
“Life in Telecom’s Turbulent Seas”

Learning points from my 2006 projects

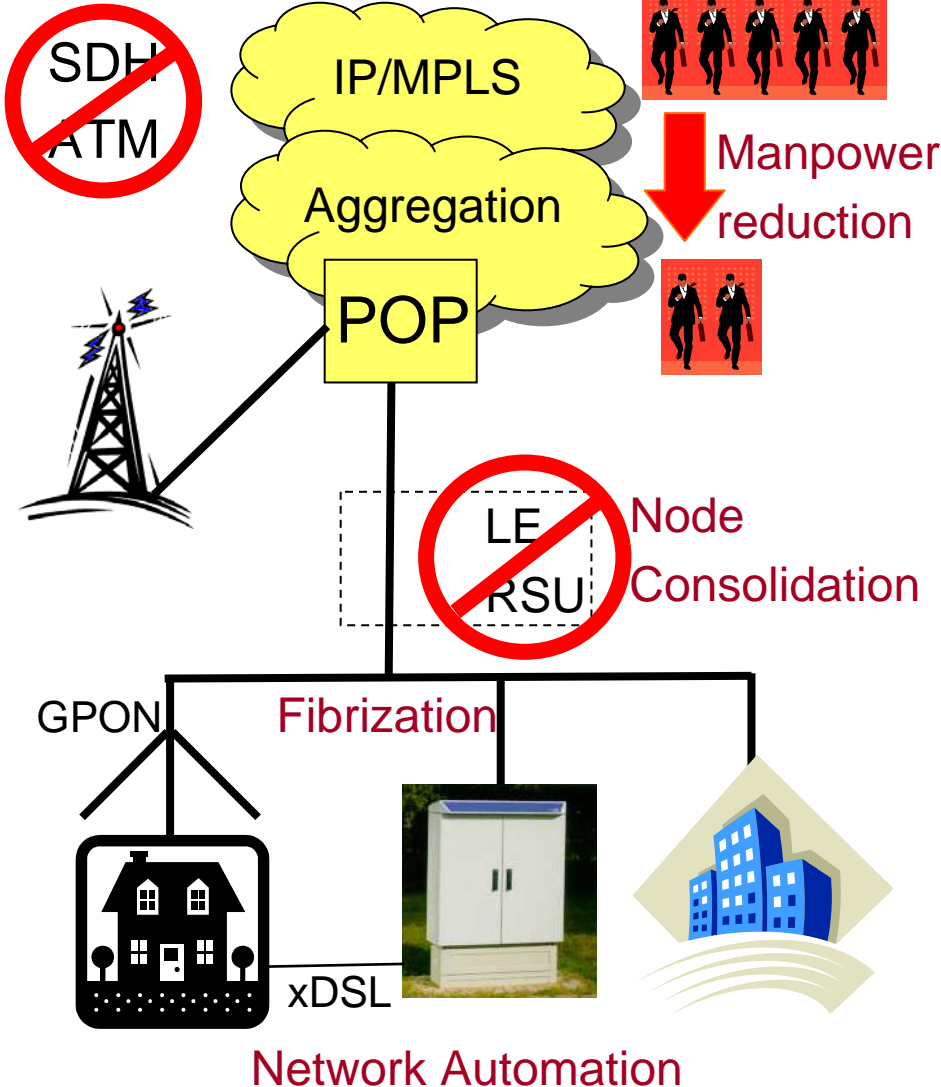
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Topics Reviewed

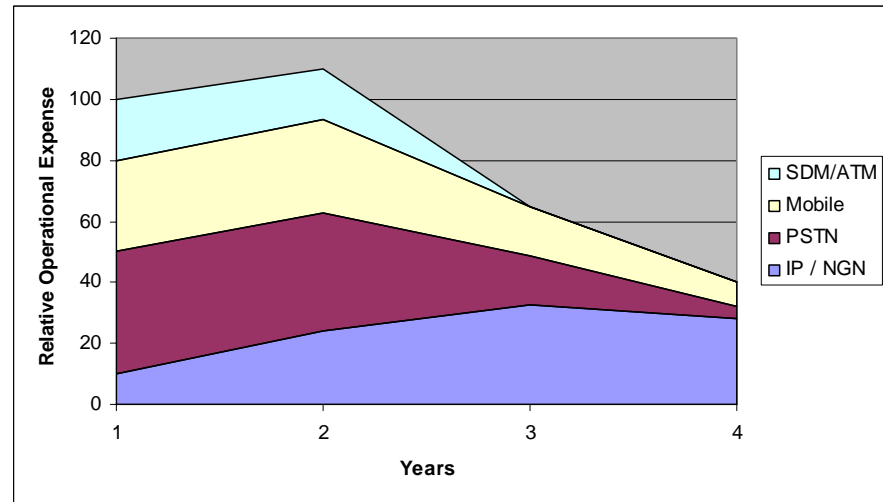
- Next Generation Network: Focus is margin growth through aggressive opex reduction
 - Closing down ATM/SDH/FR/PDH networks
 - Node consolidation (removing RSUs and LE)
 - Operational Expense Reduction to 40% within 4 years
- Bundling: Its not, “Can operators afford to?” Rather “Can they afford Not to!”
- Mobile evolving to Converged
 - Options in delivering a full service bundle – highly dependent on the local situation
- The IMS Missing Link? Service Capability and Interaction Manager (SCIM)
 - Continued attempts at vendor lock-in
- On Device Portal: Remaining nascent
- Some emerging business models
 - IPTV portal – leveraging the emerging STB community
 - Managed business mobilization
- The end of mobile roaming? VoIP bypass

Evolving to NGN: Converged Incumbent Perspective: Margin Growth through Operational Expense Reduction to 40% within 4 years

Network Consolidation



- Increasing focus on operational expense as margins decrease, and IPTV is unlikely to raise those margins
 - Common target is 40% of Operational Expense in 4 years
 - First step towards a “utility” business model?
 - Its going to get worse before it gets better!

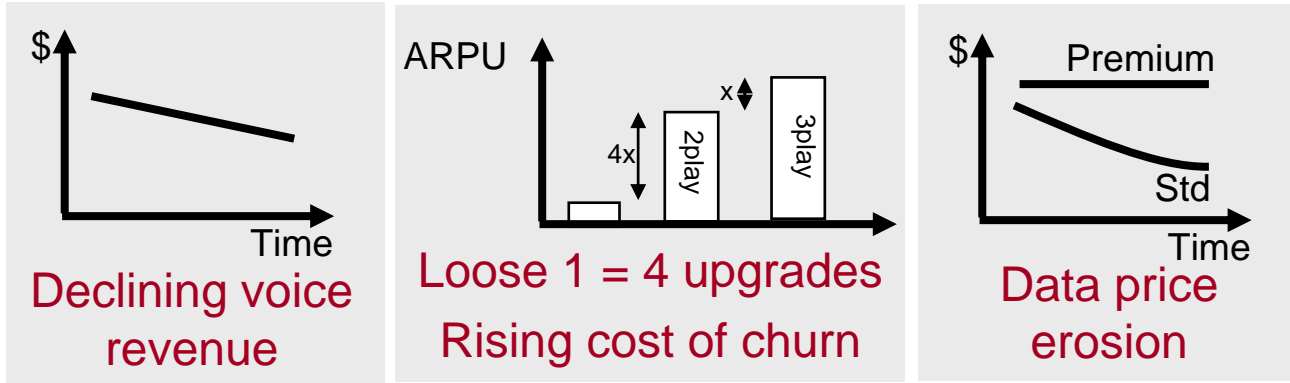


Incumbent Drive for Triple-Play / Bundling :

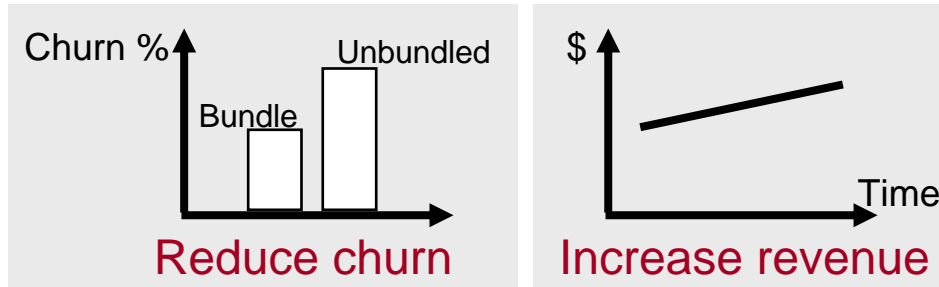
Its not, "Can they afford to?" Rather, "Can they afford Not to!"

Competitive environment will be critical to likelihood of success

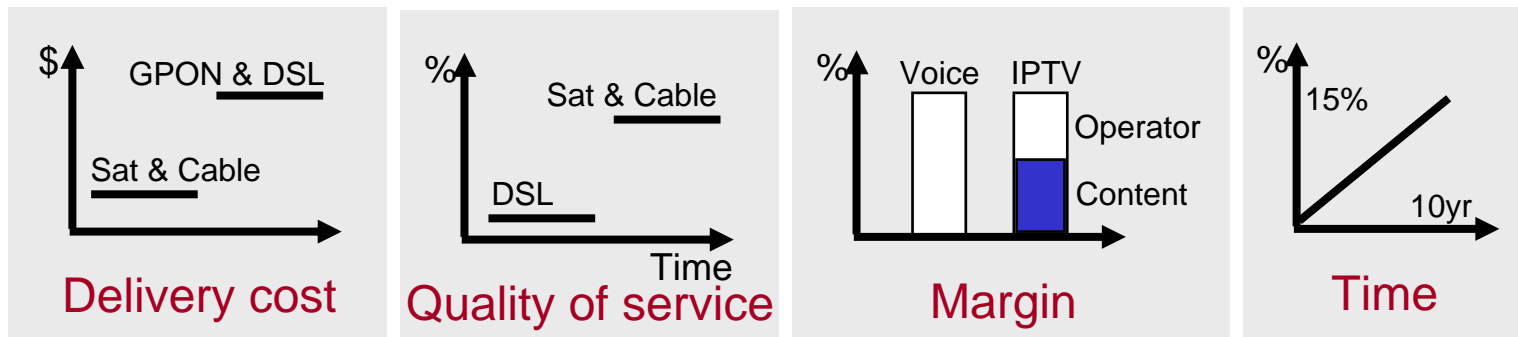
Context



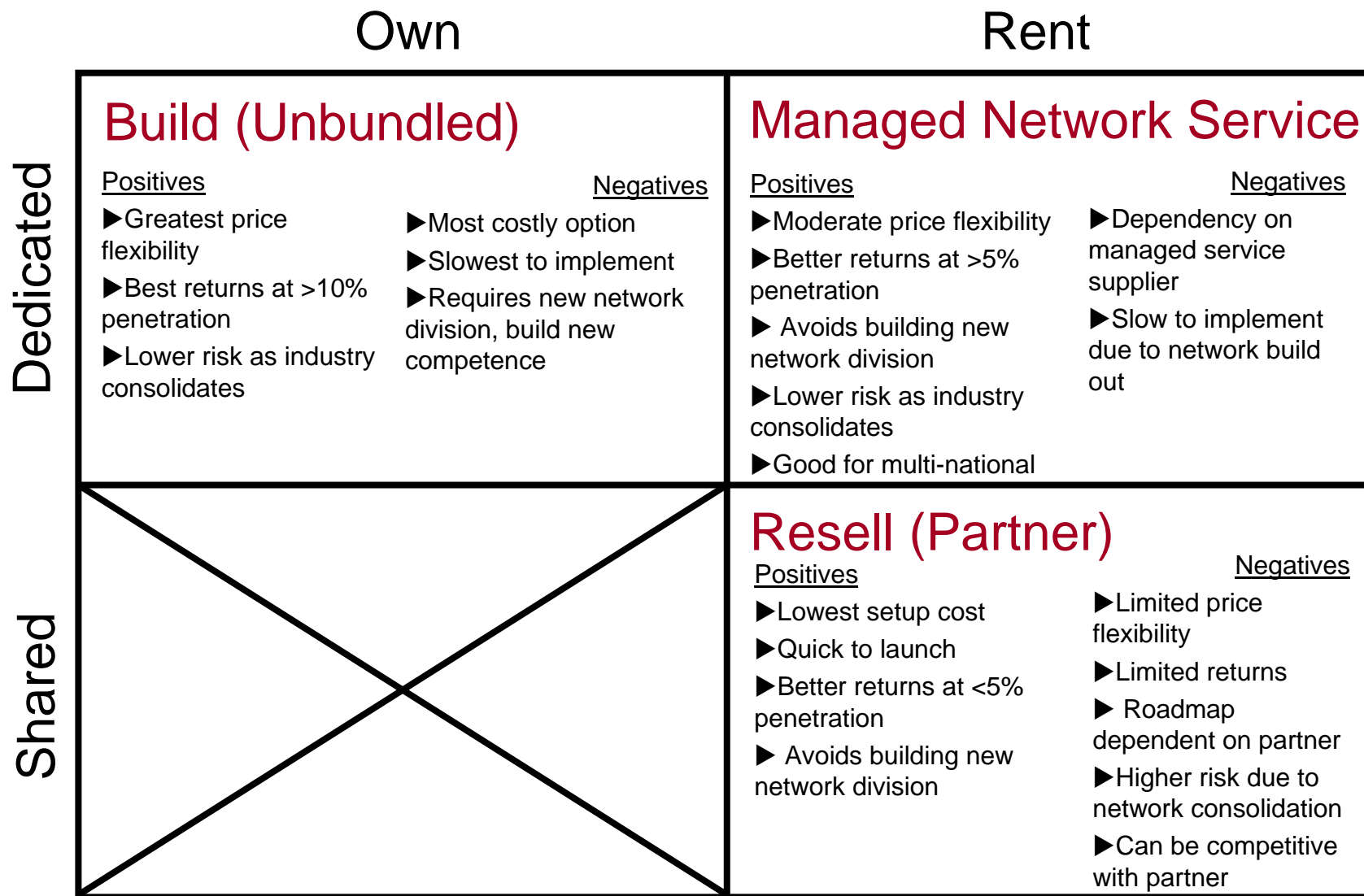
Bundling Drivers



Issues



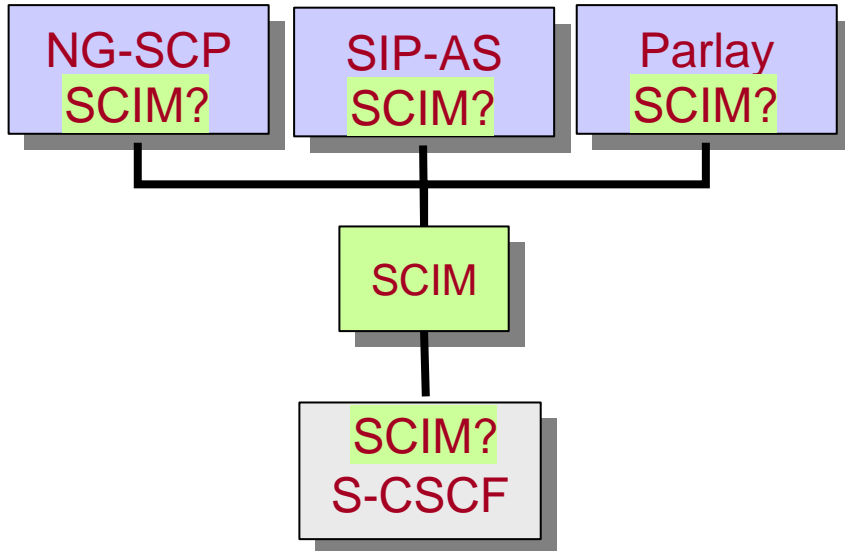
**Options for a Mobile Operator in build a Broadband Proposition:
 No 'standard' solution applies - highly dependent on local situation.
 However, lessons learnt on managed services should be considered.**



The IMS Missing Link?

Service Capability and Interaction Manager (SCIM)

An example of continued attempts at vendor lock-in



- SCIM appears essential if
 - The operator has a voice switch and SCP from different vendors
 - Or the operator has existing SIP infrastructure
 - Or the operator wants to re-use its legacy service logic
 - Or the operator wants to use 3rd party SIP applications

- What is it?
 - Software Module?
 - Independent Network Element?
 - IMS / IP / SIP / legacy centric?
- Also known as / overlaps with:
 - Service Broker
 - SIP service interaction manager
 - Legacy service interaction manager
- Is it necessary?
 - Its only one paragraph in the 3GPP specs
 - Many IMS courses and books do not even mention the SCIM
 - A single vendor AS infrastructure may not require a SCIM
 - Its claimed to be “bundled” into the S-CSCF, or the AS, or the legacy interaction manager

Emerging opportunities from the growing community of IPTV STB.

Managed mobile portal services for both consumer and business service are growing strongly: Consumer → simplify, Business → meet ‘turn-key’ needs

Leverage DVD marketing release window. Low cost distribution.

Leverage the 10ft screen community: commerce, games, comms., local info: e.g. SkyNet

Simplify. Lower risk, faster time to market, lower upfront capex, avoids death by 1000 software licenses.

Move up value chain from comms provider, deliver ‘turn-key’ mobilization solutions – critical issue is channel conflicts

Monetizing the IPTV STB community

Download to own

IPTV Portal



38M units by 2010, growing to 150M units by 2012

Managed Mobile Applications

Consumer Portal

Business Portal



2.4B Mobile customers today

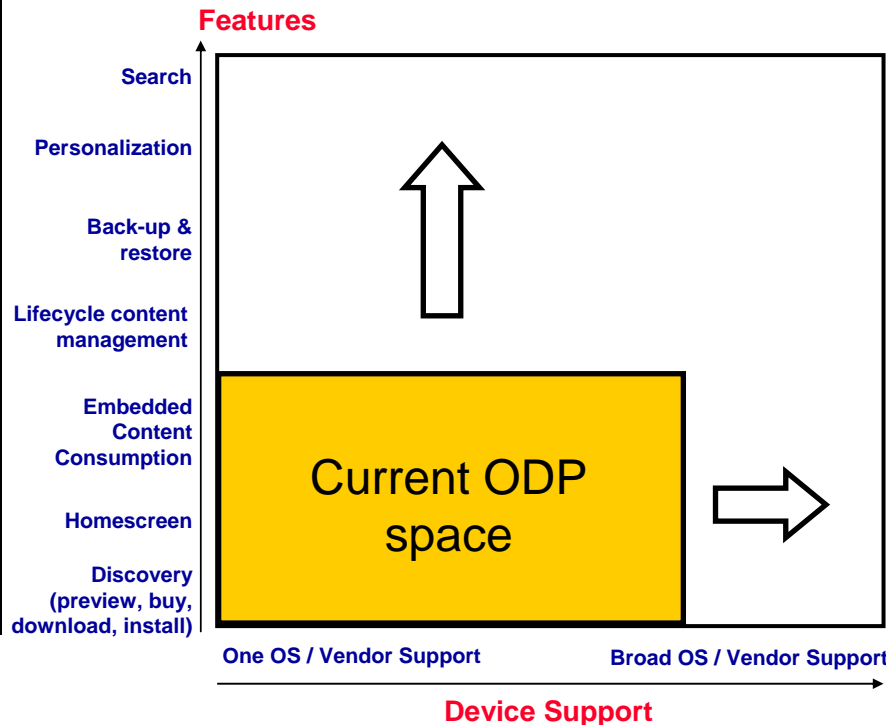
The ODP vendor landscape: A nascent market, hampered through lack of vendor co-operation and clear customer requirements. Currently aggregating functions and expanding device coverage – but will this meet customer needs?

Sample Successes

Operator	Type of Client	ARPU increase
One, Austria	<ul style="list-style-type: none"> •Cibenix •Home screen replacement & offline menu •Symbian Devices + Java since '05 	Usage of WAP, ring tones, games increased between 150% and 700%
O2 UK	<ul style="list-style-type: none"> • Action Engine: off-line portal •SurfKitchen: Off-Line portal, preloaded w. 30+ pages of offline content, updated 2 times daily (push) 	137% increase in ring tone downloads via off-line portal Usage of services increased by 57%

Vendor Comparison

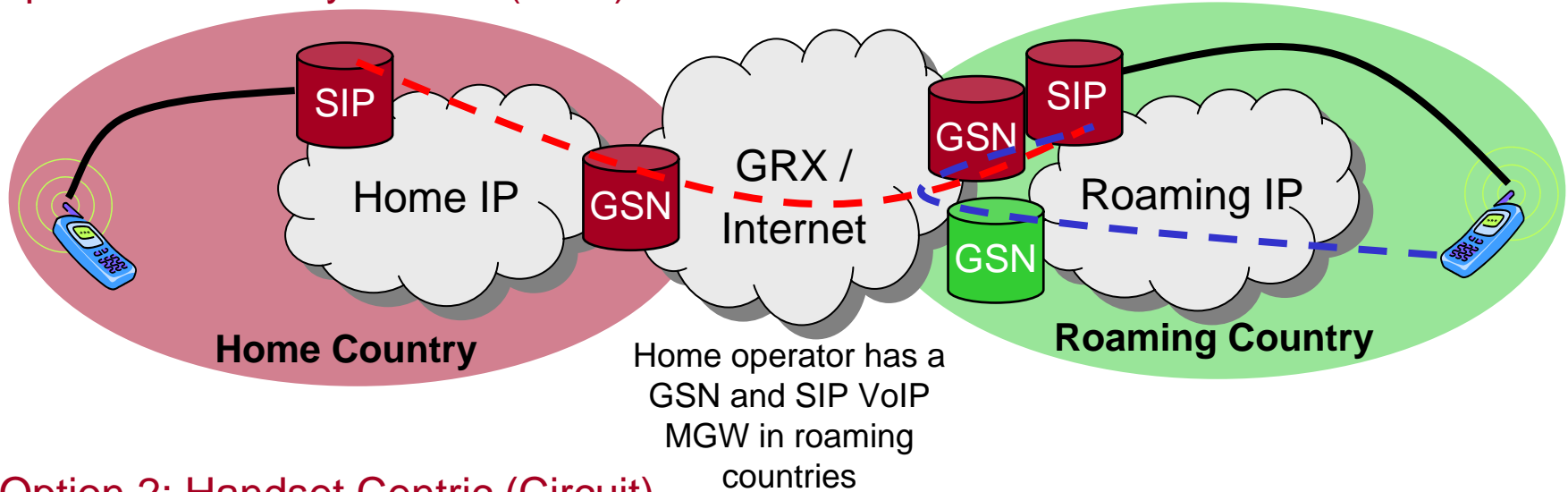
	Embedded Consumption	Search	Retail Client	Home screen replacement
Abaxia	✓			✓
Action Engine	✓			
Cibenix	✓		✓	✓
Handmark	✓		✓	
Macromedia (Flashcast)	✓			
MSX	✓		✓	✓
Nellymoser	✓		✓	
Nokia			✓	
Onscreen				✓
Opera				✓
Openwave	✓		✓	✓
Qualcomm Ulone	✓		✓	✓
RefreshMobile	✓			
Silk	✓		✓	
Motion Bridge	✓	✓	✓	
V-Enable	✓	✓	✓	✓
Bullant	✓	✓	✓	✓
Surfkitchen	✓		✓	✓



ODP device and feature coverage have proven limitations that have hampered operator adoption

The end of Mobile Roaming? VoIP Bypass: Two emerging solutions to address the worldwide roaming revenues of \$15B

Option 1: Gateway Centric (VoIP)



Option 2: Handset Centric (Circuit)

