



# Nimble networks

The telecom sector didn't feel the impact of the recession as much as other sectors, but with competition and 3G technology coming in, the marketplace is definitely going to see some heat, says Tata Teleservices MD **Anil Sardana**, in an interview with *Tata Review*

## What kind of impact has the economic slowdown of the recent past had on Tata Teleservices (TTSL)?

The overall impact of the economic slowdown on the telecom sector was not as severe as compared to other segments. TTSL was well positioned to stave off the worst of the slowdown as telecom is a business segment that in fact aided and assisted industries to save costs on travel, etc, by using alternatives supported by telecommunications. Today, people in India are conducting their businesses more economically using telecom, internet and other associated facilities.

At TTSL, when we saw the slowdown coming, we took some very conscious and definitive steps, including divesting and unlocking value, increasing efficiency and productivity, and optimising costs, while keeping the larger Tata group business objectives and environment in mind.

## What were the highlights of this past year?

The year 2008-09 dawned with TTSL beginning to show the benefits of two years of careful planning and implementation of efforts to realign business strategy and streamline processes to prepare for a leaner future. The highlights included:

- ▶ The signing of TTSL's strategic alliance with Japan's NTT DoCoMo.
- ▶ Hiving off our tower business, with an agreement between TTSL's tower arm, Wireless TT Infoservices and

Quippo Telecom infrastructure.

- ▶ Launch of our GSM service, Tata DoCoMo: Within six months, we have established a presence in 14 circles.
- ▶ Introducing the per-second pulse, a Tata DoCoMo move that has proved to be a game-changer.

## How do you view the spectrum allocation and the 3G auction issue?

The government has brought in greater clarity on the 3G front by announcing the reserve price for the spectrum auction and deliberating on the number of blocks that will be put on offer. We look forward to participating in the auction. Our partnership with NTT DoCoMo places us on a very strong footing, as globally they are the technological leader in this space. Our networks are 3G-ready, and we are well-positioned to take to the market fast.

3G is a necessity. It will enable service providers achieve significantly-improved spectrum efficiency, since 3G networks have the capacity to service a far higher number of subscribers than 2G networks. In highly penetrated urban markets like Delhi and Mumbai, 3G could resolve the problems of network congestion to a significant extent. According to industry estimates, the 3G subscriber base is expected to reach a whopping figure of 540 million in 2010.

## Could you tell us about your GSM services expansion, the challenges and opportunities in this space, especially in the context of market volatility and cut-throat competition?

From day one, we knew that the approach would have to be radically different and our focus would have to be on innovation and being different. With the (Tata group) philosophy of leading



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from the front, we launched Tata DoCoMo with an industry-changing 'Pay for what you use' paradigm. Part of this offer was the per-second pulse.

Our expansion plan involves two simple elements: to ensure that our network is one of the best in the industry (just like our CDMA network which has been rated as the 'least congested' for five straight quarters by the Telecom Regulatory Authority of India) and to continue to liberate customers and be refreshingly different, by bringing in the best products and services into India, and by innovating continuously.

**Looking forward, how do expect Tata DoCoMo to grow in comparison to your CDMA services? Do you have the wherewithal to compete on two fronts?**

Since August 2009, the company has added the most number of new subscribers in the industry — for five straight months now. We are going all out to ensure that our subscribers continue to show this kind of affection and trust in us. As far as competing on both the GSM and CDMA platforms is concerned, we have been doing that for over six months now, and the results have been encouraging.

**Innovation in services and offerings has seen TTSL leapfrog the competition over the past few months in adding new subscribers. Could you tell us about TTSL's innovation initiatives?**

We have already changed the industry paradigm with our 'Pay for what you use' concept and with the launching of India's first innovative platform, like Google's Android, Blackberry Bold, Blackberry Curve and Windows 6.5-powered handsets, as also unique offerings such as diet-sms, i-channel and Docomics, etc. Going forward, we will continue to introduce industry-first and best products.

We hope to bring in more value-added products from NTT DoCoMo soon — similar to the highly successful i-mode suite, m-wallet, i-concierge, etc that are popular in Japan and other parts of the world. We may customise them to the Indian consumer's requirements.

TTSL will also launch unique enterprise domain solutions in partnership with global leaders in their

respective areas and in partnership with DoCoMo.

**TTSL has been chasing high-speed growth for a while now, and it seems to have got precisely that. What was the tipping point in this race, and what factors will play a role in sustaining such growth?**

As already mentioned, our concerted efforts to stand out from the rest and be different, have worked for us on both the CDMA and GSM platforms. 3G is another step in the evolution of telephony in India, and will enable video broadcast and data-intensive services such as stock transactions, e-learning and telemedicine. It will also open new avenues to address issues of public importance such as education, public safety, healthcare, governance and environmental conservation in a sustainable, efficient and cost-effective manner.

Going forward, I think it will be telecom that will usher in the next revolution in the lifestyle space and we hope to lead this revolution.

**Does the company have the potential to be the top telecom player in India? What will it take for this to happen?**

We are part of the Tata group, a group that stands for customer focus and integrity. We also have some great partners like NTT DoCoMo and Quippo Telecom Infrastructure, and a team of eager professionals who bring with them strong experience and a yearning to go the extra mile. We are well positioned to become a key player in the Indian telecom industry.

**In which areas or functions does TTSL face the most significant challenges? Is it technology, HR or customer service?**

I think the way the Indian telecom space has evolved, it offers more opportunities than challenges. Technology will continue to be a thrust area for all telecom companies. But a major area of focus will be to continue with high levels of customer service and achieve affection.

The biggest challenge lies in regulations and issues related to spectrum. Being a late entrant in the mobility business, TTSL faces the challenge of getting spectrum, a scarce

resource that has already been hoarded by incumbents. What we, as a service provider, expect from the government is a level playing field and speedy implementation of services like 3G and mobile number portability (MNP) so that the Indian telecom consumer doesn't have to wait inordinately for services that can make a deep impact on their lives and their very livelihoods. We commend the government's moves on the 3G and MNP fronts so far and look forward to their expeditious rollout.

Regarding HR, it is our people who are our greatest asset and we will continue focusing on this space.

**How is the continuing telecom revolution changing India, urban as well as rural? How will this phenomenon pan out over the next few years, and what will be its impact on our country and our economy?**

The full potential of the mobile phone has not percolated into society yet. The next evolution in mobile telephony will come with the mobile phone transforming itself into a tool for lifestyle assistance, with services such as video-gaming, video-conferencing, filtering, comics and deco-mail. The popularity of these services in countries such as Japan convinces us that they will find similar adoption in India as well.

The mobile phone will transcend from being a communications device into a behaviour assistance tool, with personalisation of services to suit individual requirements. Users will be the owners of the content on their mobiles, not just the carriers, and the phones will become an extension of their identity.

In rural India, telephone connections went up from 3.6 million in 1999 to 12.3 million in March 2004, and then jumped to 123.51 million in March 2009. Their share in the total telephones in use has increased from around 14 per cent in 2005 to 31 per cent as on September 30, 2009. Going forward, the rural sector will be a prime focus area as the industry spreads its reach far and wide into the interiors of India, on the back of customised applications that not just add to the quality of life, but to livelihoods too. ●