

# HOT INTERVIEWS

## Michel Guyot

President Global Voice Solutions, Tata Communications

---



### Michel Guyot The Passion behind the Voice

By Isabelle Paradis  
President, HOT TELECOM  
October 2012

Behind every great team is an inspirational leader. Someone that not only recognises and values dynamic and creative people, but that is able to lead them, convey his passion for the business, while constantly pushing the boundaries.

Having worked for Michel early on in my career, I can say without hesitation that Michel is one of these men: an inspirational, passionate leader who knows the meaning of hard work and who has led Tata Communications to become the world leader in international wholesale voice.

Michel Guyot definitely is **the Passion behind Tata Communications' Voice.**

I recently had the chance to spend time talking with Michel about what makes Tata Communications so successful, how the wholesale market is transforming, and what opportunities we can expect from **OTT, broadband voice** and **cloud services**. I am happy to share his thoughts in this article.

## The Company

Tata Communications has succeeded in growing its voice traffic by 11% y-o-y, well above industry average. Here is what Michel had to say about the secret of their success, their number one business ambition and his opinion on strategic sourcing partnerships.

### ***'There are 4 critical factors that explain our success.'***

'One of our key differentiators is our focus on the wholesale voice business. For example, we have 600 people focussing on supporting wholesale voice and this enables us, in my opinion to be the best.

Secondly, the expertise and efficiency that we have built through our world class tools and systems, allowing us to have such a competitive cost structure, because price is still important in this market.

The third being quality of service. The market is increasingly looking for quality, and over the years we have been able to build one of the best quality service offerings.

Finally, another key success factor is our attention to growing segments such as MNOs and OTTs, in addition to being strong in emerging markets in Africa and the Indian sub-continent. We grew our mobile originating traffic by 40% and almost doubled our OTT originating traffic, so a big portion of our growth comes from those segments. Operators who are only strong in mature markets do not see the same kind of growth.'

### ***'Our number one imperative is to remain the best wholesaler in the world.'***

I think one way is to continue the focus that we have on the growing segments such as MNOs and OTTs and also being a leader in strategic sourcing. We do not want to only attract volume for volume's sake however. Every minute that we bring on our network needs to be a profitable minute. I am evaluated on EBITDA and profitability, so maintaining our number one position and growing and making money - that is my number one goal of course.'

### ***'Companies looking for a strategic sourcing partner seek reliability, scalability and scope.'***

'They are looking for a partner who, like us, will stay in the business and invest in its network. We are able to successfully migrate large volumes of traffic to our network because we make sure that it is scalable. We are able to build the capacity, to upgrade our network as needed and are therefore able to meet our customers' requirements.

A few years ago, everybody was talking about the consolidation of the market. I still believe in this consolidation, but at a slower pace than I was anticipating. When I talk to CFOs, there is a real desire to save cost by using a partner, maybe not rely 100% on one carrier for everything, but to be able to leverage the expertise, the systems, the tools, the managed termination of a wholesale expert. I believe it will come more and more.'

### ***'BT, our first large strategic sourcing deal, is continuing to grow and evolve.'***

The deal signed with BT is the type of partnership where we not only do strategic sourcing and provide managed termination, but we also provide them with tools and systems. It goes beyond the pure exchange of minutes. In return, we use them as a distribution channel in the UK as well as in their European footprint countries. In my opinion, this deal is great for both companies and as a result, the partnership is growing and evolving.'

## The Future

The market is evolving rapidly with the migration of voice towards data, fixed towards mobile and the increasing impact of OTT players. Here is an insight of what Michel sees as key opportunities in this ever changing segment.

### ***'We believe that the industry itself has 3 big opportunities.'***

'Mobile broadband, cloud services and Rich Communications Services will be the 3 main growth areas over the next 5 years, and as you would expect, we are working on all 3 now.'

We have worked hard to transform the voice business from a spot commodity business to a more stable, less volatile business through strategic sourcing and we think this will continue.

A key trend will most likely be consolidation of the market, not by acquisition but, mainly through strategic sourcing agreements. I also believe that the top 5 voice carriers in the world will be favoured compared to others because they have the scale, the scope, the expertise and they have the cost structure to address the market.

In a few years from now, the voice business that we know today will be totally different. It will be more a combine voice and data business. Customers will therefore not only rely on large operators but on the ones that can also ensure the transition of voice to a fully converged world.'

***'Personally I believe that OTT players represent a great opportunity.'***

'Of course OTTs are transforming the industry to a certain extent with their free offerings, but I believe they represent an opportunity for us both on voice and data.

Today, OTTs behave almost like telecom service providers. They have requirements for connectivity and data centers and so on. This creates an opportunity for a carrier like us to provide that kind of service to them on the data side. On the voice side, OTTs have a lot of off-net requirements. Yes they have a large amount of on-net traffic (Skype-to-Skype traffic for example), but as they grow they have more and more off-net requirements as well and we are one of their main providers for that connectivity. We have developed and are developing expertise, features and services to serve them and take advantage of these new opportunities.

The OTT segment will evolve over time, and one day I believe that we could be the carrier that bridges OTTs together. Today, OTTs operate on their own island but at one point, they will seek to interconnect their networks and will look for someone like us, able to offer them interoperability through an all-IP network.'

## The Man

Michel is an industry leader at the forefront of transformation with a unique management style: warm, friendly, approachable. I discussed with him what are the rewards and challenges that come with being a leader, the importance of his team and his advice to achieve success in business.

***'The most rewarding thing is knowing that you can have an impact.'***

'The decisions that you take can make a difference and I am saying that with humility. I am not saying that I am taking decisions that will transform the whole market, but there is a good chance that some of the decisions you take, when you are the number one voice wholesaler in the world, will have a significant impact on other players and the market in general. That is quite challenging and exciting. At the same time it can be daunting, because you are not always sure that you are taking the right decision.

Also, what is exciting and challenging is the speed of transformation. I have been in this business for many years and I feel that in the last 5 years I have done 20 different jobs because the market is changing so rapidly. So that is also quite challenging and exciting.'

***'You say the team behind me but it is not behind me, it is in front of me.'***

'They are really the warriors who are doing the job itself. I think one of the key success factors for someone like me is really the ability to be surrounded by strong people. In my opinion weak leaders are afraid of surrounding themselves with strong people. What is important is that I have strong people around me, that they are motivated and also that they are all going in the same direction. I hope I will never disappoint them. I have always said to my team that they are probably one of the best in the industry, but today I tell them you are the best team in the industry.

***'Being able to motivate people in a mature business like wholesale voice and knowing that you rely on each other to be successful is key.'***

'You have to have fun, work hard and play hard. But really, I have important values: integrity, loyalty, transparency and I think that is the key to building relationships with others. When I say loyal I mean being yourself. It does not mean that you will always agree. If you have something to say, you say it in a nice way but you say it. That is the important thing. However, I am not only humorous or warm, because I think rigor is also very important.'

***'I believe rigor and discipline are key, but the most important thing is your ability to surround yourself with a good team.'***

'I think that is the key success factor. I always say that I like to build motivated teams. By myself, I know I am bringing something to the table, but what really delivers is the team that you are able to build around you as well as the leveraging of the relationships that you have built over the years in the industry.

Be yourself, make mistakes and learn from your mistakes, but I think there is no magic recipe. You are the right person for the job or not.

Finally, you can change, you can evolve but most of all you need to have **passion** because if you lose that passion you will lose your capability to rally and motivate people.'

## **The Author behind the Article:**



Isabelle Paradis, President of HOT TELECOM is an international telecoms expert, with over 18 years working experience in the Americas, Europe, Asia and Africa.

HOT TELECOM has been serving global operators, governments, equipment vendors and telecom investors for over 10 years, providing leading edge market research and consulting services to industry leaders around the globe.