Philippine Long Distance Telephone Company

Introduction

Headquartered in the capital city of Manila, Philippine Long Distance Telephone Company (PLDT) is the largest telecom service provider in the Philippines. Servicing about two-thirds of the fixed line and mobile telephone markets, PLDT dominates the telecommunications field in the Philippines. Since its 2010 acquisition of rival Digitel, Smart, PLDT’s mobile and internet subsidiary alone boasts almost 70 million subscribers. PLDT provides the largest and most diversified range of telecommunications services in the country. Moreover, PLDT’s infrastructure features the most extensive FTTH backbone, complemented by fixed line, mobile and satellite networks.

Challenges

Even with a dominating hold on telecommunications, PLDT’s once steady source of income was already showing signs of contraction.

Meanwhile, as the largest network provider in the Philippines, PLDT was well aware of the robust growth in over-the-top business services. These services were making use of PLDT infrastructure and creating massive demand for increased bandwidth for video, audio and social networking content and services, yet the profits were flowing to the service or content providers and not telecom operators such as PLDT. PLDT was determined to take advantage of this business opportunity and they knew they needed a way to offer value-added services such as IaaS in order to attract a new client base.

Mr. Hernandez, FVP & Head of PLDT ALPHA Enterprise, sums up what’s at stake for PLDT. “Instead of looking at the current business situation as challenge or a threat, we need to create sources of monetization by offering new services, particularly for large-scale enterprises.”
PLDT identified cloud as the best approach for two reasons. First, it allowed them to offer the value-added services that large-scale enterprises were interested in; and second, it provided a way to streamline product development, meaning better cost performance that could be passed on to their customers.

“We already had a clear idea of what we wanted, but we had to find a local partner who was also a global player with the ability to deliver the large scale we needed, but still have a full understanding of our industry,” recalls Mr. Hernandez.

As a global leader in network and IT technology, NEC offered a proven record of delivering cloud-based solutions for clients in mission-critical industries such as telecommunications, government and finance around the world. Thanks to this industry acumen and new cloud based solutions, NEC was in a strong position to help PLDT realize their next-generation business model. PLDT was looking for a solution that would grow with their business. Mr. Adis, Director of Enterprise Technical Services at NEC Philippines, elaborates, “We created a new Multi-purpose Cloud infrastructure that featured the flexibility and scalability that PLDT needed in order to offer large-scale enterprise customers new IaaS and SaaS cloud solutions.”

With regard to previous offerings, PLDT’s VP and Head of ICT Research and Development, Mr. Limjap, explains the advantages of the new solution. “PLDT Cloud initiatives started by launching cloud services as disparate product verticals,” which meant that each time a new service was introduced, the processes involved in bringing it to market had to be repeated. “The new system unified the various Cloud offerings of PLDT into a single Marketplace.” The new cloud system developed by NEC not only allowed PLDT to aggregate and consolidate its cloud offerings, it also streamlined time-to-market for new offerings. Moreover, NEC’s solution makes use of a customizable, web-based virtual storefront referred to as Marketplace. Through Marketplace, PLDT’s customers can purchase resources and applications in a convenient, real-time environment.

“The greatest advantage of our solution is that we offer excellent usability. Even without any specialist IT training or background, PLDT customers can get started almost immediately,” states Mr. Adis.

NEC worked together with PLDT to create a Multi-purpose Cloud infrastructure that would combine a public cloud for end users and a private cloud for PLDT’s own needs. Mr. Adis explains why the partnership was so fruitful: “We approached them not as a vendor, but as a partner. We helped them in all of their go-to-market strategies.” And the results speak for themselves.

“With our new cloud, we were quickly able to attract large enterprise customers,” asserts Mr. Hernandez.

And these customers were soon profiting from NEC and PLDT’s winning partnership. In addition to the convenience of the PLDT Cloud, customers also enjoy the transparency of a consolidated monthly statement.

“Feedback from customers has been overwhelmingly positive. Beyond the integrated billing, they appreciate only having to pay for the services that they use, which has a visible impact on their TCO. NEC is also partnering with us in holding seminars for small and medium enterprises to educate them about the business potential of our cloud services, creating a win-win business model,” adds Mr. Hernandez.

“The new system allowed PLDT to achieve aggregation, consolidation, and faster time to market. A huge improvement for us across the board,” declares Mr. Limjap.

Powered by NEC’s cloud solutions, PLDT have opened the door to new revenue streams and secured their position as a leading service provider for the next era of telecommunications.

Philippine Long Distance Telephone Company (PLDT) has been in the telephony business since 1928. Controlling about two-thirds of the mobile and fixed-line service markets, PLDT is the largest telecommunications provider in the Philippines offering a vast array of services over its extensive FTTH, fixed-line, mobile and satellite networks.