

JUST ONE QUESTION



...to **Patrick Scodeller**, Chief Technical Officer, MobileOne in Singapore.

? ▶ Do you see a risk that the rapid increase in mobile broadband usage will clog networks? If so, how would you ensure fair usage of limited resources?

! “Yes, I certainly see the risk of clogged networks or severely impacted speeds and throughput. Unlike fixed broadband, where capacity dimensioning is more structured, the essential elements of mobile broadband – mobility and portability, coupled with ever-increasing data speeds and throughputs – can create capacity bottlenecks throughout the network at different times and locations. So a network operator might increase radio resources and backhaul in one area where congestion and “slow throughput” occur, only to find that the congestion moves to a different area the next week – a classic mobile broadband scenario!

By far the biggest issue facing mobile broadband operators is composition of the data within the network; specifically, peer-to-peer traffic. Most operators offer all-you-can-eat type tariffing for mobile broadband, and peer-to-peer traffic forms the majority of data flowing through the network: over 60 percent in our case!

To ensure fair usage of scarce and limited network resources, operators will need to shape and manage bandwidth. This could be done via operator business rules or a policy and QoS platform. An example would be “throttling” or managing the network bandwidth either by type of protocol or by time of day or both.” ●

“The goal is to open Symbian up to **more manufacturers**, because relying on just one vendor has only gotten them so far.”

RAMON LLAMAS, SENIOR RESEARCH ANALYST AT IDC ON HOW SYMBIAN IS MAKING ITSELF MORE APPEALING TO COMPUTER MAKERS. (BUSINESSWEEK)

Full speed towards high-speed

Japan is on track to become one of the first operators in the world to fully migrate its entire connections base to high-speed networks. Upstarts show fastest growth.

▶ **JAPAN'S MOBILE** operators have been successful in migrating subscribers to high-speed networks. DoCoMo had less than 5 percent of its connections on Japan's second-generation PDC network by Q109, while Softbank had 8 percent. The country is therefore well advanced in its plans to migrate to LTE. During the first-quarter of the year, Japan's third-placed mobile operator Softbank captured a 38 percent share of new

additions. Softbank's performance during the year was boosted by sales of Apple's iPhone 3G and the introduction of various combined services in conjunction with its fixed-line broadband arm.

HOWEVER, Softbank's ARPU remains significantly lower than that of its competitors, and voice revenues declined further over the year as additional discount plans were introduced. ●

Japan mobile connections, Q109					
	eMobile	KDDI	DoCoMo	Softbank	TOTAL
Connections	1,410,200	30,843,000	54,600,700	20,633,000	107,486,900
Market Share	1.31%	28.69%	50.80%	19.20%	
Growth Rate (QoQ)	25.90%	0.96%	0.82%	3.17%	1.57%
Growth Rate (YoY)	242.70%	1.66%	2.27%	11.01%	4.64%
Net Additions	290,100	292,800	445,700	633,000	1,661,600
Share, Net Adds	17.46%	17.62%	26.82%	38.10%	
ARPU (US\$)	--	57.26	56.11	39.87	

Source: Wireless Intelligence

NOW READ THIS!



COMPETITION AND GROWTH: RECONCILING THEORY AND EVIDENCE BY PHILIPPE AGHION AND RACHEL GRIFFITH (MIT PRESS, 2005)

An attempt to provide a unified and coherent account of the effect competition policy and deregulated entry have on economic growth.

▶ The book takes the form of a dialogue between an applied theorist calling on “Schumpeterian growth” models and a micro-econometrician employing new techniques to gauge competition and entry. The authors note a fundamental difference between theorists and empiricists who have previously worked on these questions. To reconcile theory and evidence, the authors distinguish between pre- and post-innovation rents, and propose that innovation may be a way to escape competition, an idea that they confront with microeconomic data.



THE SECOND INFORMATION REVOLUTION BY GERALD W. BROCK (HARVARD UNIVERSITY PRESS, 2003)

Brock argues that we are in the midst of a second information revolution. This book is about understanding its roots.

▶ Brock traces the complex history of this revolution, from its roots in World War II through the bursting bubble of the internet economy. The revolution sprang from an interdependent series of innovations in radar, computers, and electronic components for defense projects that translated into rapid expansion in the private sector, but some opportunities were blocked by regulatory policies. The contentious political effort to accommodate new technology while protecting beneficiaries of the earlier regulated monopoly eventually resulted in a regulatory structure that facilitated the explosive growth in data communications.



TRANSFORMING GLOBAL INFORMATION AND COMMUNICATION MARKETS BY PETER F. COWHEY AND JONATHAN D. ARONSON. (MIT PRESS 2009)

The political economy of innovation explains why global information and communication markets matter, why change is needed, and what should be done.

▶ This book discusses why we are on the brink of a third transformation of global information and communication markets that requires innovative global governance. Good reading for technology business leaders who deal with government and for government officials who want their nations to succeed in world competition. The authors analyze changes in ICT markets, examine case studies, and consider principles and norms for future global policies.

NUMBERS

73,000,000

▶ **...METRIC tons** is the estimated volume of so-called e-waste by 2015. According to Pike Research it will then begin to decline as recycling initiatives and practices catch up with the production rate of electronic goods.

29,000,000,000

▶ **...USD IS THE** is the sum China's three mobile operators plan to spend during 2009 to roll out 3G services.

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▶ **...JPY TRILLION** is the amount Japan's four major mobile operators expect to spend over the next five years rolling out next-generation networks. Known as 3.9G in Japan, the new networks

will use LTE technology. The four operators plan to limit capital spending by using existing 3G facilities and equipment, on which the providers spent JPY 5 trillion. NTT DoCoMo, which aims to launch LTE in 2010, has earmarked JPY 300-400 billion over the next five years. Softbank Mobile plans to follow in 2011 and 2012, while Emobile and KDDI are eyeing service launches in 2011 and 2012, respectively.

2,000,000,000

▶ **...EUR IS** is the amount the European Commission hopes to save consumers in mobile call costs by imposing new caps on termination rates – the wholesale fees operators charge each other to connect a call from another network.

P2P solves medical problems

▶ **THE PRACTICE** of monitoring patients over data networks remains limited to niche applications. One concern is that a centralized computer may not be able to cope with incoming data from perhaps thousands of patients.

A team of scientists now suggests tapping into the power and efficiency of peer-to-peer (P2P) networks. The

team claims that their recent tests demonstrated that a continual and unintrusive heart monitoring application could be developed into a working e-health system quickly, simply and at low cost using P2P.

The solution is described in an article for the International Journal of Computer Applications in Technology. ●

Swine flu promotes telework

▶ **RESEARCH FIRMS** Gartner and the Telework Coalition are saying that the swine flu outbreak highlights the need for companies to have a teleworking strategy in place; though, the increasing use of mobile capabilities in the workplace may actually alleviate the need for a very formal teleworking strategy. The Federal Communications Commission in late 2008 held a panel that brought together communications firms to discuss how US companies might respond in the event of a pandemic. ●



EDITOR-IN-CHIEF

Don't be afraid to be dumb – it may be creative

▶ **AFTER ALL** the talk about mobile operators' fear of becoming "dumb bit-pipe" providers, it turns out that mobile broadband, as pure connectivity, is profitable all the way from the dongle to the bottom line. In this issue we've got real business-case figures to prove it.

But let's not stop there. A large chunk of this issue is devoted to business creativity; how to get more out of what you've already got.

There is so much brilliant technology out there. It's rarely the limiting factor to improved profitability. An even greater challenge than technology, especially in times of economic recession, is to channel an overabundance of communications resources into good use, and find new combinations of usage. That's when we have to focus on business creativity.

FOR TELECOM, it could mean helping other industries evolve, as explained in the article about the radical change that utilities must undergo to help us all become the smart energy consumers that the future will demand. We also have an example of mobile operators making the completely opposite move: becoming electric energy providers. Why not? Airlines can teach us a lot because their industry has interesting similarities to ours. MTN has picked up on this and started selling airtime in a creative way.

Looking at how Wal-Mart (Sunil Mittal's new partner) and other leading retailers connect to their customers can inspire operators to take a proactive stance in the battle of mobile device platforms against the challenge from strong consumer brands. Mittal, by the way, is living proof that you don't need expert knowledge yourself, but rather business creativity, to turn telecom into a multibillion-dollar operation – from scratch.

THERE IS OFTEN a distrust of creative people, because they don't come up with smart answers by cleverly deducing from vast pools of empirical data, systematically analyzing everything. Creativity is the reverse process, but equally important for any business strategy. Creative people often surprise us, giving unexpected answers to questions we sometimes didn't even know how to formulate. Recent internet history has proven again and again that stellar business success can be created by "dumb" people, completely ignoring conventional wisdom.

How do we make creativity happen? Well, if it could be planned for and ordered about, it probably wouldn't be real creativity. But we know how it works from looking at art, literature, and music. The likes of Arnold Schoenberg, Vasily Kandinsky, André Breton, and James Joyce were all dedicated rule-breakers. And so was a founder of our own industry: the giant Nicola Tesla, always at odds with the establishment.

THERE IS much to be said about the importance of seeing things in a different light.

Sometimes it's daring to ask dumb questions or invite strangers to the party.



Mats Thorén
MATS THORÉN, EDITOR-IN-CHIEF