

In this edition of people@post we are focusing our attention on:

Emiko Tawagoshi @ Tokyo Thomas Palamides @ Los Angeles

Telecommunications Sector

WHAT ARE THE EMERGING TRENDS IN TECHNOLOGY IN YOUR MARKET?

Tawagoshi (Tokyo): In Japan, it seems that with the introduction of data communications, as well as an optical fibre project, the trend is switching from telephone and hard copy communications to technologies such as e-commerce and electronic data interchange (EDI). These changes are occurring rapidly.

Palamides (Los Angeles): The Internet has become the de facto technical standard for the telecom industry; voice and data traffic have merged; long-haul networks are looking for content; and more merger and acquisition deals will be focussed on component technology. Moreover, a major industry challenge is the fact that customers are looking for complete solutions.

WHAT SIGNIFICANT CHANGES HAVE YOU OBSERVED SINCE YOU'VE BEEN COVERING THE SECTOR?

Tawagoshi (Tokyo): The most significant change has been the reorganization of the Nippon Telegraph and Telephone Corp. (NTT), which has been transformed from a public to a private company becoming the biggest single private company in the world. As a result, procurement procedures have changed, allowing foreign telecommunication manufacturers to more easily implement their products to NTT. Consolidation has taken place with other telecom carriers as well. This will encourage foreign investment and competition from other companies, and will enable foreign companies to sell more of their products to Japan.

Palamides (Los Angeles): Although I am new to the telecom sector – but not new to the high-technology sector – I expect major technological changes on an annual basis within all of the voice, data and video protocols. For example, AT&T is in the process of buying a number of wireless companies and cable companies. The economic growth that will parallel the increased bandwidth will present AT&T with new ways to use it – hence, the opportunity for video and other multimedia applications over networks.

WHAT DO YOU DO TO ENCOURAGE CANADIAN COMPANIES TO FOCUS ON YOUR MARKET?

Tawagoshi (Tokyo): Language and regulatory issues make it difficult for Canadian companies to get into the Japanese market. However, Canada has some of the most advanced telecommunications technologies, and Japanese companies look forward to working with Canadian companies. I tell companies that their focus should be on the continued development of outstanding products.

Palamides (Los Angeles): I think most Canadian technology firms realize that they must be active in the U.S. market. Doing business means working with small industrial innovators, as well as with the large dominant players (e.g. Lucent, AT&T, Cisco, Intel). It is the combination of these broad-reaching relationships that provides a competitive advantage. If I may use the “hub and spoke” analogy: the large companies are the hub; the small companies are the spokes. Both add value to the wheel.