Competitive Model

Monopoly

Competitive



Thank You

Roberto Peón
TSTT

bmobile
blink