



# 21st Century Interconnect

## The path to top-line growth

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i3 Forum  
Warsaw: June 16, 2010



# The perils of prediction

Three key concepts  
for today:

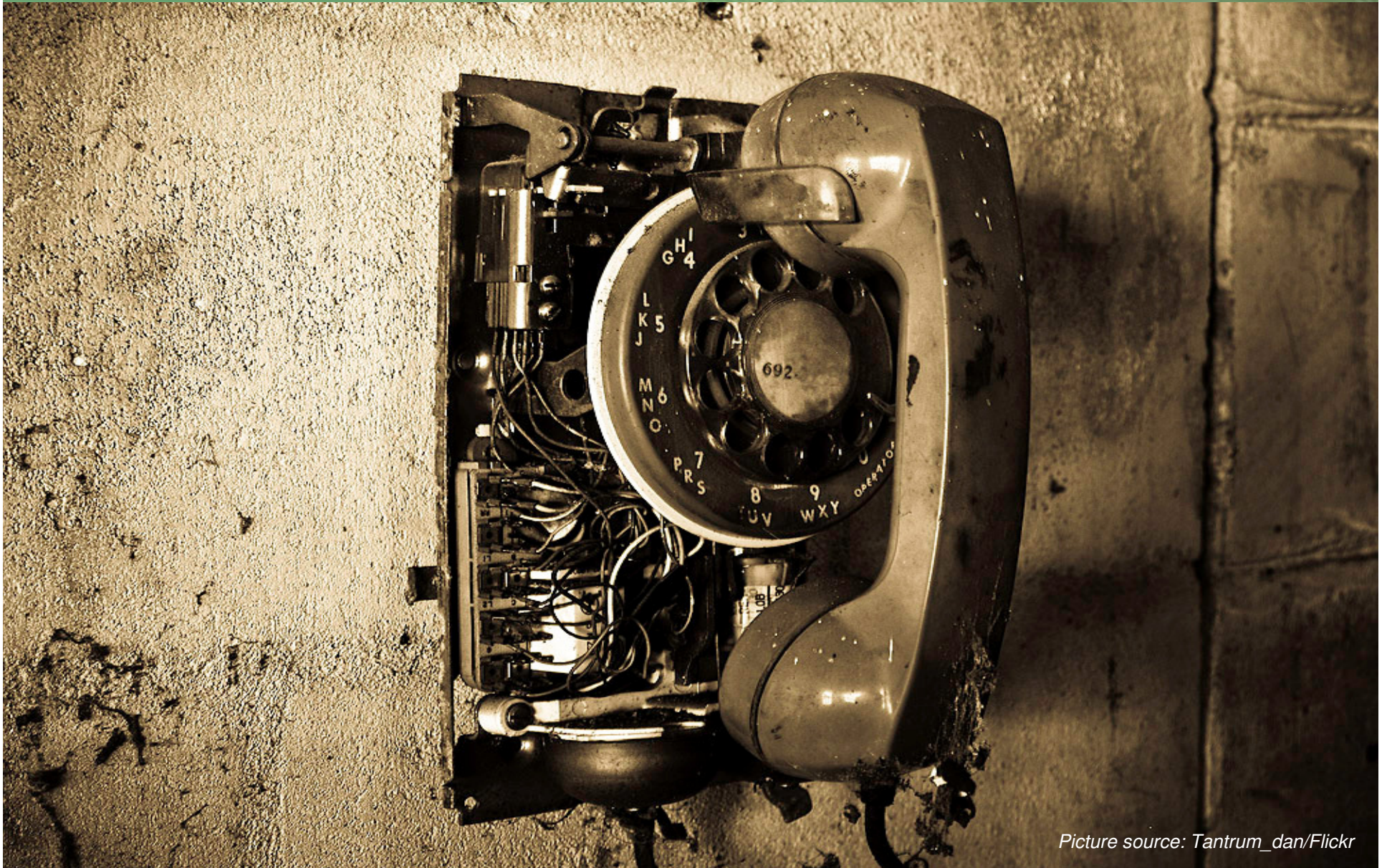
- Redemption
- Gluttony
- Insanity



*Clytemnestra kills Cassandra*



# Telecom In decay - or transition?



Picture source: [Tantrum\\_dan/Flickr](#)



# Redemption

After a decade of *mea culpa*

1990s



## The Enron Era

Irrational exuberance  
Corporate malfeasance  
Collective delusion

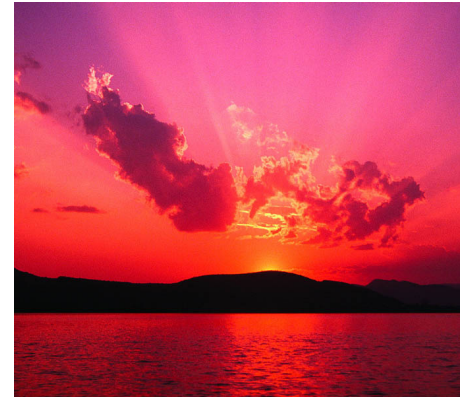
2000s



## The Noughties

Bottom line focus  
Divestment  
Disintermediation

2010s



## The Cloud Era

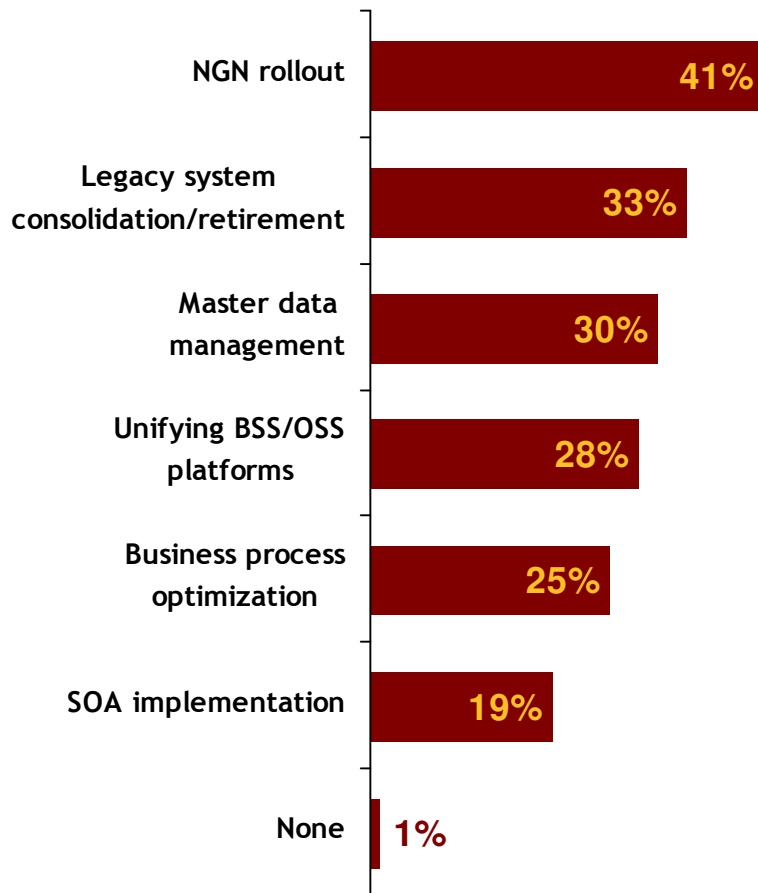
New business models  
Third-party ecosystems  
Strategic wholesale

***After a decade of atonement, it's time to recognise strengths***

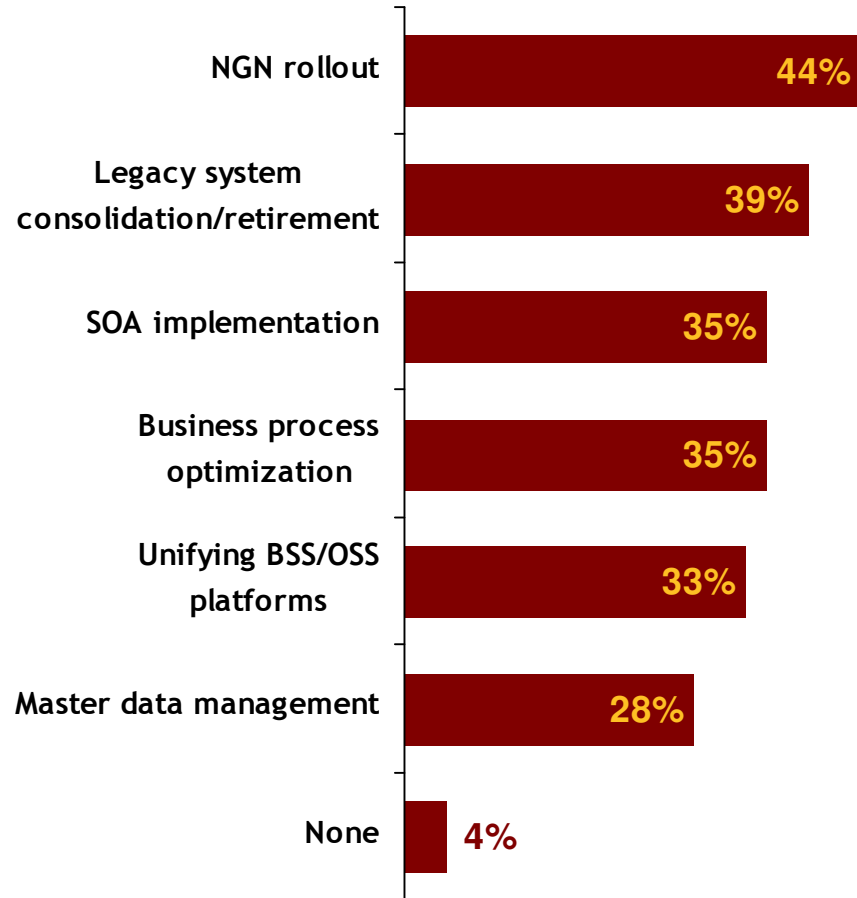


# Transformation CSP priorities in two regions

**EMEA: Transformation activities**



**NAM: Transformation activities**



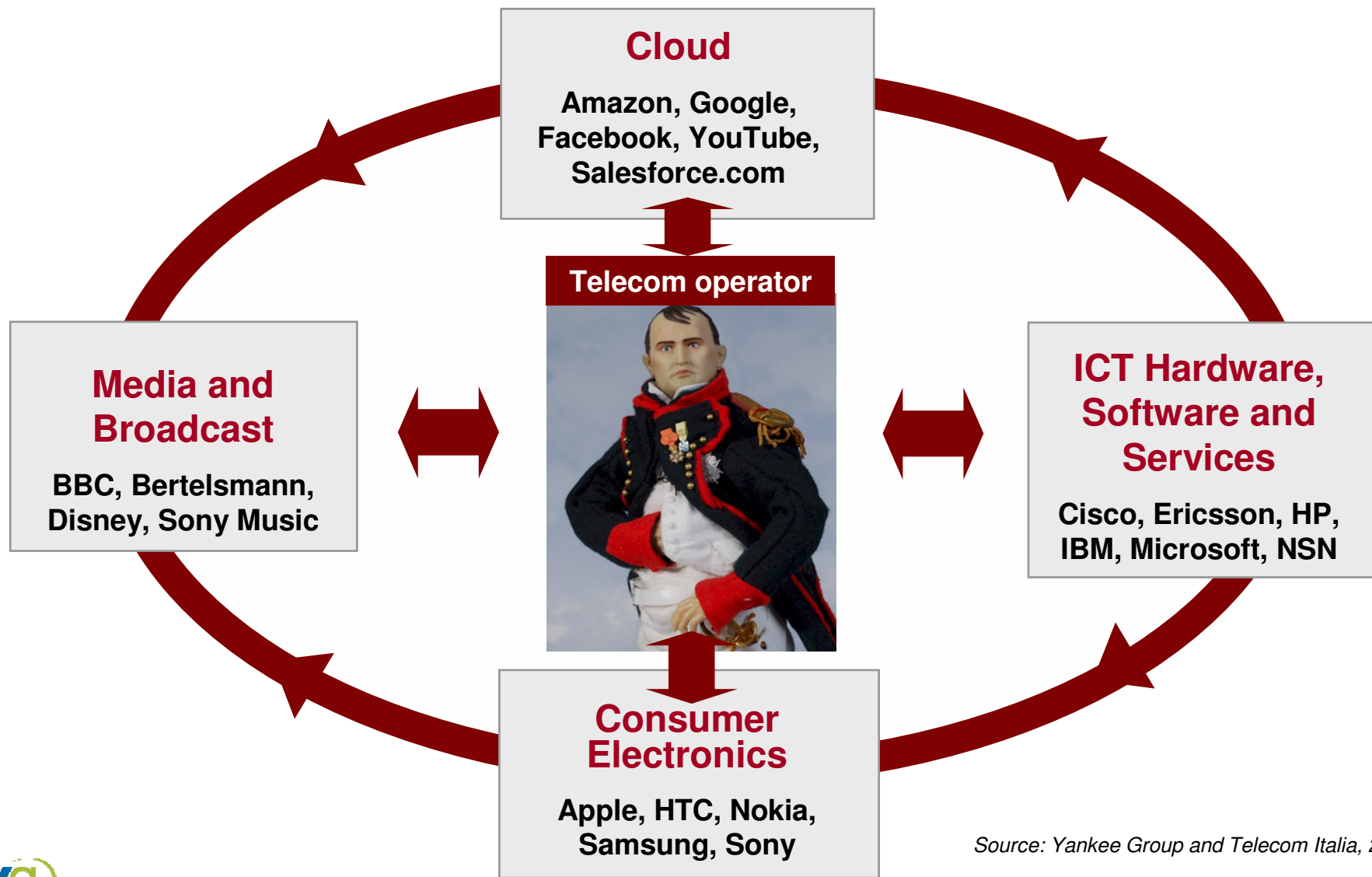
Source: Yankee Group custom survey, n= 158 CSPs

***NGN is consistently at the top of the list***



# Choose

## A multi-front war - or rich interactions



Source: Yankee Group and Telecom Italia, 2010



# Gluttony

## In a new world of demand

### 20<sup>th</sup> Century Consumer



Oliver Twist

*“Please sir, can I have some more?”*

### 21<sup>st</sup> Century Consumer



Homer Simpson

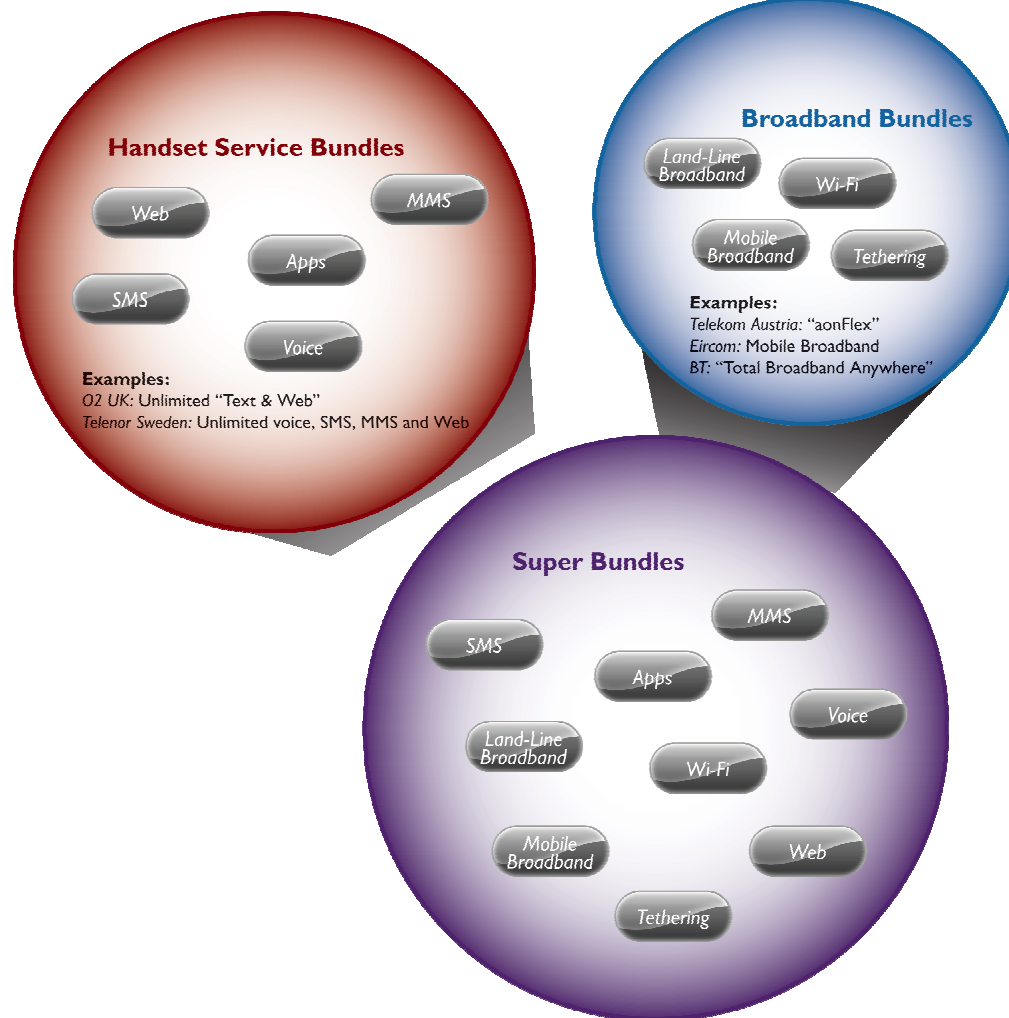
*“More, doh!”*

Image credits: Tristar, Fox Broadcasting



# Super Size Me

Only true convergence will satisfy



***Today's super consumers need super bundles***



# Interconnect

## It's not just about voice

### Networks

CDMA HSDPA EV-DO  
 LTE GSM GPRS WCDMA  
 IP MPLS WIFI UMTS WIMAX  
 EDGE

10+

### Operating Systems

RTOS RIM SYMBIAN OS  
 APPLE PALM OS  
 SERIES 60 WINDOWS MOBILE  
 LINUX ANDROID

20+

### Clouds

### Handsets

MOTOROLA  
 SONY ERICSSON SAMSUNG  
 HTC LG  
 PALM NOKIA APPLE GOOGLE  
 RIM PALM

2000+

### Applications

SKYPE  
 SEVEN TWITTER  
 MYSPACE YOUTUBE  
 YAHOO GOOGLE ORACLE  
 FACEBOOK GOOD MICROSOFT  
 APPLE SYMANTEC  
 MCAFEE

3000+

Source: Mformation, 2009



# Insanity

## Desirable for top-line growth

### Let's end a century of bi-lateral interaction

- We sell – you buy

### It's time for multiple 'personalities'

- Sell With / Joint venturing
- Sell Through
- not just Sell To

### Move to multi-lateral interaction

- Revenue share
- Share risk, shared reward
- Bigger universe



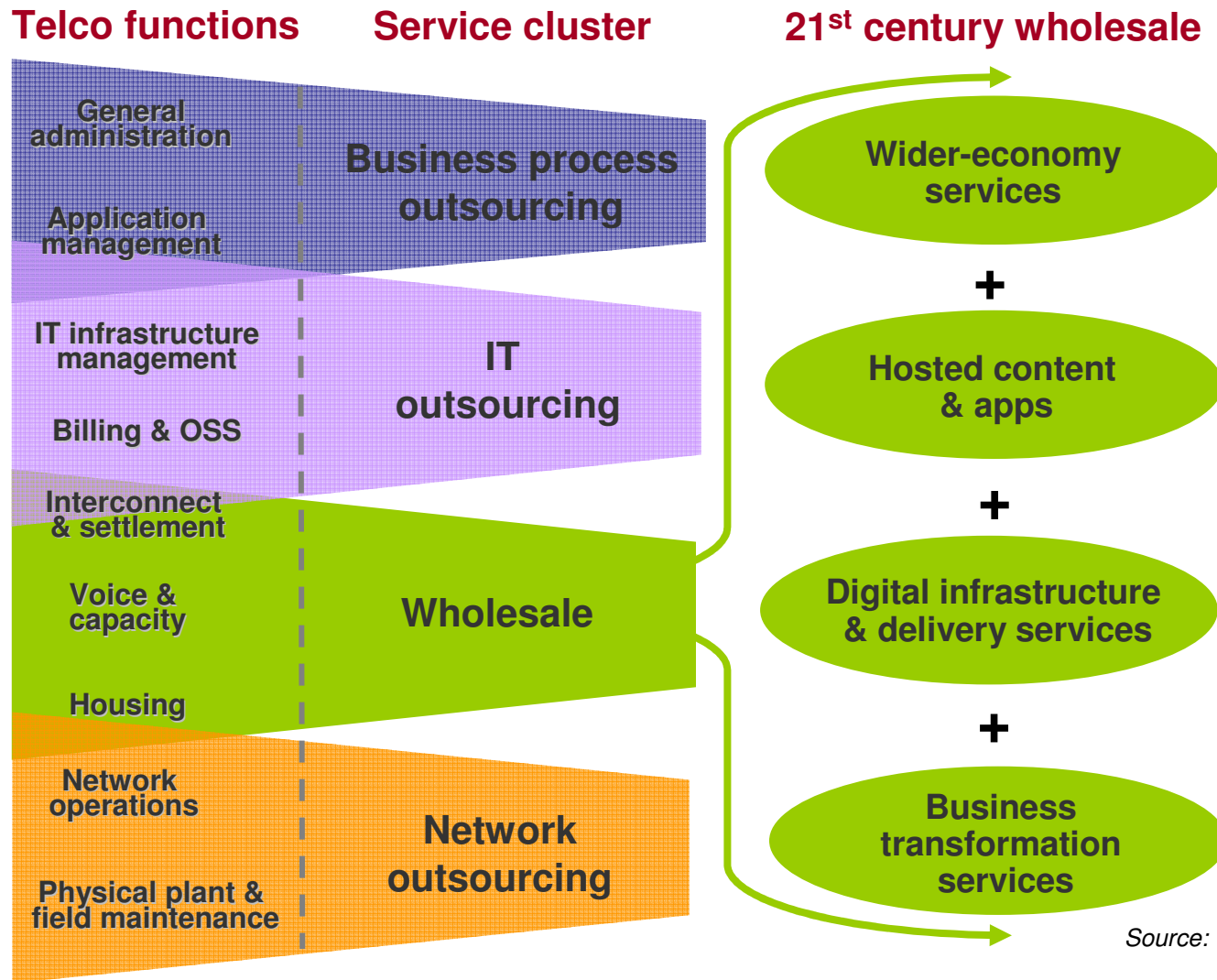
*The Three Faces of Eve, 1957*

***21<sup>st</sup> century interconnect is about commercial flexibility***





# Insanity Wholesalers lead the way



Source: Yankee Group, 2010

# Diversification

## Redefined wholesale can grow the top line

### Wider-economy services

Smart grid, international remittances, remote home control, M2M, health care

### Hosted content & apps

White label SaaS, UC, contact center, app store, mobile TV & IPTV, digital advertising and ad insertion

### Digital infrastructure & delivery services

CDN, P2P/P4P mgmt, media transcoding, IPX, ENUM, app store management, IaaS, PaaS, APIs, mobile payments, analytics, device and CPE management, Ethernet exchange, cloud federation, compliance management, security and fraud mgmt, content partner management, broadcast distribution, M2M MVNE, presence and identity management

### Business transformation services

Infrastructure build-operate-manage, process design and optimization, service design and launch, marketing, sales support

***Efficient interconnect enables new revenue streams***





# Parting thoughts

## Interconnect and industrial growth



**William Stanley Jevons,  
a Victorian economist**



**The coal-fired steam engine**



**A lump of coal**

The Jevons Paradox: Innovation that improves the **efficiency** of a product's consumption also increases its **volume** of consumption



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# *Thank You!*

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