

The revolution continues...

MARIO PRETORIUS, MANAGING DIRECTOR OF TELEMASTERS press release issued by:
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[28 November 2006] - The telecoms sector is one of the few in the global economy that offers an ongoing, downward cost spiral to the user. Technological advances are so fast and frequent that, in theory, companies should be saving money, month on month, by re-defining their telecommunications infrastructure.

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The theory, however, is difficult to translate into reality.

"Yes, the telecoms sector is unique in that the rate of change is so fast and so wide-reaching," says *Mario Pretorius*, Managing Director of telecommunications specialist, TeleMasters.

"But the dynamics of managing organisational communications systems are such that it takes real expertise to maximise the value inherent in this change. Ironically, in fact, chasing down operational savings often costs companies a lot if not approached strategically."



A few years ago, the business world was only beginning to get its collective head around the benefits of e-faxes (digital format faxes), split billing options or international least-cost routing. Today, these are fundamental components of any organisation's telecommunications system.

"One only has to look at the ubiquity of mass SMSes in modern corporate communications - think of the way airlines use SMSes to drive flight bookings, for example - to realise just how fast the telecoms landscape changes," says Pretorius.

"A few years ago SMSes were relevant to teenagers, not corporations. The key question, of course, is how does one access savings without landing up on the bleeding edge of the revolution?"

According to Pretorius, the answer lies in the establishment of business partnerships between companies and telecommunications specialists that place a primary focus on ongoing cost reductions.

In this context, a telecommunication specialist should be able to offer clients:

- * A viable combination of technologies
- * System evolution that takes full advantage of new technologies
- * Seamless evolution of telecommunications infrastructure, delivering ongoing operational efficiencies
- * Cost reduction guarantees

"When one looks at the evolution horizon, things can become quite confused," says Pretorius.

"For a financial director, who is primarily concerned with the cost of telecommunications, taking advantage of voice over IP, IP, 3G or WiFi technologies is a tough task - one that can absorb a great deal of energy and resources. But really, leveraging value from ongoing IT advances is a specialist endeavour, and should be carried out by specialists."

Pretorius is also quick to point out the danger of time-based contractual agreements when it comes to telecommunications services.

"The modern model for a relationship between a telecommunications specialist and its client is cost-centred," he says. "In other words, the contract is rooted in the service provider's ability to ensure and guarantee cost savings."

Companies that manage to secure such relationships with telecommunications specialists are guaranteed the ability to take full advantage of IT evolution - as opposed to being tied into long-term relationships of uncertain value.

"It's a simple principle," Pretorius confirms. "Technology continues to advance and offer cost savings. So, a skilled service provider should be able to offer regular savings to the client. At TeleMasters we believe these savings need to lie at the heart of the relationship."

It is already possible for a company to operate its own private telephone network. Whether it is practical, cost-effective and strategically sensible to do so, however, is a delicate issue. As the telecommunications revolution pushes forward, smart companies are forming partnerships with specialists that ensure they are able to deal with such issues - strategically, and cost-effectively.