

Telecom Services

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Agenda

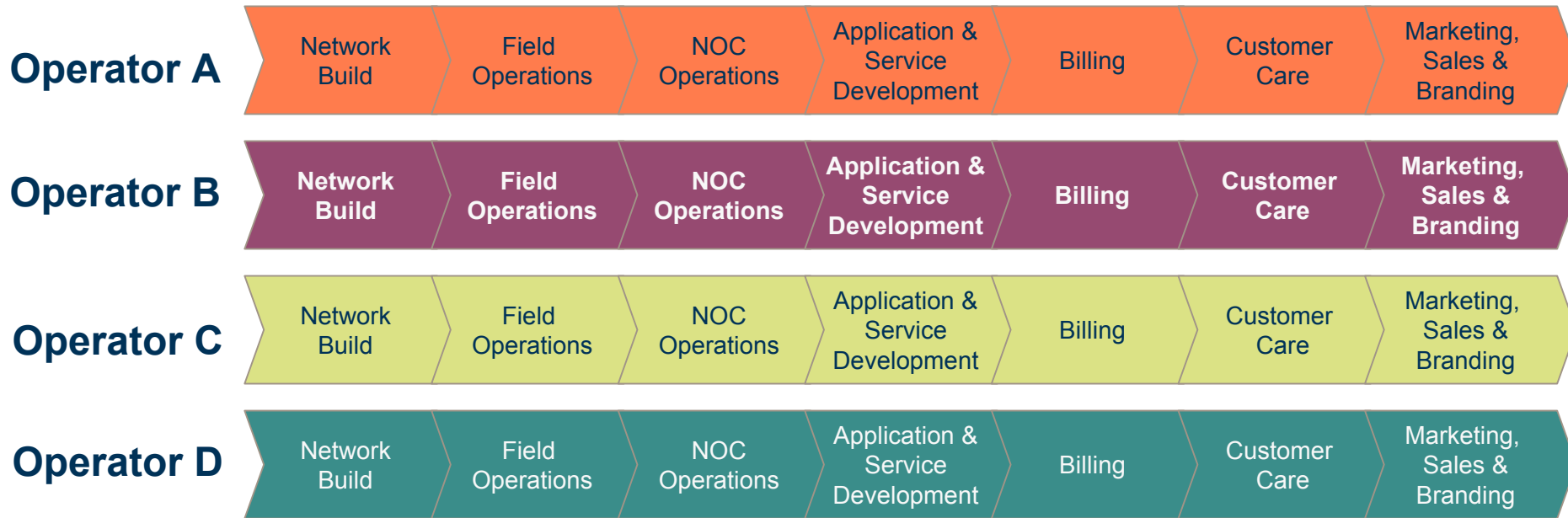
- Industrializing Services
- Telecom Services Market
- An example of innovation in Support Services
 - Spare Parts Management Service

Industrializing Services

The telecom industry

From the early days until today

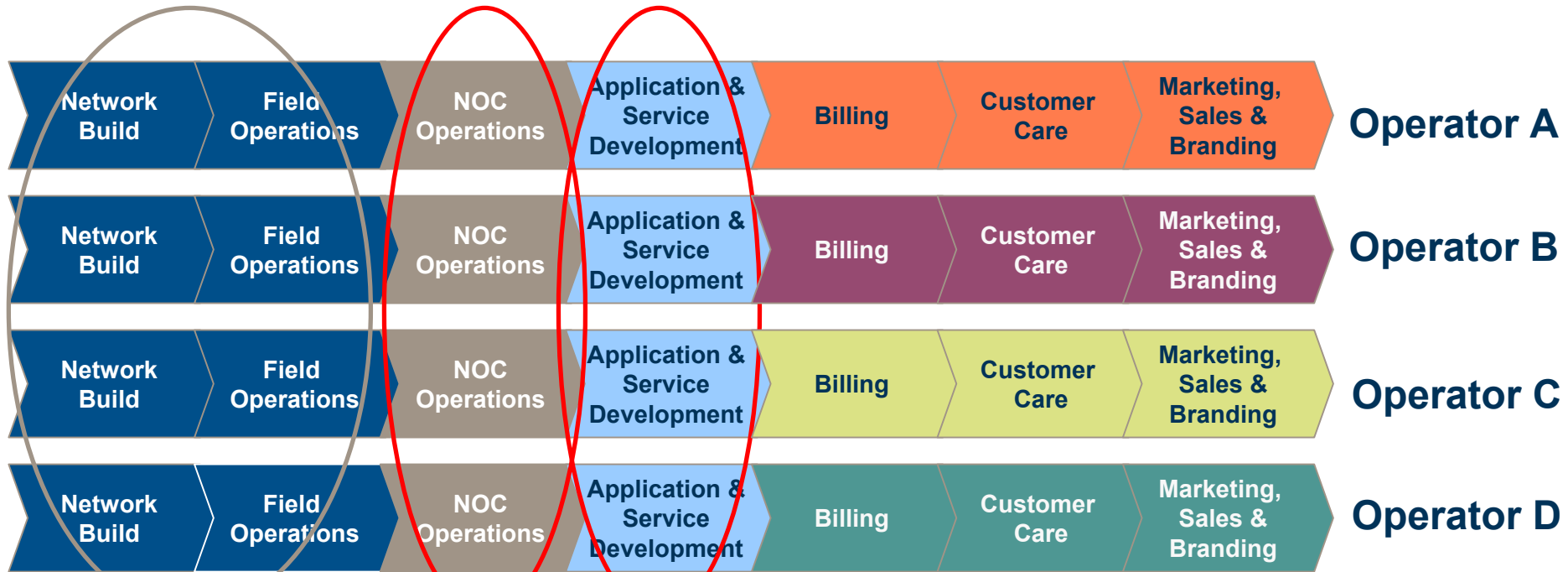
“Everybody is doing everything”



The telecom industry

Going forward

Streamlined operations – compare: Airline industry



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Industrialization

An example

Operator A

Operator B

Operator C

Operator D

Field Maintenance for mobile operators in Country X

Four organizations, 1920 staff, 810 cars, 160 offices, utilization 65%-80%

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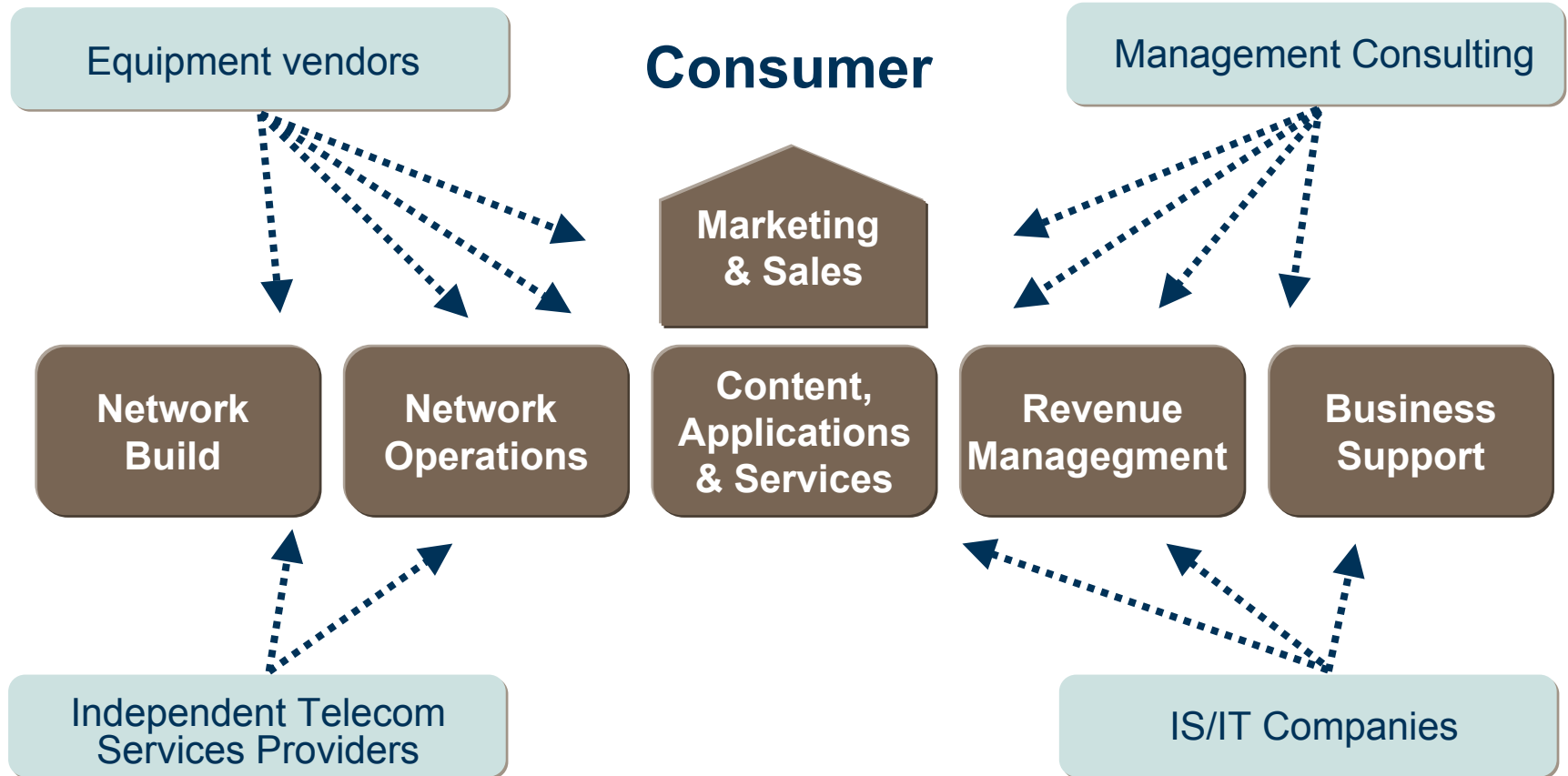
Country X tomorrow?

ONE organization, 800 staff, 340 cars, 40 offices, utilization 90%

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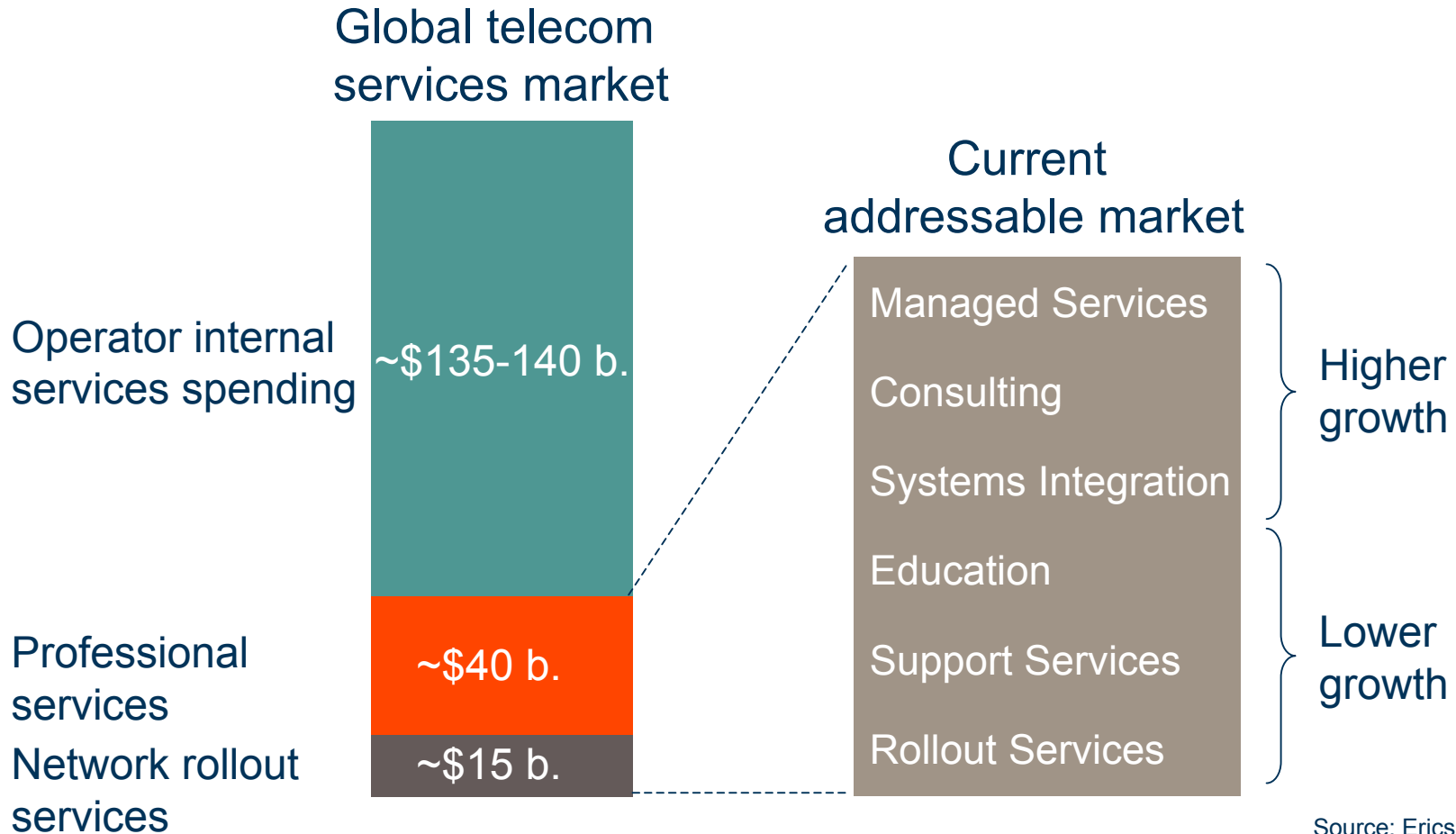
Telecom Services Market

The competitive landscape



Highly fragmented market

Telecom services market 2005



Good growth in Professional Services

This slide contains forward-looking statements. Actual result may be materially different.

An example of innovation in Support Services

Spare Parts Management Service

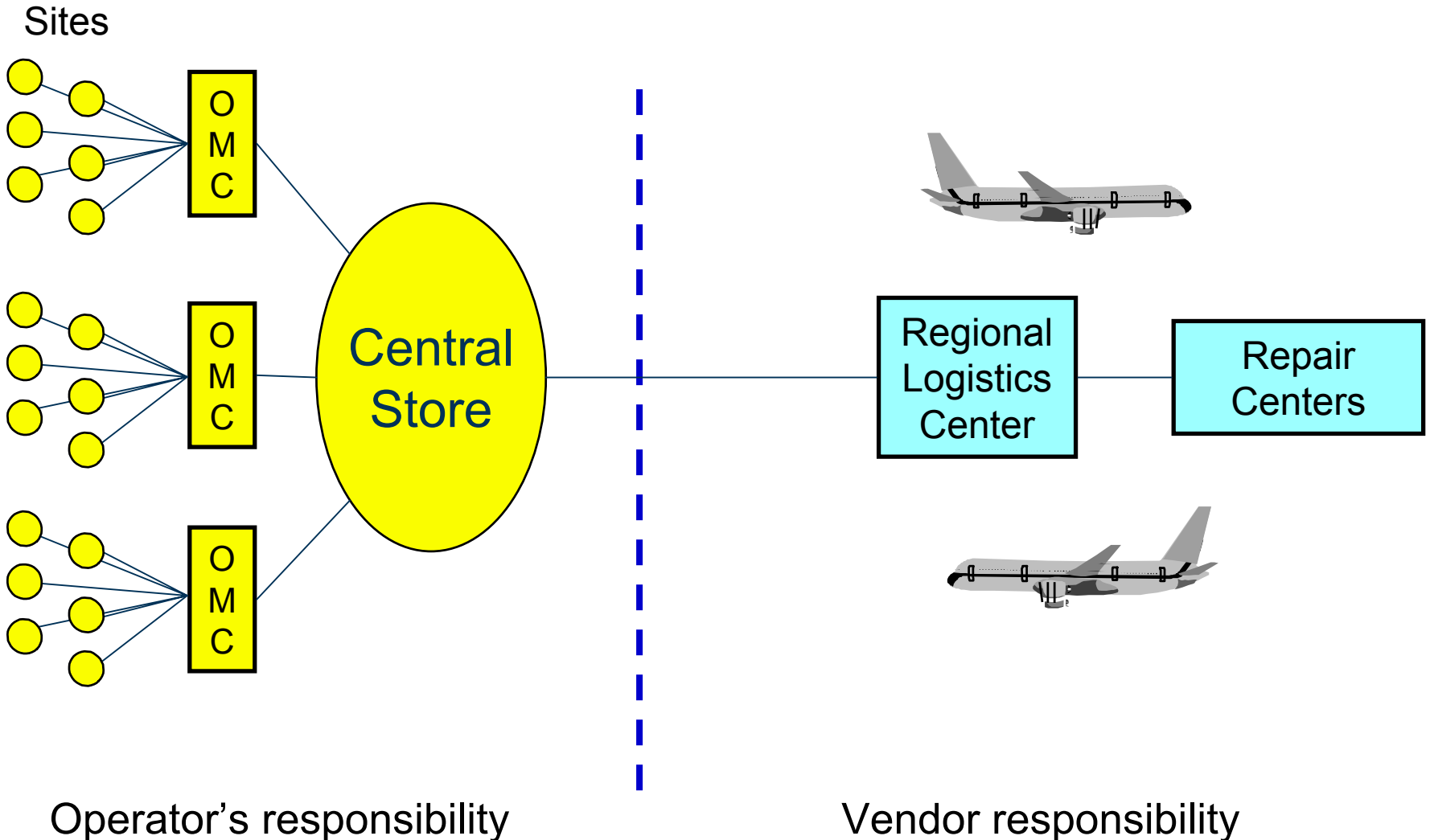
What is Spare Parts Management?

- Spare Parts Management is the service where e.g. Ericsson would own, store and distribute spare parts for first line maintenance in the operator's network.
- The operator benefits from opex and capex reductions, minimizing risks and improving network performance!

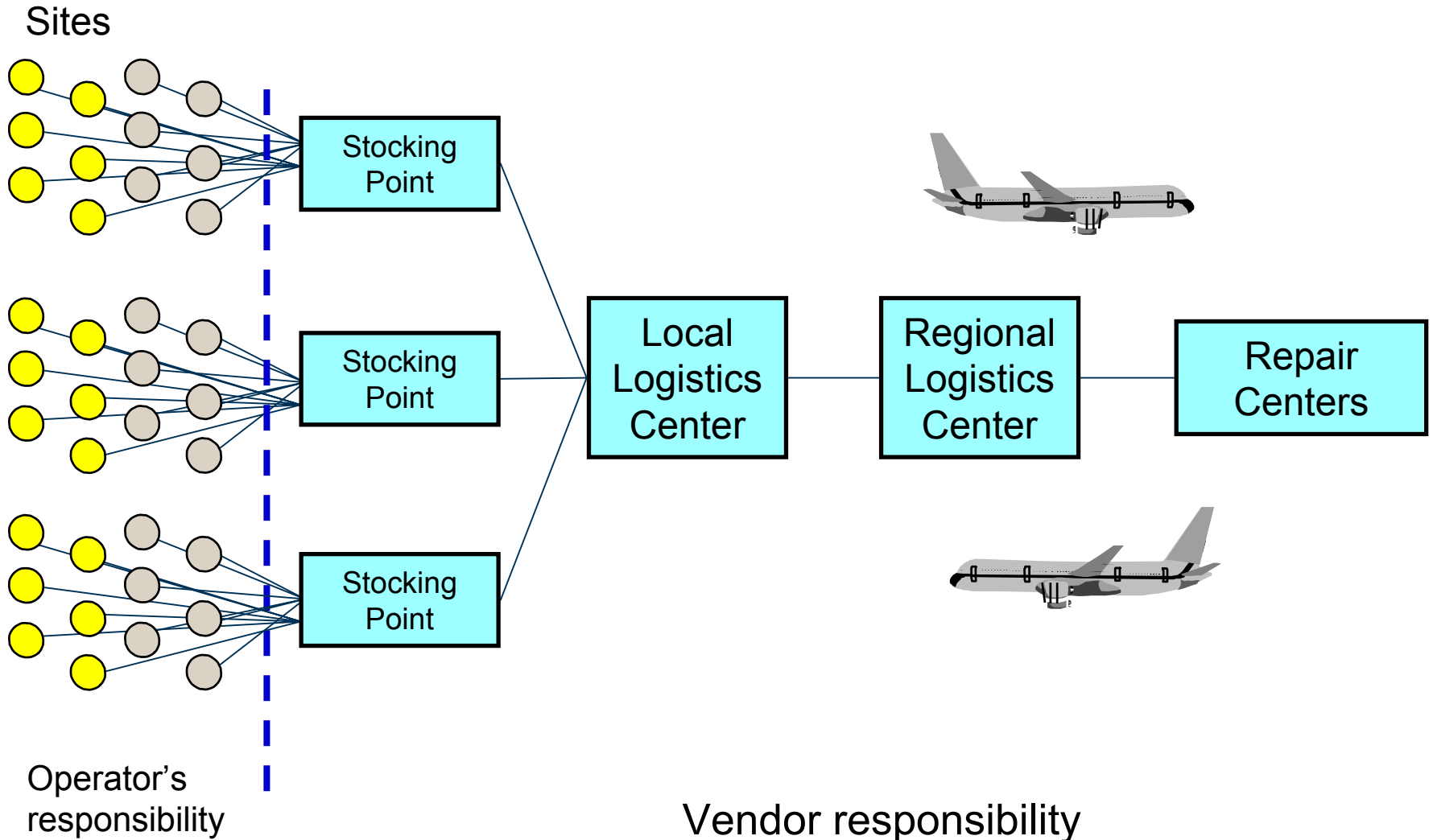


Hardware service

Traditional model



Spare Parts Management Service



Innovation in Support services

Ericsson Spare Parts Management

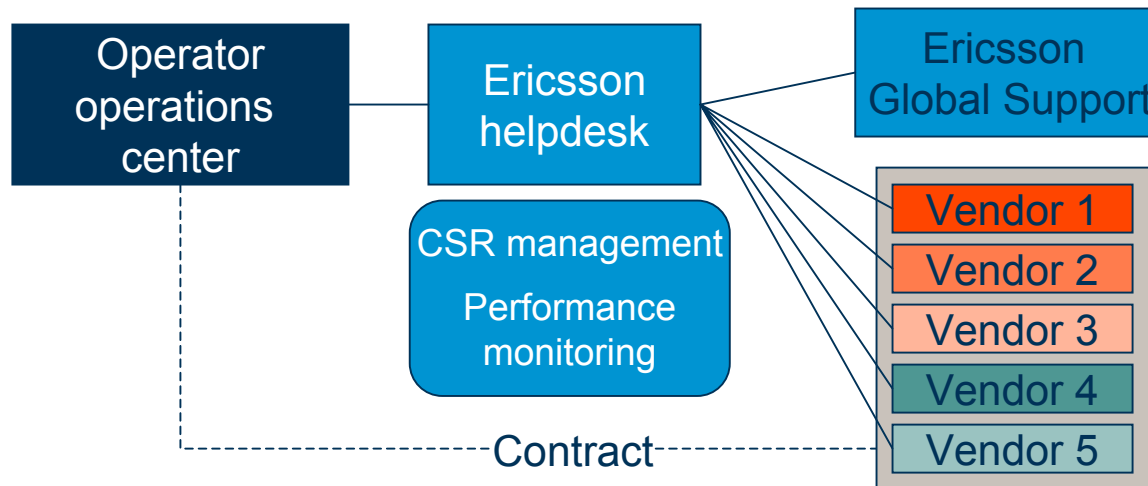
- What is it?
 - Own, store and distribute spare parts for 1st line maintenance, multi-vendor
- Why operators buy it
 - Up to 20% cost reduction
 - Minimizing risk
 - Improving network performance
- Spare parts management for AIS, Thailand
 - Quick response time: Within 4 hours
 - Normal response time: Within next business day
 - Multi-vendor (NEC/Huawei/Nokia/Siemens) for one region
 - 3 years contract
- >100 contracts

Multi-vendor spare parts management

Two options (1)

- **Single-point-of-contact**

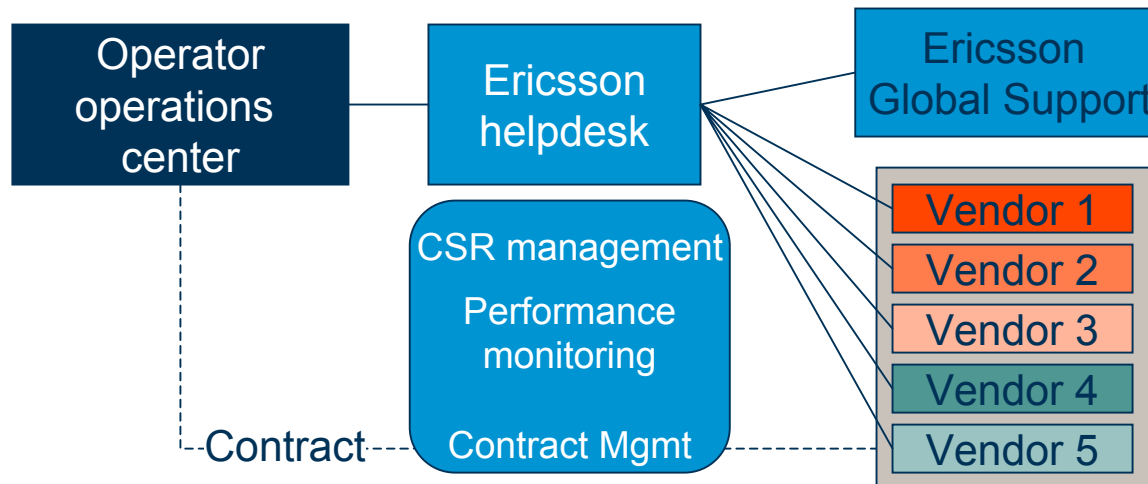
- Ericsson manages the operational flow of spare parts (and/or support CSRs), independent of vendor
- Ericsson manages the agreements with support vendors (on behalf of the operator)



Multi-vendor spare parts management

Two options (2)

- “Full” Multi-vendor support
 - Ericsson takes full responsibility for providing a support service for a number of systems, including *Contract Management*



How we make savings

- Established Supply Chain Management for spare parts
- Access to Global Logistics infrastructure and partners
- Real time visibility and control over total operation
- Global, regional and local synergies



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TAKING YOU FORWARD