## **ABSTRACT**

Competition in the world of communication getting more competitive nowadays, includes competition in International Direct Connection (SLI), makes customer free to choose the operator with the best performance. Since Telkom entering SLI bussiness, it makes Indosat has competitor in SLI. The government makes this condition in order to forced company's effort will be better to serve the customer. So it is needed for PT Telkom to develop Telkom SLI 007 in technical quality and service quality in order to increased customer satisfaction and hold up customer loyalty in the middle of competition with other SLI operator. Product development method used in this research is QFD method to second iteration.

Customer's need is determined by interview with Telkom SLI 007's customer. The data processing done toward the result of the interview is customer statement interpreted into attribute of customer's need. From the result of the data processing, there are 13 attributes of customer's need that become input in Telkom SLI 007 development. There are 5 attributes of customer needs having the highest weight. They are the connection speed (0.0992), the voice quality (0.0985), success call (0.0865), easily access from many areas (0.0840), and billing information (0.0836).

The 13 attributes gotten by the interview are translated into 17 technical characteristic. There are six technical characteristic having the highest contribution to meet customer needs. They are network hierarchy (0.1094), traffic overload (0.1012), signal voice transmittion (0.0965), information transmittion (0.850), network interconnection (0.0697), quantity of International Gateway (0.0569). Then 17 technical characteristic are developed more detail and gotten 28 part characteristic which are related. There are six part characteristic giving the biggest contribution to meet the technical characteristic. They are direct connection (0.0987), international access technology (0.0867), transit connection (0.0862), the protocol (0.0811), media transmittion (0.0614), quantity of channel (0.0520).

According to analysis and result of data processing done on 13 attributes of customer's need, 17 technical characteristic, and 28 part characteristic, can be given recommendation to PT Telkom that is design of Telkom SLI 007's development to increase the quality of Telkom SLI 007, in order to get customer satisfaction and customer loyality to use Telkom SLI 007.

Key words: Proposal for Development, Telkom SLI 007, QFD (Quality Function Deployment).