

Driving value in the connected world

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Our market vision 2015 – the World connected

Applications predominantly
in internet

Multitude of
business
models



5 billion people
connected

Broadband
everywhere

Challenges and opportunities

Reinventing the connected world



Market need to find new value

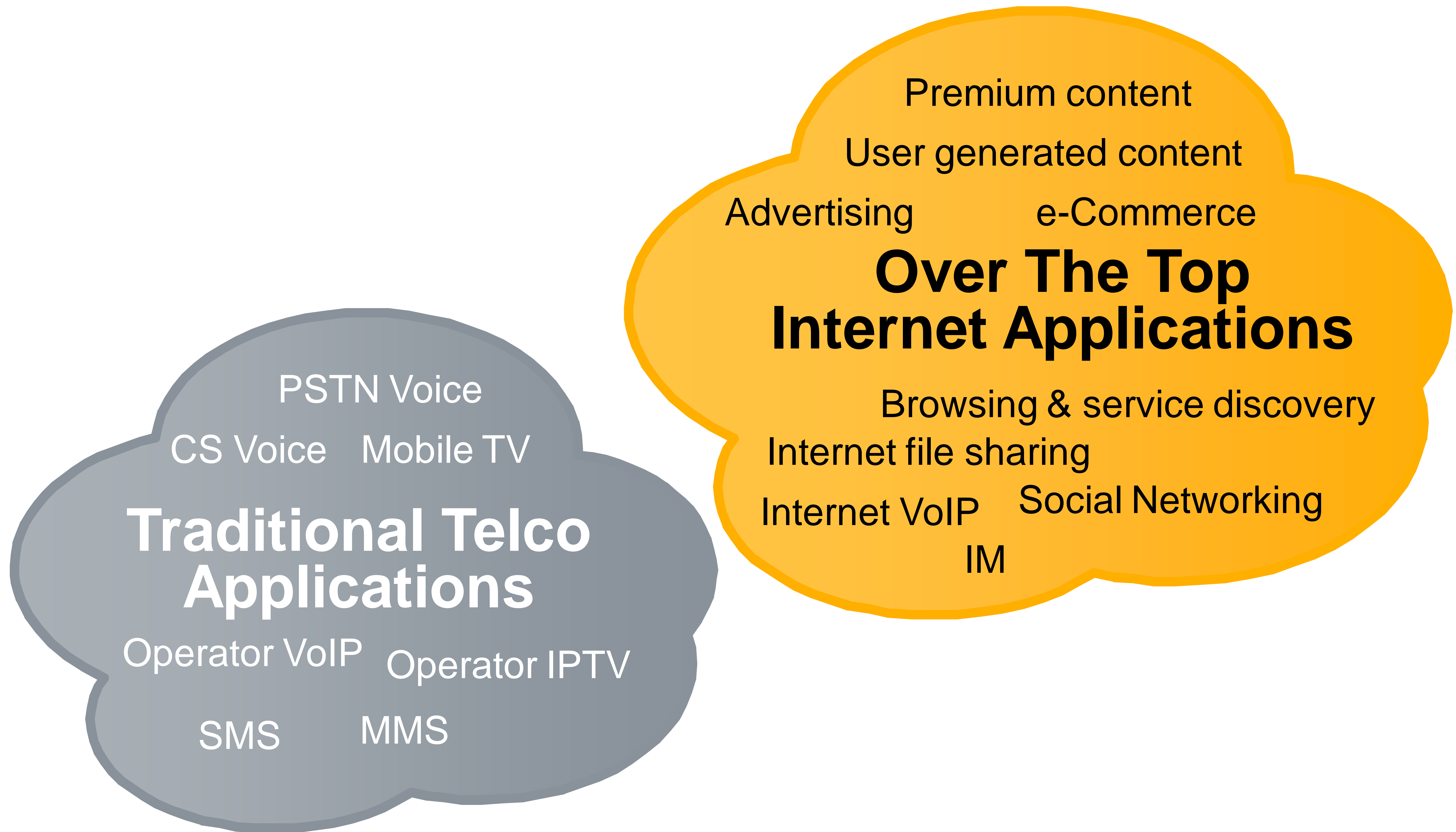
ARPU's flattening –
need to find new
areas for **growth**

How can value be
created by
**leveraging
the network?**

Navigating
towards the
'New Telco'
world

Connectivity
business – need to
differentiate
from other players

Application landscape



Key assets of the connectivity network



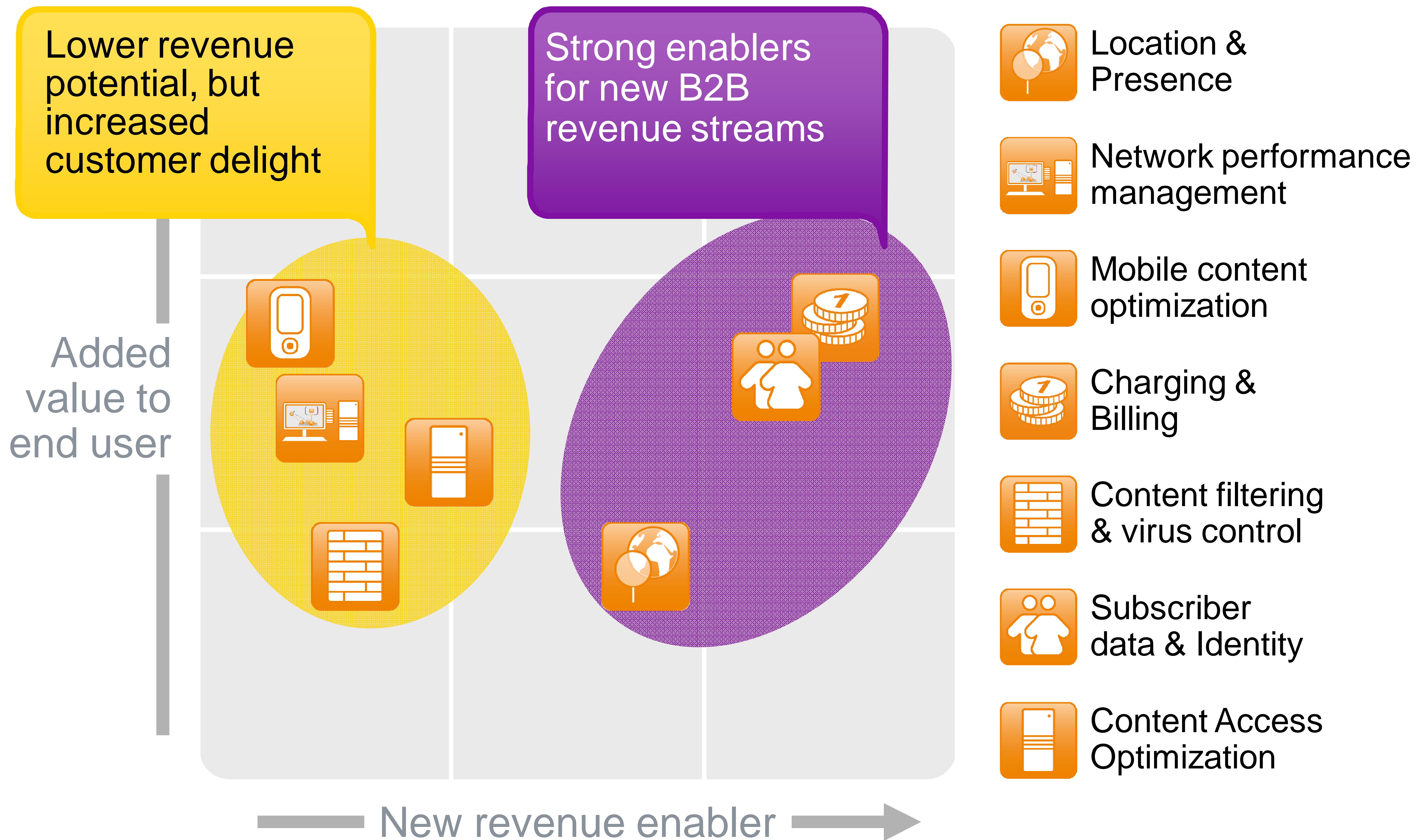
Ubiquitous access,
broadband connectivity
and **network** control



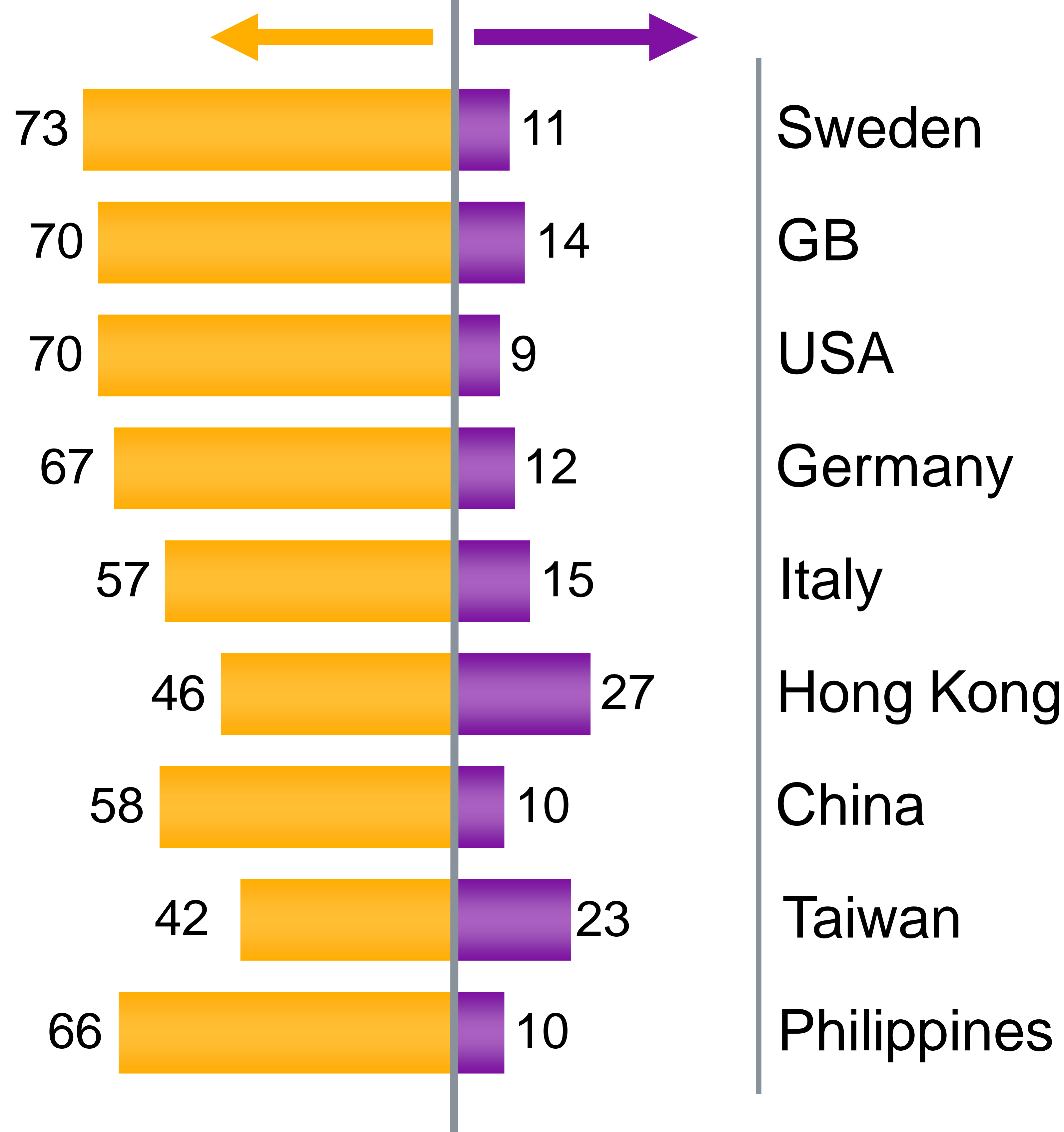
The direct and
personal relationship
to millions of
consumers.



How can network assets enable added value?



Satisfaction **Churn**



Source: Pulse Study, 2007/2008

“...good customer service and positive customer experience are among the few avenues for differentiation”

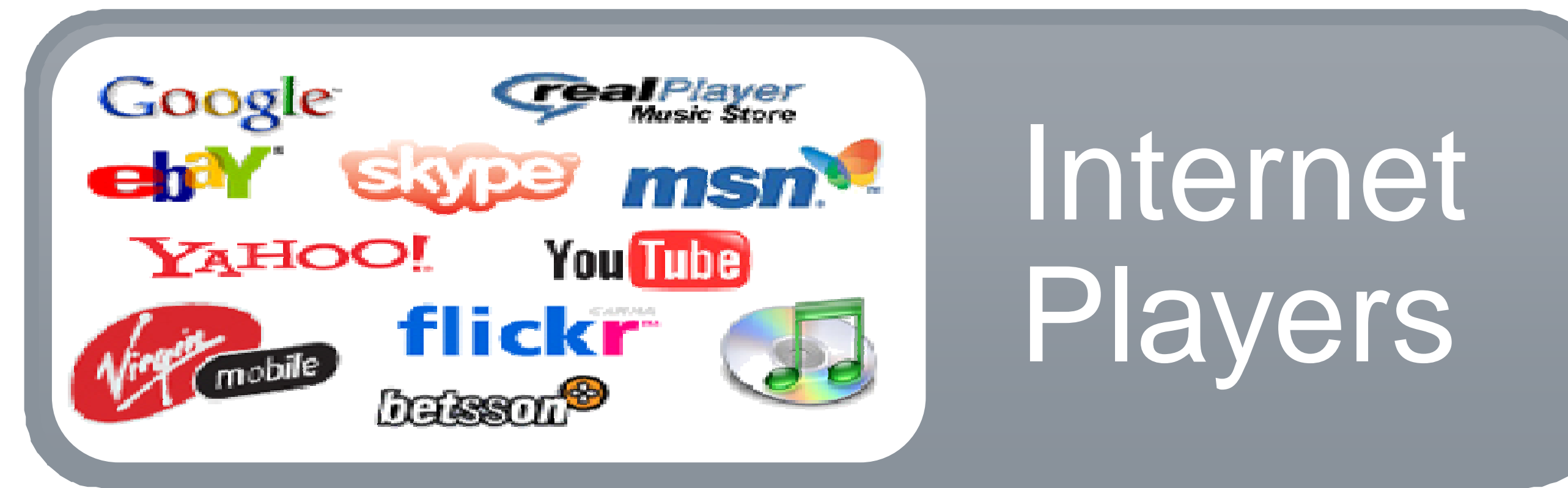
Ovum, September 2008

“In addition to wholesale revenues, Telco 2.0™ operators will generate profits from their position in the telecommunication value chain and the access they have to detailed customer information”

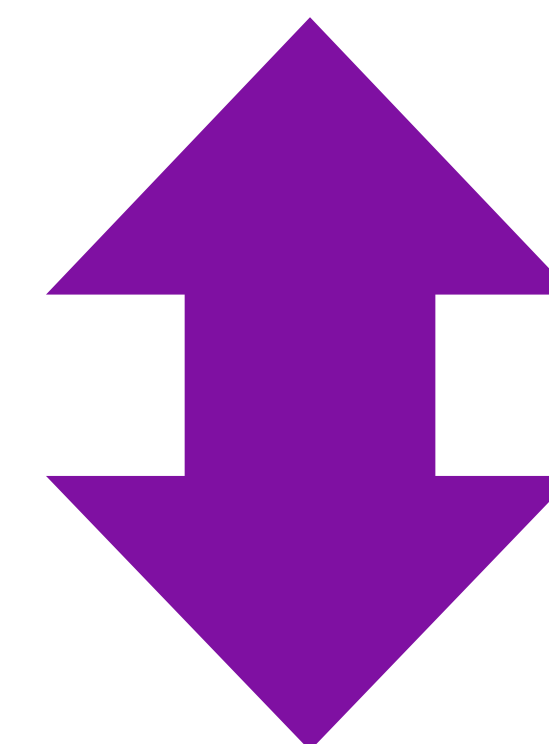
Strategy Analytics, October 2008



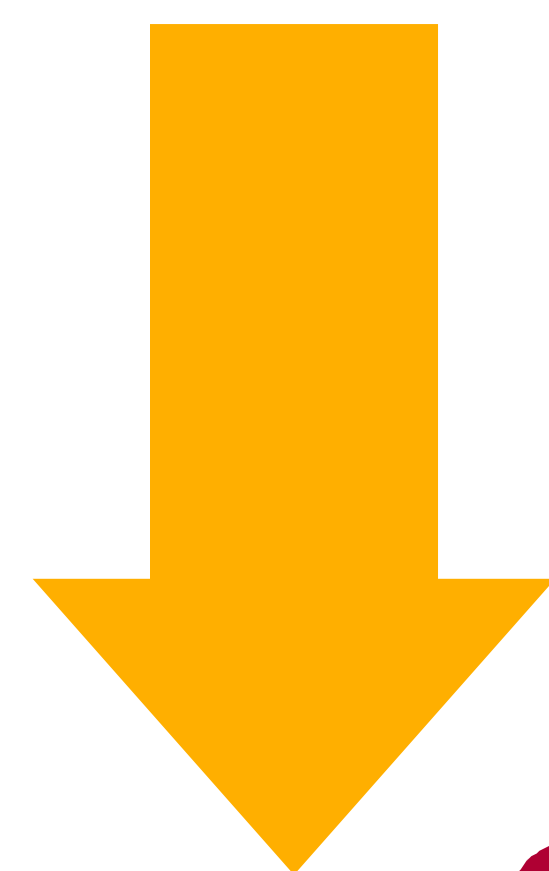
Example: Subscriber data & Identity



New Revenue Potential



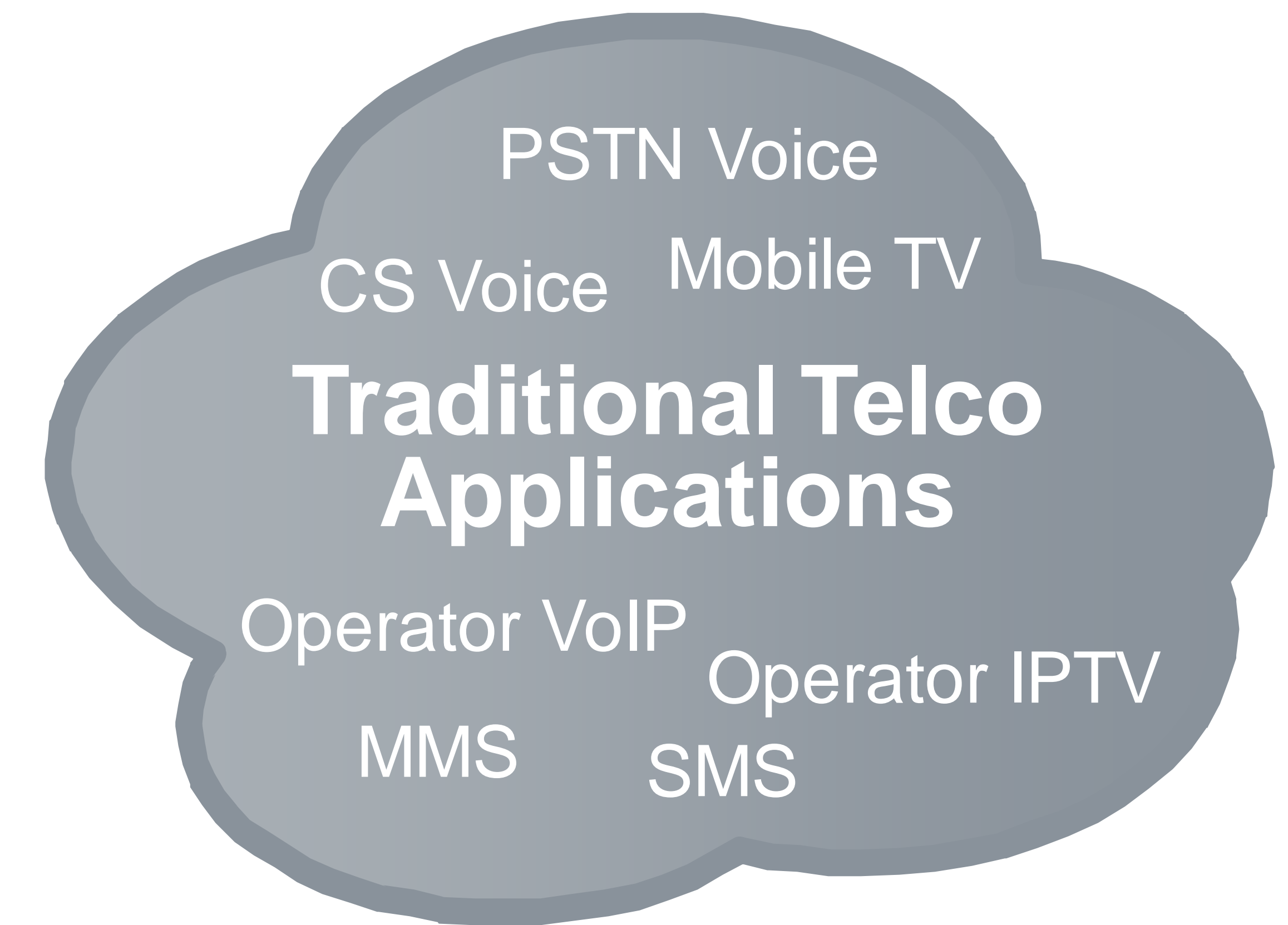
Enriched Customer Experience



Communication service provider revenue split ~2013

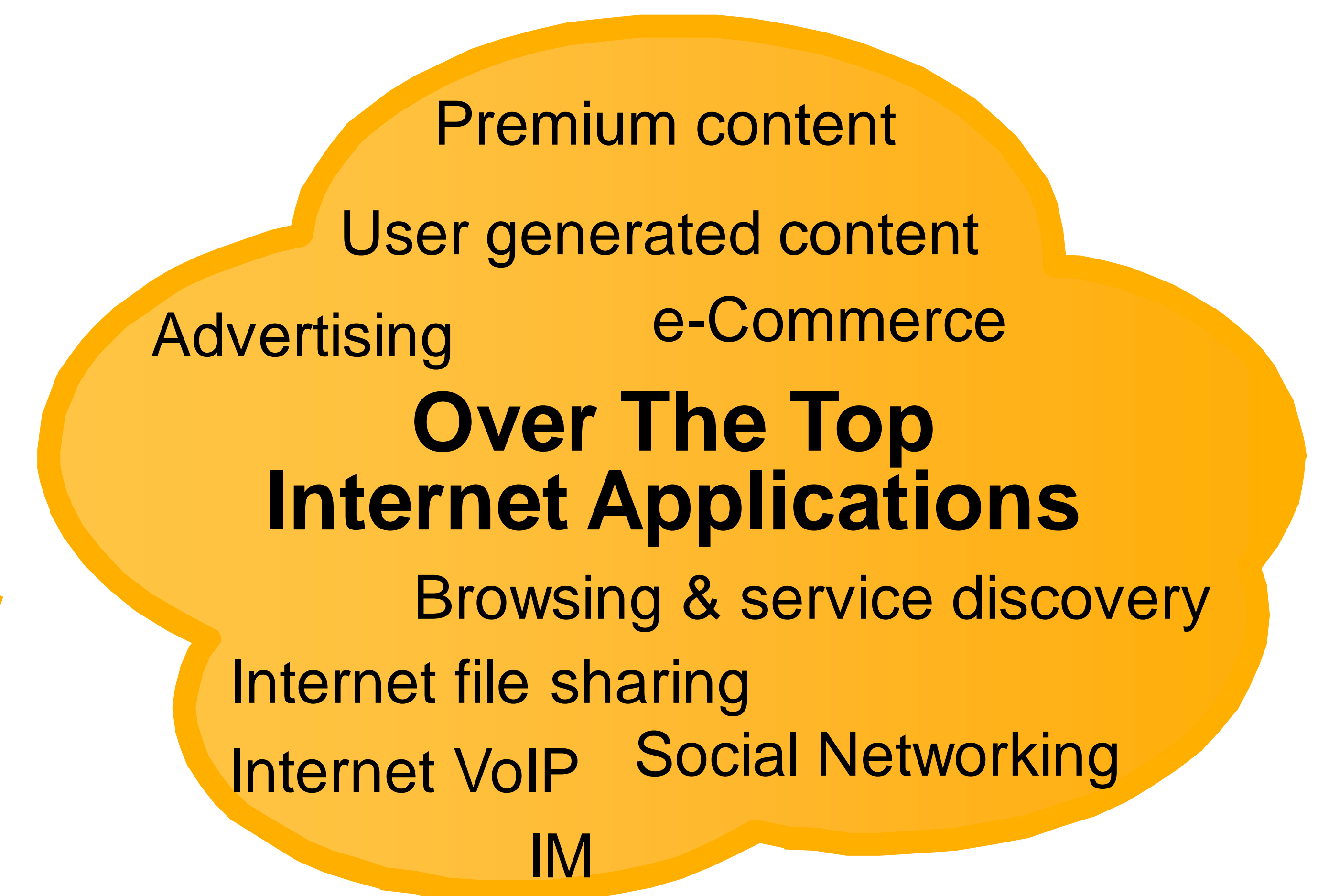
> 85%

Telco Applications remain the **Main Revenue Source**



~ 10%

Internet Applications with clear **Opportunities for Monetization**



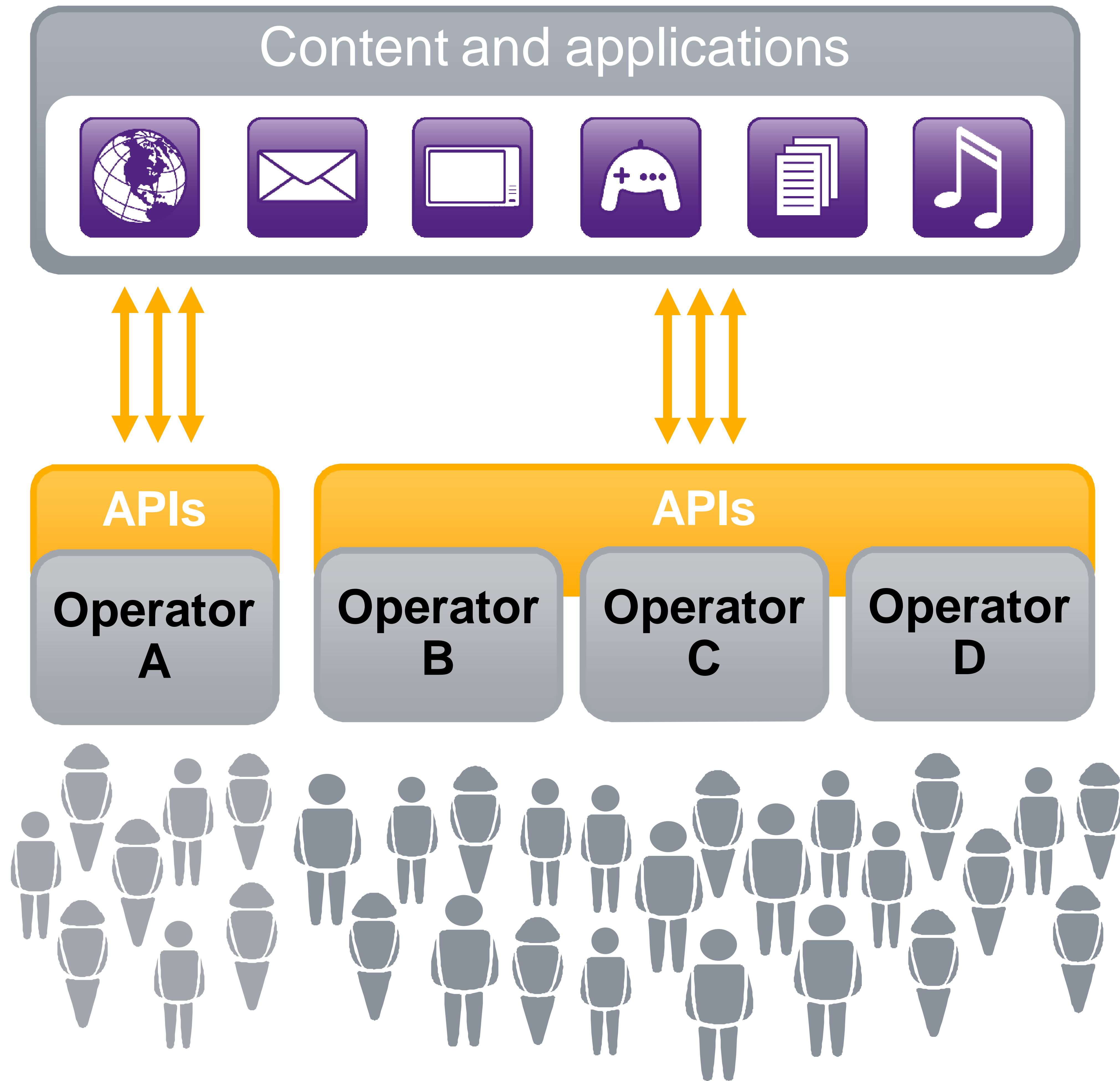
< 5%

Internet Applications – **Emphasis on customer experience**

Analysis based on NSN research combined with various industry analyst data



Leveraging network assets via 'Open Telco' APIs



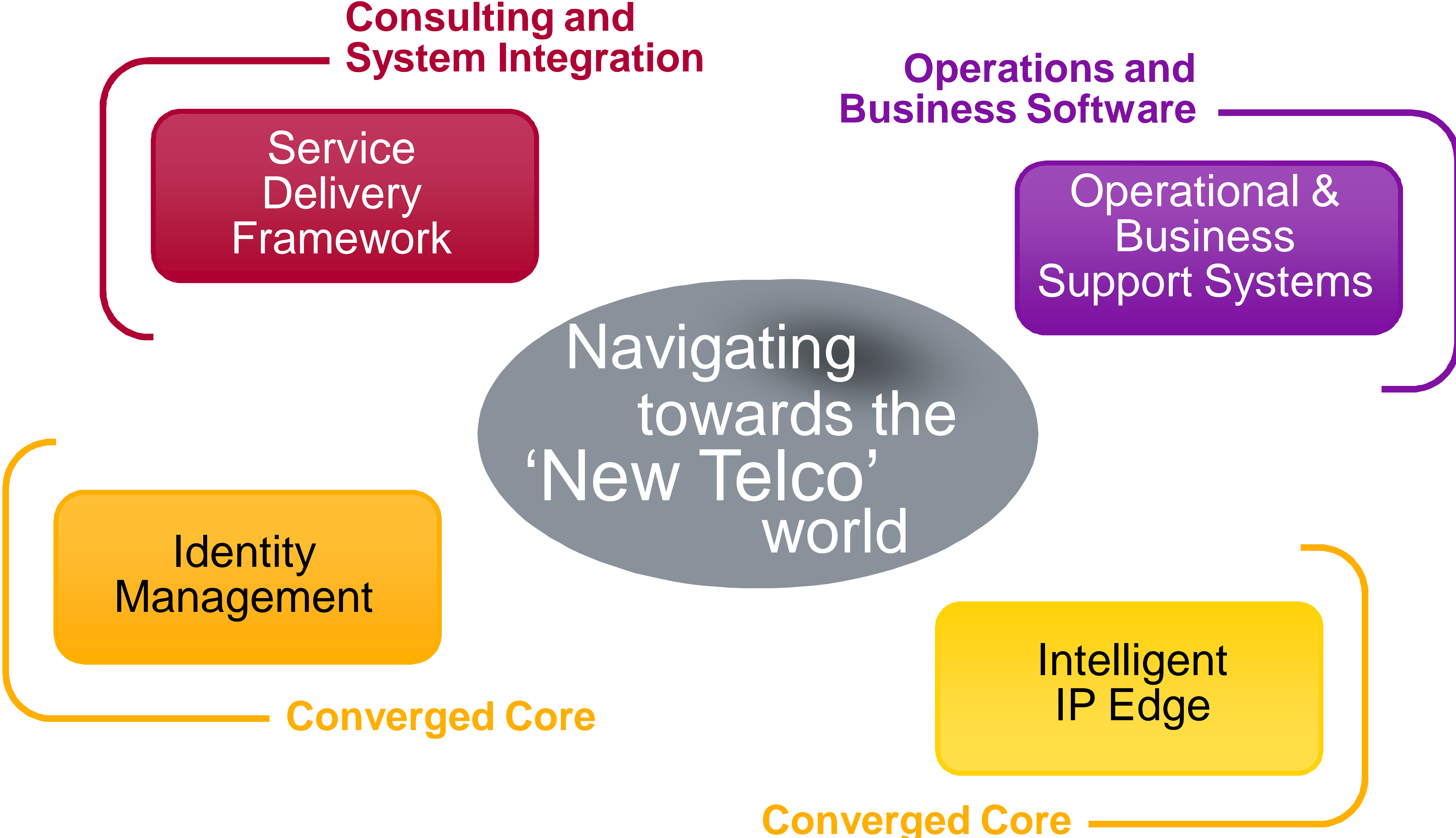
Open Telco APIs

Driving the 3rd party ecosystem

Unified, horizontal approach beneficial

Multiple potential business strategies

Key building blocks



Key recommendations

Leverage network assets to drive customer satisfaction, differentiation and growth

Focus on longer term business strategy on Telco APIs

Navigating towards the 'New Telco' world

Motivate subscribers to share their data

Focus on development of B2B partner ecosystem



Network Architecture Vision

Cost-efficient, value added service delivery

Application Domain

User's needs

- Communities and content of value to users
- Personalization & tailored services
- Open for 3rd parties

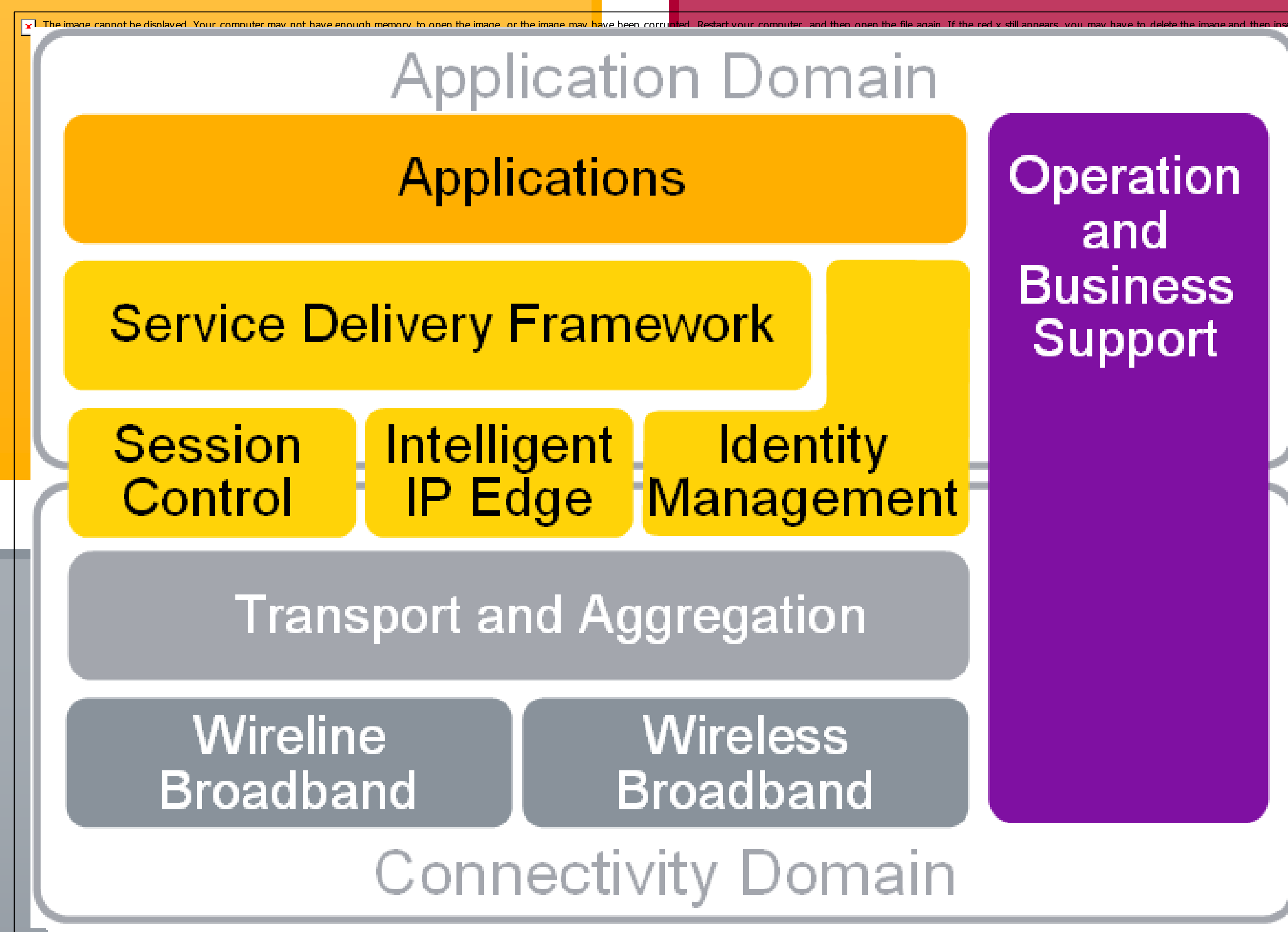
- Flattened & simplified architecture
- Lowest cost per bit
- Multi-layer optimization

Connectivity Domain

Operators assets

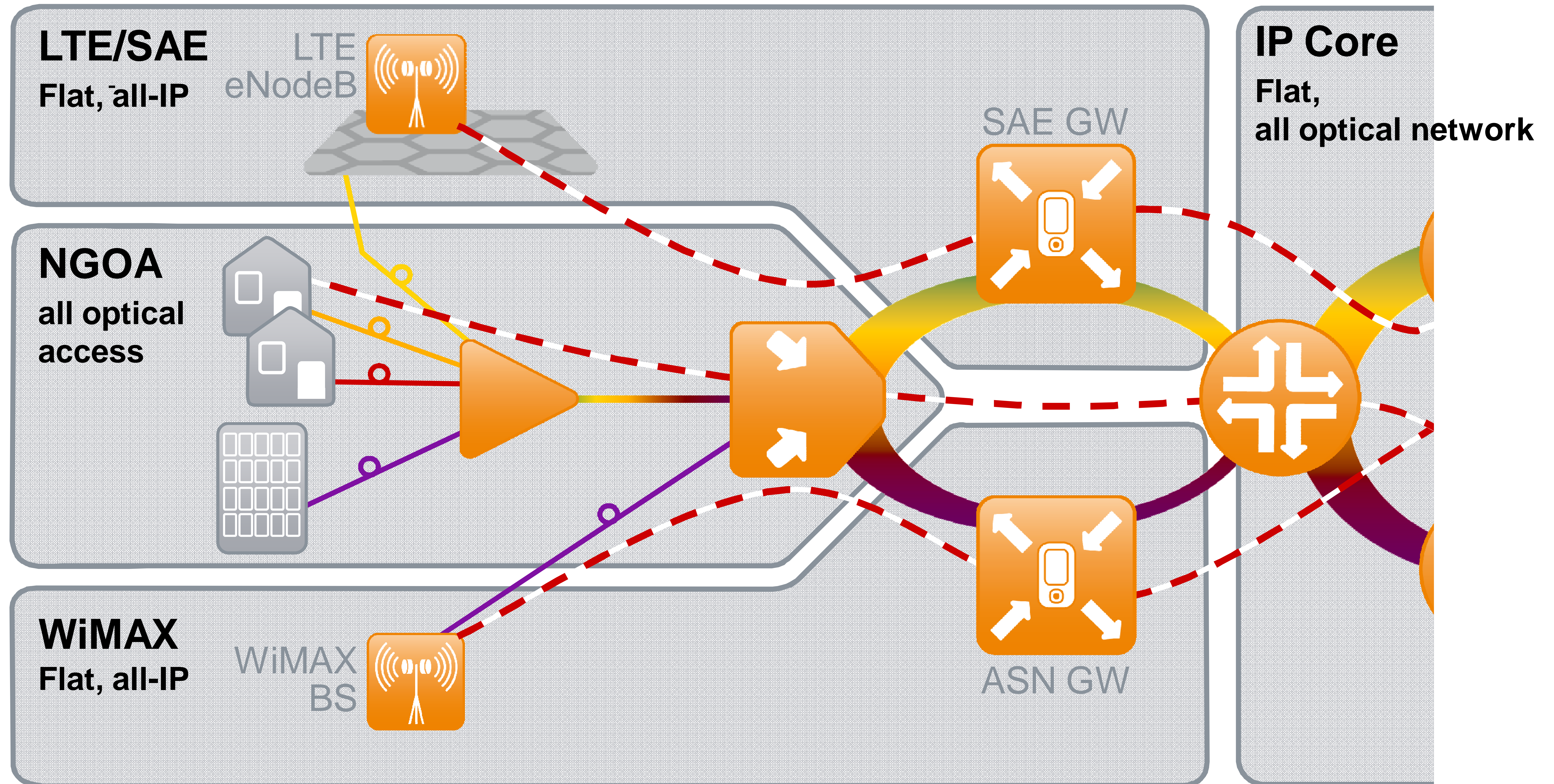
Leveraging key network assets to create value

- Charging & Billing
- Subscriber data and Identity
- Usage analysis & data mining
- Location & Presence
- Network performance
- ...



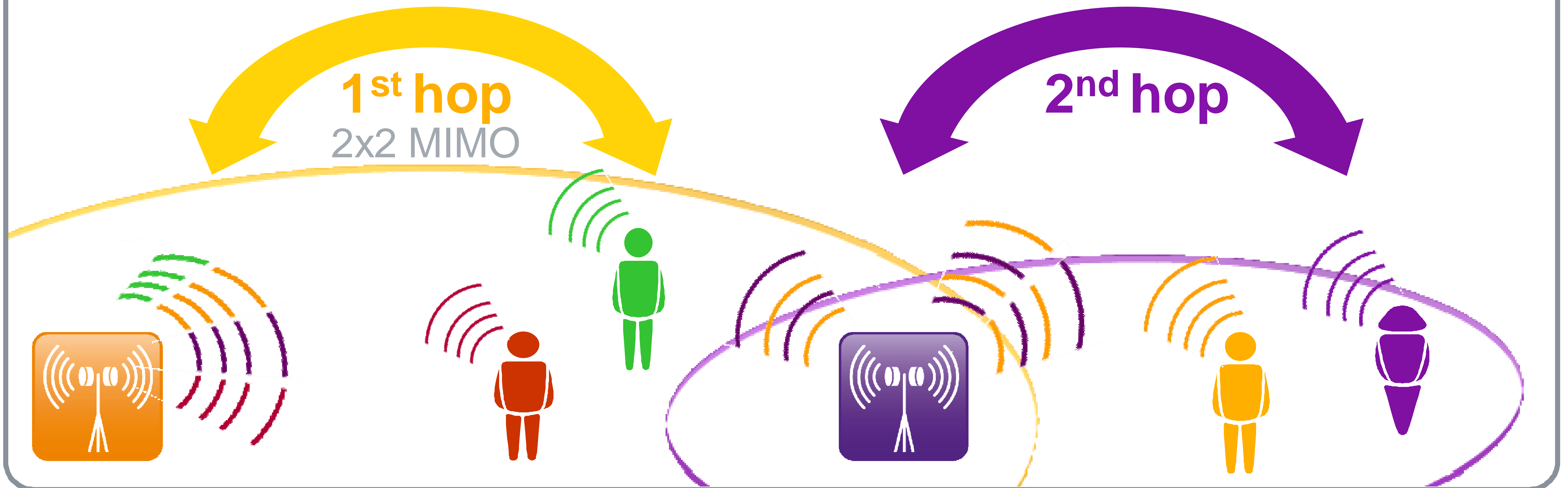
All optical vision

100 fold traffic growth at lowest TCO requires simplification of the network architecture



World's first demonstration of LTE-Advanced technology

Demonstration of LTE-Advanced Relaying technology



Offering a more consistent mobile broadband data experience across the network



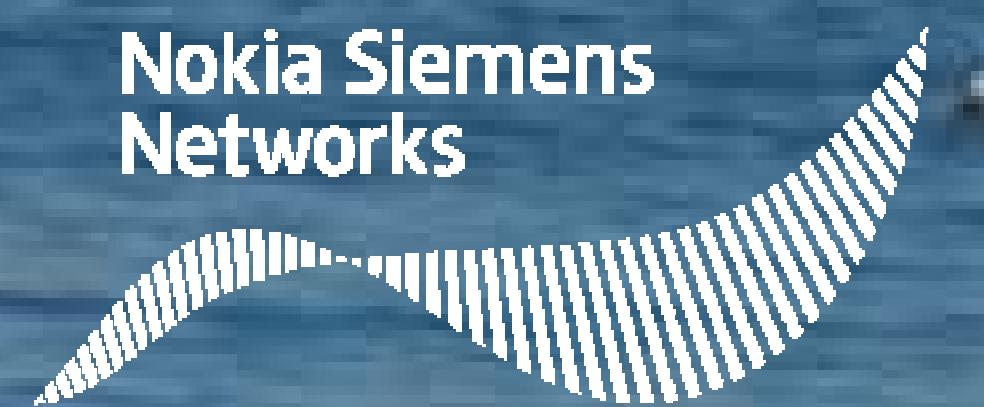
Main revenues
will continue from
existing service
offerings

New value and
differentiation
are key to
growth.

Network assets
can be leveraged
to provide tangible
additional value.

Whichever route you choose,
Nokia Siemens Networks is ready to be your partner.

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Reinventing.
The world.
Connected.

