

## 7 CONCLUSIONS

In addition to being shaped by technology-driven change, the telecommunications industry of the future will be moulded by what the customers want. The focus on the customer will be the driving force shaping the PTOs' and vendors' business strategies. In this new competitive environment Telekom as well as Lucent have to:

- design business models, processes, and infrastructures specifically to serve its target customers and market prospects profitably;
- learn to identify and target the most valuable customers for its business model;
- reduce the cost of providing services aggressively, year after year.

If building physically separate networks was the first stage in the evolutionary development of the telecommunications industry, then the second stage would be the realisation that no one can make money any longer by building such separate voice, data and image networks. The value of the networks lies in what the customer uses the network for. If the network is not flexible enough to move to serve the profitable customers it will become a burden to the operator. The third stage in the evolution of the telecommunications industry is to integrate and share the different voice, data and image networks resources to serve the business and residential customers with lower costs. Telekom Malaysia is already in the second stage of the evolution. Now it has to enter into the third stage.

As for Lucent, it should recognise that its customers demand new solutions to the changing telecommunications services, not only boxes. It has to provide solutions that allow operators to preserve their investment in the existing infrastructure. Lucent should also diversify into data communications industry to capture the new opportunities brought by the convergence of voice and data networks.