



Huge welcomes Telkom move

By Staff writer Posted: 13th October 2008

Local telecommunications business Huge Group has praised Telkom's decision to sell its stake in Vodacom and build an internal mobile business.

Huge CEO Anton Potgieter says Telkom's decision to build its own wireless and mobile broadband networks will boost competition in the local telecommunications market. "From a consumer perspective, we will see the major players soon having to provide true value-added services, rather than just access to telephony," he adds.

He believes Telkom's move to go head-to-head with Vodacom and MTN will lead to a possible reduction in costs.

However, he says businesses need to start preparing for an increase in complexity. "There will be a significant increase in the number of routing options available to them, which means it will become a lot more complex to determine the most cost-effective option for their organisation."

As the playing field becomes more complex, Potgieter believes more companies will turn to managed telecoms companies to ensure they run their telecoms in the most efficient way.

According to Potgieter, in managed telecoms there are a number of variables that come into play when determining the most effective routing of calls, including time of day routing and on-net versus cross-net calls. "The definition of an on-net call is when the call is initiated and terminated on the same network," says Potgieter.

Other recent movements in the industry, such as the Altech court ruling, all point toward a liberalised telecoms industry for SA. "I would, however, caution customers to remain patient as these changes unfold – the benefits will come, but, as usual, it will not happen overnight."

Huge says preparing for complexity is working smart and will allow companies to take advantage of the changes that can be expected in telecoms. "By putting the right tools in place, companies have the opportunity to get the best of both worlds.

"Effectively, each of the players will be competing for new market-share, which means they will have to be competitive in their pricing."

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