CONSULTING AND SYSTEMS INTEGRATION

PAOLO COLELLA, VP AND HEAD OF CONSULTING AND SYSTEMS INTEGRATION, ERICSSON
THIS PRESENTATION CONTAINS FORWARD LOOKING STATEMENTS. SUCH STATEMENTS ARE BASED ON OUR CURRENT EXPECTATIONS AND ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD NEGATIVELY AFFECT OUR BUSINESS. PLEASE READ OUR EARNINGS REPORTS AND OUR MOST RECENT ANNUAL REPORT FOR A BETTER UNDERSTANDING OF THESE RISKS AND UNCERTAINTIES.
CSI BUSINESS JOURNEY
FROM SI CLOSE TO OUR PRODUCTS TO FULL TELECOM ICT TRANSFORMATION

10,000 ICT professionals

1,300+ projects annually

… and more
MARKET DYNAMICS INCREASE DEMAND FOR CSI CAPABILITIES

Consolidation

NG Networks and service technologies evolving as Open Systems

Telco business model shifting from network centric to Customer centric

A new ecosystem of devices and applications
TYPICAL TELECOM ICT TRANSFORMATION PROJECTS

Creating new business
Monetising network assets, customer relationship and the innovation over the top

Typical Objectives
› Smarter Billing logic - Real Time, Customer Centric, Context Driven
› “Virtualising” BSS/OSS
› From SLA/KPI performance to Customer Experience / e2e Service Assurance
› Enable retail, wholesale and partnership models

Delivering efficiencies
Extract margin from current topline

Typical Objectives
› Process and Operations consolidation & simplification
› Process automation
› Energy saving/Sustainability
› Systems consolidation (footprint)
› Leakage correction
WE HAVE UNIQUE ASSETS TO SUPPORT THE OPERATORS

• Deep market and technology insights
• E2E knowledge across business processes, IT and network
• Track record of delivering on cost reduction and operational performance (750 million subscribers)
• Capabilities for large scale transformation and consolidation
• More than 1300 CSI projects per year and 10,000 consultants (Q2 2010)

Global player – Specialized in Telecom
Reputation for never walking away from our responsibilities
PARTNERING FOR TRANSFORMATION
UNIQUE ASSETS TO DRIVE EFFICIENCY

Consulting and Systems Integration
Operational Efficiency
OSS Transformation
BSS Transformation
Network Transformation
Field Operations Transformation
Revenue Assurance

Managed Services

>20,000 people transferred to Ericsson from 300+ Managed Services and Strategic Acquisitions

Processes, Tools and Frameworks

Unique Ericsson insights
Access to real time network information and data, KPI data base of global best practices

End-user behavior data
MV Network Data and TRs
Operational performance data
Network performance data
OUR CAPABILITIES

CSI OFFERINGS

CSI DELIVERY MODEL

Off Shore  Near Shore  Customer Facing

CSI PARTNER MODEL

GLOBAL METHODS AND TOOLS

› Customer Program Management
› Governance model
› CSI Competence and employee management
› CSI Re-use methods including best practice & SW database
› Global databases, consumer behavior, network performance, operations, network financial data
Business challenge
- Streamline the development & maintenance of applications
- Focus on core activities
- Develop new markets

Ericsson solution and approach
- Asset takeover of entire Charging Solution (Altamira) including 220 employees
- design, development, support, integration activities
- Transfer of local Telefonica resources
- Intellectual Property rights of Charging solution transferred

Business benefit
- OPEX reduction
- Industrialize Charging Solution
- Operational improvements:
  - Centralized Demand Management
  - Consolidation of SW versions across countries
  - Common support process & tools

CHARGING & OSS PLATFORM TCO
FROM 17 CHARGING PLATFORMS TO 1

20%
**TELEFÓNICA, LATIN AMERICA**

**REVENUE ASSURANCE, CONSULTING AND SYSTEMS INTEGRATION**

**Business challenge**
- Reaching aggressive revenue leakage recovery targets across the group, 18 Latin America operations
- Standardize revenue assurance framework and KPI model and increase RA maturity
- To manage execution of a large and complex transformation program

**Ericsson solution and approach**
- Prime Integrator for the transformation program
- Consulting and Systems Integration services
  - Develop and implement the RA functional model
  - Form taskforce to detect and recover leakages
  - Implement best practices
  - Automate RA processes and controls by implementing a RA IT solution

**Business Value**
- Bottom line (EBIDTA) benefit
- Increased revenue control for both fixed and mobile sides across its Latin American operations
- Prevention of recurrence of inconsistencies that adversely affect revenues
NEDJMA, ALGERIA
ENSURE CUSTOMER’S EXPERIENCE

Business challenge
› Become the preferred service provider in the region
› Inefficient network operations with no overview of network status
› Low network resource utilization and low service quality hindering market share growth

Ericsson solution and approach
› Establishment of a NOC with a “Unified monitoring system”, including products from Ericsson and HP, SAP BusinessObjects and BMC Software
› Network optimization and node re-allocation
› Implementation of e2e service quality solution
› Competence development of NOC personal

Business value
› 2x service usage while maintained customer experience
› Stable service quality
› ROI within 1 year
› Flexible operation platform to support the change towards service centric operation

Service Quality and Usage Uptake
SCALE AND SKILL ADVANTAGE

10,000 CSI professionals Developing talent through:
- organic growth
- in-sourcing from customers
- strategic acquisitions

Every year we deliver:
300+ Consulting projects
1,000+ SI projects
300,000+ Student days

Over 750 million subscribers in networks managed by Ericsson
- NOC set-up, operational process development, common tool selections and integration,
- NOC consolidations through Consulting and Systems Integration expertise

Acquisitions
2004 Audilog France
2005 Teleca OSS, Sweden
2005 TUSC, Australia
2007 HyC, Spain
2009 Bizitec, Turkey
2010 Pride, Italy
2010 inCode, USA