Contact

DESIGN MORE PAGES

Success

Theme: Employment Enjoyment

NO SHORTCUTS TO HAPPINESS AT WORK pages 16-25



Mobile TV – how it works in your phone



2007 report: GROWTH LOWER THAN EXPECTED pages 14-15



HENRY STÉNSON:

"The slightest fall in the share price is described as a crash" pages 30-31



ERICSSON

TAKING YOU FORWARD





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Contact

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Tackling stress

elcome to a new year and Contact with its new design. The magazine you are holding in your hands has a new smaller format that should make it easier to carry around. However, there are more editorial pages than before, which means fewer ads and more interesting articles.

There is a large section in the middle of the magazine with articles and news items about both Ericsson and the rest of the telecom world. We are at the start of an exciting year in which many important decisions may be taken among our competitors and customers, which will also affect Ericsson to a varying degree.

The intention with these pages is to include a greater number of shorter texts, thereby giving you a broad view of what is happening internally and on the outside. However, we have also kept our more indepth reports.

I would also like to take the opportunity to thank all of you who have mailed comments and questions to our new mailbox, contact.comments@ericsson.com. You will see a selection of these on the following pages. Please keep e-mailing us your questions and intelligent opinions so we can have a comments page for you that is relevant and lively.

We all have a stressful time at work every now and then. But as long as we have things under control, then the stress should not be something evil. However, we want to eradicate negative stress within Ericsson. The company and its managers have a large responsibility to ensure we do that. But individual employees are also responsible for looking after themselves and speaking out when they consider their situation to be untenable. Dialog is a useful tool for identifying and localizing problems. But if we are to see improvements, the vital thing is how we act based on the Dialog result.

The theme of this issue is job satisfaction. We hope this can serve as an inspiration for what you can do to minimize your stress and improve your work motivation.



Henry Sténson head of Group Function Communications and publisher of Contact

Have your say

E-mail us your questions, opinions, reflections or work-related images. We will publish a selection of the material on this page.

contact.comments@ericsson.com

WHO DO I CONTACT?

The article on Central America and the Caribbean was interesting, informative and showed what Ericsson's (market) share and growth is like in that part of the world. I hope there will be similar reports from other parts of the world. The article mentioned Ericsson's need for staff so it can cope with the growth. How can I get in touch with the people handling recruitment to cater to this need?

ANSWER Recruitment is primarily a local activity. This means that the country or organization in question advertises and takes

responsibility for the different steps in the process. To stay informed of vacant positions, the Ericsson Job Site (http://jobs.ericsson.se) is the best information source; otherwise, refer to your local HR head.

Best wishes, Anna-Carin Bodin, Manager for HR Global Communications

WHAT ABOUT TVO?

Your article on TCO caught my attention more than the others. I must say that I cannot deny seeing value in the TCO models, a tool which will enable Ericsson to position itself as a business partner to operators rather than simply being a technology partner.

However, I would like to ask whether any value is seen in Tvo (Total Value of Ownership) models, which could further complement the Tco model. The Tco and Tvo models could be used hand-in-hand

to create value argumentations when we bring our propositions and solutions to the table. I would appreciate some comments on this from a global Ericsson standpoint.
Cheers, Praba Sukumaran, Malaysia

ANSWER Total cost of ownership (TCO) argumentation is usually targeted at opportunities where either the operator wants to reduce costs, or where we are in an aggressive competitive situation against a lower-priced rival. In each of these cases, TCO argumentation can help with positioning; however, we must look at all the Ericsson propositions, including the tangible value of our solutions, to help build the "Why Ericsson?" justification into our proposals. So yes, TVO should always be looked at. Thank you for the question and the interest in the subject. Alan Ganson, responsible for expanding TCO

Reader picture



A convoy of Ericsson staff leaves one of Ericsson's sites in central Barneo.

Photo: Lucky Mirza, Ericsson, Indonesia

A COMMON WEB PAGE

Today, there is no single point for gathering all innovations and ideas within Ericsson. Aren't we missing a lot of good ideas by not having this? What about setting up a simple web page to gather all ideas and suggestions from employees?

Mats A. Persson

ANSWER Regarding innovation, it is primarily the responsibility of the line organization and should be part of our everyday work. It is probably fair to say that we lost a bit of focus on business innovation during the restructuring work and we are looking into addressing this again for the reasons you mention. We already have an innovation web page and an innovation contest open to all employees – please visit http://innovation.internal.

Carl-Henric Svanberg, President and CEO

Welcome...

PHOTO: GUNNAR ASK



... Alexandra Budzinski, who is new at Ericsson

She recently started working as a junior account manager for Vodafone D2 and Arcor in Düsseldorf, Germany. At the age of 26, she is the youngest employee in her department.

How has your initial time at Ericsson been?

ricsson been? It has been great fun; my colleagues have got me involved in how everything works and have made me feel part of the team right from the start. An atmosphere that is as positive as this is unusual; I can't really compare it to other workplaces.

What did you do before you joined Ericsson?

I was working with business-tobusiness marketing at Vodafone. I benefit a lot from my knowledge of Vodafone D2's ways of working and its organization. I know straight away which person to talk to, and I also know them by their first names. Due to that I think my colleagues can benefit from this experience.

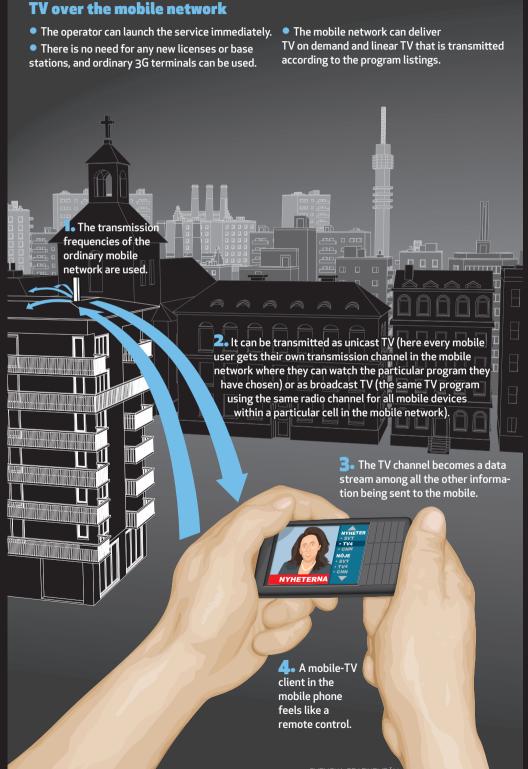
Web poll

percent

...of 3003 Ericsson employees said they were active in social-media network (such as Facebook).

Have you been asked...

HOW DOES MOBILE TV WORK, EXACTLY?



Mobile TV involves far more than simply copying traditional TV to a mobile-phone screen. It ties together the complete worlds of mobile telephony and TV, with two-way communication.

WHAT IS TV ON THE MOBILE PHONE?

Mobile TV is personal TV, and a complement to ordinary TV. Anyone who wants to watch the television news, for example, but has not made it home in time, can use the mobile instead.

When television programs are transmitted across the mobile network, apart from regular scheduled viewing, mobile TV offers the end user the option of choosing when to watch a particular program – in other words. τv on demand. The end user can also subscribe to TV content that can be downloaded via the mobile network, saved in the mobile device's memory and then used even if there is no coverage - podcast TV, in other words.

WHAT DOES ERICSSON DO IN THIS AREA?

Ericsson has an end-to-end solution that supports mobile τv over the mobile network, and offers the ability to combine one-way broadcast from a sending mast with зс. Ericsson is focusing on twoway services, where the end user communicates interactively with the operator or TV company through the mobile phone's display. The end user controls where, when and how the service is delivered, and is offered an individual TV experience.

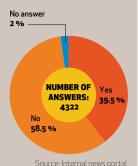
The main global rollout of mobile TV is done via 3G, and Ericsson has sold the service to about 60 operators.

☑ Lars Cederquist





▼ DO YOU DRINK FIVE OR MORE CUPS OF COFFEE OR TEA PER DAY?



Breakthrough for 3G in Russia

HSPA Ericsson won its first ag deal in Russia when one of the country's largest mobile operators. мтs. decided on HSPA. The commercial launch of the

network is scheduled for the latter part of 2008. The



Björn Eisner contract is important to Ericsson and

gives the company a leading з position, says Björn Eisner at Market Unit Eastern Europe & Central Asia. "We are already strong in 2G, doing business with the top three mobile operators in Russia," he says. "This deal enables MTS to offer its subscribers high-speed mobile broadband services together with innovative, next-generation multimedia services, such as mobile TV and video calls. It definitely solidifies our partnership with MTS, paving the way for future success."

YouTube goes fully mobile

SERVICES Want to watch a video while on the run? Now You Tube has gone mobile with its entire catalog at m.youtube.com. The new service improves on YouTube's earlier beta version, which had limited material.

Ericsson's e-mail culture gets an overhaul

Do you often battle with a full inbox or find yourself copied in on emails that have nothing to do with you? You are not alone. Ericsson's e-mail culture is getting a much-needed overhaul in order to prepare employees for tomorrow's workplace.

BETTER AT WORK So what is the magic recipe that will transform Ericsson's inefficient e-mail culture? Hossam Kandeel, who is looking into ways of improving e-mail efficiency, says the road to success is through small and simple improvements, one at a time

"From other companies' e-mail initiatives, we have seen that a person can save up to one hour per week just by making small changes," he says.

Kandeel stresses that the first thing for people to consider is which communications tool is most suitable when contacting someone.

"We should use realtime chat for shorter and quicker messaging, the phone for longer discussions and urgent issues, or, when communicating with a team, a shared

collaboration space where their views on a proposal information can be easily accessed and updated," Kandeel says.

Clear subject headings

When you use e-mail, he says, you need to fill in the subject field clearly. Include a tagline stating what receivers should expect from the e-mail. "Information", for example, means it carries useful information, but no action needs to be taken; "action" means that the recipient needs to take action; "question" means information is required from recipients, such as

the sender is considering.

For further clarity, make the e-mail subject field even more useful by turning it into a summary of your main message. In other words, it could look something like this: Information: WCDMA is taking market lead. Once you have done that, you are ready to hit the send button.

"If we just used the subject field properly, that would be a significant achievement," Kandeel says. "Processing e-mails will be a lot easier."

□ Torunn Hansen-Tangen

ME AND MY F-MAIL



Ahmed Kellal, Market Unit Northern Africa I am not a big fan of cc, and avoid including my manager(s) in the cc field. I also try to write

e-mails that are as concise as possible, using a bullet-style format with clear headings in bold. This helps the reader quickly determine the objective of the e-mail and what is expected of them.



David Partain, Sweden I turn off my e-mail for a period during the day. This allows me to focus on other tasks without the distraction of e-mail.

Also, if I have a question that will take less time to answer on the phone or by using instant messaging, I use those options. This reduces "inbox stress" for the person I'm communicating with.

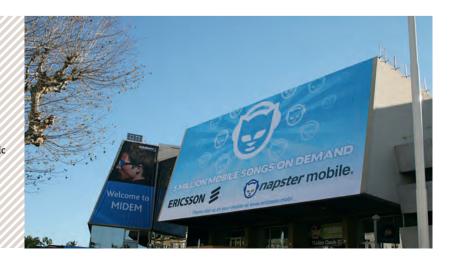


Paola Fiodo. Market Unit South East Europe, Italy Before I write an e-mail, I jot down the most important things on paper. Then I put everything

into an e-mail in a bullet-style format with clear headings. Most of the time I receive e-mails that are not meant for me, so to avoid creating more disturbance for others I try not to reply to all.

Sweet music at Midem

TRADE SHOW Ericsson struck a high note at the music industry's biggest trade fair, Midem, at the end of January. Ericsson representatives spoke about the company's music services, Napster Mobile and White Label, for both existing and potential customers and also met several people from the industry.





June Tam, Candy Lau and Lynn Yap, who are all engaged in the Clean Air Project at Ericsson in Hong Kong.

Working towards cleaner air

Ericsson in Hong Kong wants to be a role model for other Swedish companies in the region when it comes to taking the environment into consideration.

ENVIRONMENT Candy Lau, who is involved in Project Clean Air (a businesssector effort led by the Hong Kong General Chamber of Commerce and the Hong Kong

Business Coalition on the has introduced several Environment), says: "We, the employees, can do our part to support energy conservation by shutting down our computers when we go home and turning off the lights. Instead of plastic bags, we're encouraging employees to use the environmentally friendly bags we've been given by the company."

Ericsson has two offices in Hong Kong and

measures to reduce energy usage at each of them. These include turning up the thermostat on the air conditioning by two degrees, installing timers for new, low-energy lamps and switching printers and copiers to stand-by mode.

Johan Adler, head of Ericsson in Hong Kong, says that in October 2007, Ericsson became the first

Swedish company in the region to sign the Hong Kong General Chamber of Commerce's Clean Air Charter, the idea of which is to work to achieve better air quality.

"In the three years I've been living here, the air has become all the more polluted," he says. "We now hope that more Swedish companies will follow in our footsteps."

⊠ Gunilla Tamm

Hello...



Martin Happel, who won the best speaker award during the Computer Measurement Group symposium in Vienna, Austria, where he works with technical sales support at Ericsson.

What did you speak about?

"My subject was how you can use the latest radio access technology within broadband to make the most effective use of the small amount of radio spectrum that exists."

What advice do you have to become a good speaker?

"It's important to know your subject; your body language reveals how familiar you are with it. You have to bear in mind that your audience is not as familiar with the subject as you are. They must understand at once what you mean. It's good to explain how technical solutions work, but sometimes it can also be good to add how they don't work."

PowerPoint is popular within Ericsson. What do you think of it?

'You should use Power-Point but you should be the one who controls the slides, rather than let yourself be controlled by them." Martin's tips for a good

presentation:

Do not use too many abbreviations or complicated words. A picture is worth a thousand words. Compare technical solutions to simple examples from everyday life.

Be consistent and do not use different expressions for the same thing.

図 Gunilla Tamm

NEW CONTRACTS

- ▶ Israel. Ericsson has a 100 percent market share in 3g after recently signing contracts with Partner Communications and Pelephone. Ericsson was already sole supplier for Cellcom. Ericsson has also signed a contract with Cellcom to deliver an end-to-end mobile TV and video-on-demand solution
- ▶ **Taiwan.** Chungwa Telecom has signed an agreement for the supply of reconfigurable optical add-drop multiplexers (ROADMS). This is the first contract awarded by the operator for its five-year ROADM plan.
- ► Switzerland. Swisscom wants mobile broadband coverage across 90 percent of the nation. Ericsson will expand and upgrade Swisscom's wcdмa/нspa network.
- ► Austria. Mobilkom Austria has chosen Ericsson to expand

and upgrade its wcdma network in the Carinthia region.

- ▶ Brazil. Claro, part of the América Móvil group, has chosen Ericsson to, among other things, upgrade its 36 network with HSDPA in Sao Paolo, Rio de Janeiro and Porto Alegre.
- ► Chile. Entel pcs and Ericsson have signed a three-year contract for a nationwide gsm/wcdma/Hspa network expansion and upgrade.
- ▶ Italy. Ericsson and Napster together with Italy's leading operator, Telecom Italia Mobile (тім), offer Napster Mobile, a music service co-developed by Ericsson and Napster. Ericsson is managing the service for тім.
- ► Greece. Ericsson has provided hellas online with its IMS and softswitch network.
- ► Greenland. TELE Greenland has selected Ericsson as IMS

Read more at: www.ericsson.com.

▼ FSTIMATED NUMBER OF MOBILE MESSAGES SENT number in billions 2007 billions 2008 2007: USD 52 billion

2008: USD **60.2** billion Source: Gartner

Sony Ericsson wonders

NEW GEAR The 2555 is

one of Sony Ericsson's latest models. One cool feature is that it can be silenced by sweeping your

hand over it. Another recently released phone is the Walkman 760, which is Sony Ericsson's first mobile phone with built-in GPS.

New on the management team

NEW POSITIONS Torbjörn Possne is the new head of Group Function Sales and Marketing. He succeeds Bert Nordberg, who has

moved on to become chairman at Redback and Entrisphere.



Jan Frykhammar was Possne appointed the new head of Business Unit Global Services in December. His predecessor, Hans Vestberg, is chief financial officer. All are part of the management team.



"Yes. for sure. Ericsson is a technology leader"

Dr Leo Esaki, the 1973 Nobel Prize winner in Physics, told Ericsson's internal news portal during his visit to Ericsson Mobile Platforms in Lund. Sweden.

The world's best mobile picture

COMPETITION Sony Ericsson's World View mobile phone photo competition attracted a total of 74 000 entries from people around the world. Wang Feng, 36, from Beijing, won the competition. He took the winning image "Fly between me and the blue sky" (left) when his car fell into a ditch and was covered in mud. "As I was trying to get the car out, the fly landed on the windscreen, and I thought it was a perfect picture. I wouldn't have captured it if I hadn't had my camera phone with me," Feng says.

 Contact staff believe there are a lot of trigger-happy photographers among Ericsson employees. Please send in your best pictures from your camera phone to: contact. comments@ericsson.com Include a short comment about your image. We will publish the best entries in future issues of Contact.

hat was happening this time...

25 years ago

1983 The first contract for a mobile system in the us was signed in Buffalo, New York. The standard was AMPS (Advanced Mobile Phone System), which was initially developed by Bell Labs. The difference between mobile telephony in the us and Europe was that the US was divided into hundreds of markets, where two operators were to be handed licenses. This guaranteed competition between operators, but limited roaming opportunities for subscribers.

In the same year, the big telecom trade fair in Geneva, Switzerland, displayed Ericsson mobile **telephony** for the first time.

years ago

1998 Lars Ramqvist became chairman of the board at Ericsson and Sven-Christer Nilsson became CEO. At the end of January, the European Telecommunications Standards Institute (ETSI) decided on the radio technology for the third-generation's mobile systems. Participants agreed on wcdma technology, which Ericsson advocated. The Winter Olympics took place in Nagano, Japan. The country's largest mobile operator, NTT DoCoMo, strengthened its mobile network with micro base stations from Ericsson to cope with all the mobile calls during the winter games.

... 5 years ago

2003 3G became a reality when 3 in Italy became the first operator in Europe to make its **3G system** commercially available. The operator made a huge investment, bringing 3G to 131 of its own stores and about 2000 retailers around Italy.

In April, Ericsson's big-selling and world-leading radio link, MINI-LINK, passed 500,000 delivered and installed units. The 500,000th radio link went to 3 in Italy.



Usama Siala says it was a bit cold but that he otherwise had a pleasant experience in Sweden. He tried job rotation and says that he likes learning new things as he is working.

Trading places

A picture of Mahmoud Rahmani stands on Usama Siala's desk in Kista, Sweden. It is actually Mahmoud's desk but they have temporarily swapped jobs.

competence Senior account manager Siala was based in Libya, but he wanted to learn more about products from Redback, Mobeon, Entrisphere, Tandberg Television and Drutt. At the same time, account manager Rahmani, who was based in Stockholm, wanted to try out daily work in a local company.

Both of them brought this up in their IPM discussions, and soon each received an offer they could not refuse. For four months between October 2007 and January 2008, Siala and Rahmani swapped jobs and offices.

Siala exchanged working in the local North African company for the common sales support organization of the market units of the Central and Eastern Europe, Middle East and Africa region – swapping Tripoli for Stockholm. His wife Maisem and daughter Najia went along with him.

Weather only drawback

"People at home joked that going to Sweden was a punishment, bearing in mind the weather," he says, laughing. "But that is the only negative thing for those of us used to the Mediterranean climate."

Siala and Rahmani tested job rotation, which Ericsson likes employees to try because it has proved to be a good way to benefit the company, and at the same time broaden employees' competence by learning new things in real life with real responsibilities.

Siala testifies to this,

saying that being a full member of a team and working in Kista spreading information about new products to a number of market units, was useful. It was learning by doing.

Better than a course

"I learned a lot more about the products by working than I would have by watching presentations on a course," he says. "This was the best way. I was close to the business units, where the product people sit."

Job rotation has given him a broader network, from which Siala believes he will benefit in the future, now that he and Rahmani have switched back to their old jobs.

"It's good to have talked face to face with colleagues; there's a difference compared with just sending e-mails," he says.

☑ Jonas Blomqvist

THREE STEPS TO JOB ROTATION

STEP BY STEP ► Not everyone can be involved in job rotation. It needs to be beneficial for both the employee and Ericsson. If you are interested, do the following:

Inform your closest manager. Your IPM discussion is a good opportunity to bring it up.

2. If you and your manager agree that job rotation seems like a good idea, your manager can help you investigate the possibilities, and make the rotation happen.

Your unit's HR manager will help you find information and sort out practical details such as accommodation.

Action stations

Mobile Media on the different types of mobile games released in the first half of 2007 shows that action games are by far the most common.

▼ NUMBER OF MOBILE GAMES IN 2007

Action games 42
Puzzle games 18
Sports games 12
Racing games 12

1+1=3

have put two popular things together to create a winner. Manga cartoons in printed form have long been well loved, and because the Japanese use their mobiles a lot, all the major mobile operators have launched mobile mangas.

According to a survey from Deloitte & Touche, more than one third of people regard their mobile as an entertainment device.
This is an increase of 12 percent from last year.

Viva Las Vegas!

TRADE SHOW The mobile industry and Ericsson were present at International ces, the world's largest trade show for home and consumer electronics. But they were not seen that much. Wonder why? That's because mobility solutions through modules are becoming a natural thing to build in when developing notebooks, cars, gaming consoles and other devices. Ericsson's module for mobile broadband, F350g (where g stands for GPS navigator), received a lot of interest at the show.

▼ AVERAGE NUMBER OF MINUTES PER DAY min/day 34 min/day Workrelated reasons Work-related reasons 13 min/day 15 min/day ersona 25 min/day **19** min/d Mobile Fixed phone phone

Source: Global Infocom study 2007

Top five intranet articles

NEWS These were the global intranet articles that attracted the most interest between January 1 and 23.

- 1 Windows Vista to be deployed in 2008
- 2 New handsets from Sony Ericsson
- 3 Ericsson comments on media reports
- 4 Sony Ericsson reports its best year
- 5 Competitors and trends: December

Engineering award won

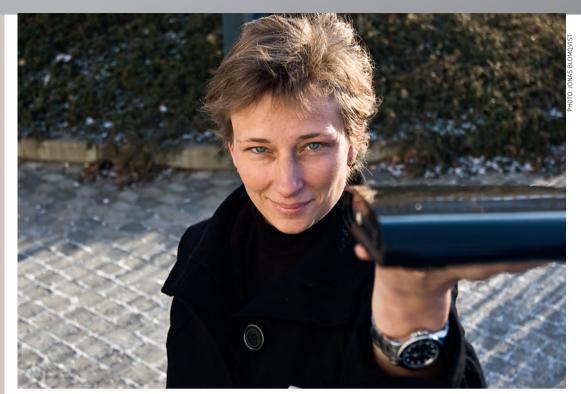
IRELAND Srdjan Krco, project leader at Ericsson's research center in Ireland. was recently named winner of the Innovation Engineer of the Year

2007 award. The Institute of Engineers of Ireland hands out the award



Srdjan Krco

to highlight cutting-edge innovation and excellence in engineering. Krco was given the award for his work within mobile network support for machine-tomachine communication and wireless sensor network services.



Product manager Anneli Oscarson is an expert in femtocells. Ericsson is the first vendor in the world to launch a product for GSM. It has a built-in ADSL modem and routers for WIFI and Ethernet. Consumers install it themselves at home, which makes self-configuration a must.

Taking the femto lead

In 2007 people started talking about femtocells as a weapon in the battle against the expansion of internet telephony. Ericsson has the world's first femtocell product for gsm, which gives mobile operators the chance to establish themselves inside consumers' homes.

PRODUCT Anneli Oscarson is product manager for femtocells at Ericsson. She says that femtocells - small base stations with low-power output - are designed to be placed in consumers' homes so they become confined zones for mobile telephony. This means that operators can offer their customers both prices and call quality that match fixed and IP telephony.

"The advantage is that the customer can use the same telephone

everywhere - the mobile phone," Oscarson says.

Save up to 30 percent

Femtocells enable lower mobile prices within the zone and render fixedtelephony subscriptions superfluous. Ericsson calculates that families can save 20 to 30 percent with the help of a femtocell.

"Family members usually have different mobile operators, but with femtocells an operator can tie everyone in by packaging the subscription for the entire family," Oscarson says. "This brings them new customers. At the same time, the need for new investment in the access network is limited because the femtocell is linked to the mobile network via the household's existing internet connection. The operator's investment in the femtocell network therefore pays for itself quickly."

Oscarson says that Ericsson is first in the world to launch a product for GSM. It has been developed for 1800MHz markets, such as Europe and Asia. The next version will also support the us market.

Focus on GSM

Most other manufacturers are merely looking at femtocells for 3G. Ericsson is also looking at 3G femtos, but the focus is on GSM.

"Our femto can be used by the 2.6 billion GSM subscribers and the 160 million WCDMA subscribers around the world today," Oscarson says. "3G is growing at such a pace, but pure 3G femtos won't be that interesting until a few years from now."

Oscarson says that

many in the industry believe femtocells can help expand 3G coverage.

"But we don't share that opinion," she says. "Femtos are an excellent addition, but they could never replace the macro network."

What about the radiation? "It is 20 times lower than from a computer's WLAN, and several times lower than from a DECT telephone," Oscarson says. "Consumer safety is guaranteed through CE marking and type approval for the consumer market."

When can we expect to see an Ericsson femtocell on the consumer market? "We're working with European operators who are planning to launch during the first half of this year."

☑ Jonas Blomqvist

Mobile recipes a winner

When Ericsson and Swedish supermarket chain ICA were testing ways to utilize in-store mobile phone applications, recipes proved the key to success: a customer who buys some chicken immediately receives a recipe with all the necessary ingredients on their mobile phone.

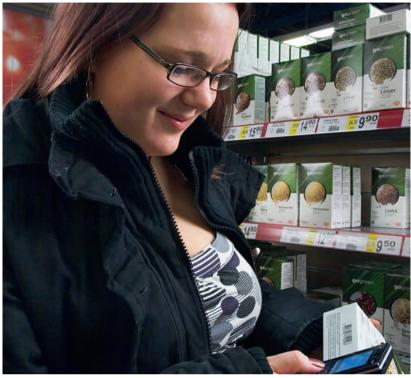
SERVICES In November 2007, Ericsson and ICA carried out technical testing at a supermarket in Luleå in northern Sweden, to see how the mobile phone could contribute to customers' shopping experience. The test included 32 people from different categories, all of whom were chosen from the customer database and lent a mobile phone with an ICA customer-card function.

Applications tested included the customer receiving a coupon on their phone after holding it up to a sign in the shop (near-field communication or NFC, whereby the mobile device contains a reader that picks up a radio signal a short distance away); and receiving product information and recipes after photographing product barcodes with their phone's camera.

Pull and push functions

For Madeleine Jensen, one of the participants, the trial was a hit. "Recipes and coupons are my passion, and this solution benefits both consumers like me and the shop," she says. "But you need to have a good mobile."

The trial explored both "pull" and "push" functions. The pull option involves the user searching for information themselves, while with push



Madeleine Jensen is one of 32 consumers who have tested mobile assistance at the supermarket.

they receive it automatically on their mobiles, such as when ICA transmits



Tommy Arngren

news to customers' mobile phones to encourage them to visit the shop.

Tommy Arngren, project leader at Ericsson, says that, without exception, the trial participants felt positive about the test evaluation.

"The only thing that caused any doubt was the fact that information that had not been requested would pop up. But this problem can be solved in several different ways."

The technical side of the system was also evaluated, including issues such as speed.

This, along with indepth interviews with the trial participants, has



What's for dinner? The mobile provides the answer.

created a sound basis for further tests.

Håkan Karlsson, who works at ICA's head office, is considering a two-stage follow-up.

"It's interesting for us to take this further," Karlsson says. "We are planning to carry out a commercial trial of what we tested in Luleå, and to develop our collaboration with Ericsson and launch new applications for further tests." Arngren views the test as a window for the introduction of new technology that can replace keys, credit cards, ID cards, bus tickets and much more. He says: "For us, this research project is also a way of conducting early trials of prototypes in a real environment in order to save time. If the outcome is positive, we will continue; if not, we will drop it."

☑ Lars Cederquist

Skype in gaming mood

NEW GEAR Sony's Play-Station Portable (PSP) will become a Skype phone, enabling Skype users to make and receive free calls. All PSP owners need to do is install a software update. They can also call other numbers by using Skype credits. This could be a way for Sony to make the gaming device into something more, which could also attract non-gamers.



Double win

CROATIA Gordana
Kovačević, ceo of Ericsson
Nikola Tesla, was one of
Croatia's most influential
people last year, according
to Croatian weekly magazine Nacional. The magazine
named her alongside four
other people, including the
country's prime minister,
Ivo Sanader, and Slaven
Bilic, coach of the Croatian
national soccer team.

Kovačević won in the Croatian company managers' category. She has also been chosen as Entrepren-



Gordana on the cover of Nacional magazine. eur of the Year by Croatian TV channel Capital Network's viewers. Kovačević

also received that award in 2006.

Ericsson's challenges

Triumphing with technology

CHALLENGE Technology shifts are challenging. Many players have difficulty handling them, but so far Ericsson has come out stronger.

Ericsson has long dominated the mobile infrastructure market and made good money on circuit switching. But networks are developing towards being more ıp-based. Packet switched fixed and mobile networks are the future, and in that field Ericsson is one of several players battling for a leading position.

Mikael Bäck, from product management for mobile and fixed net-



works, says that one of Ericsson's main tasks is to achieve a balance between reliable, proven technology and new developments.

He is not worried that Ericsson will loose its technology leadership because of the shifts we see.

"We are now committed to LTE as the next mobile technology," Bäck says. "The latest reports are showing that almost all operators are choosing LTE.

Fixed core networks are also going through change. Ericsson has worked hard to strengthen itself in these areas, and the shifts to new technology offer an opportunity to challenge other suppliers' positions.

One important shift is that many big operators want to build common core networks for mobile and fixed access.

"This opens up for new players," Bäck says. "Thanks to the acquisitions of Marconi and Redback we are competing in this field."

Technology shifts will affect R&D. "We need to be able to make the right priorities, and be flexible to respond to change." ■ Lars Cederquist



Ericsson's President and CEO Carl-Henric Svanberg and CFO Hans Vestberg say that there will be some problems in the short term that will have to be solved. A savings package of SEK 4 billion this year is therefore necessary.

Pointing towards lower growth

Ericsson's big challenge: to maintain its leading position in a market that is changing and is not growing as much as before.

2007 REPORT Ericsson's full-year report showed some of the best results in the history of the company. Ericsson is profitable at a time when major competitors are taking losses.

But compared with 2006, Ericsson's operating income was SEK 5.2 billion less, and the operating margin 4 percentage points lower. The market for mobile infrastructure lost speed during the second half of 2007, and Ericsson is now planning for a flattish mobile infrastructure market.

These conditions have led to a SEK 4 billion cost reduction for 2008, and costs will also have to go down in the future. To handle this, and to strengthen Ericsson's competitive position, operational excellence is being accelerated throughout the company.

But that alone is not enough, which is why the Ericsson management has announced staff reductions. These will be in the region of 1000 employees in Sweden and 3000 employees in other parts of the world.

"We are taking these actions to protect our competitive position in a market that is tough right now," Carl-Henric Svanberg, president and

CEO of Ericsson, says.

But Svanberg emphasizes that Ericsson is not in a crisis, as it was earlier this decade. The difference now is that customers are financially strong, Ericsson is stronger than its competitors, and traffic is steadily increasing in networks around the world.

"That will not make our short-term problems disappear, but the longterm view is positive," Svanberg says.

Setting aside the financials, Ericsson faces other challenges in order to be the market leader in the long term. These revolve mainly around three things:

► Managing the shift from circuit-switching

to packet-switching technology. Ericsson is dominant in circuit switching, but the newer packet-switching market is more open, and Ericsson is a market leader together with other players.

- ▶ Handling the increasingly tough competition from Huawei, Alcatel-Lucent and Nokia Siemens Networks.
- ▶ Increasing income from areas other than mobile infrastructure because that market, at least temporarily, seems to be flattish.

"Our company has a good position, and I'm convinced that we will remain as the world leader," Svanberg says.

☑ Olle Blomberg & Jonas Blomqvist



Operational Excellence vital

With cost reductions of SEK 4 billion this year, and an Ericsson that must become more effective to be strong in the future, operational excellence has never been more important.

CHALLENGE Operational excellence is essentially about Ericsson becoming faster at handling market needs. For employees, that means devoting time to the right things.

Ulf Bernström, head of Operational Excellence at Ericsson, says: "We need to continuously identify what we do that creates value for our customers and owners, and then to increase those activities. At the same time, we need to work less on activities

that don't create value."

According to Bernström, the change programs under the operational excellence umbrella have been successful, but they have often battled with a lack of resources.

"We often tend to make too many changes at the same time," he says. "This leads to a lack of resources and, in the end, delays changes in areas that are top priority. That is why we must dare to focus on the most important change programs and carry them out effectively."

Another aspect of the acceleration of Ericsson's work with operational excellence is that managers in all levels will try to find ways to improve

collaboration with other units.

☑ Anna Björklund

How you can contribute:

- Always think about customer needs.
 Question ideas that don't do this.
- Prepare yourself for meetings.
- Only send e-mails to those who really need to read them.
- Use tools such as Sametime and wikis.
- Share good examples with others.
- Create personal operational excellence goals in cooperation with your manager.

How Ericsson will take on Huawei

The Chinese telecom equipment vendor Huawei is Ericsson's quickest growing competitor in the wireless space. How worried should Ericsson be?

CHALLENGE Joakim Cerwall, head of Business Development and Strategy at PA Radio, BU Networks,

says: "We should respect them. Huawei does not only offer low prices but an



Cerwall

increasingly better portfolio, especially in wireless. They are very customer driven, which is their greatest strength, with a clear focus on TTM (Time to Market). Their approach comes at a price though, affecting profitability."

Similar to Ericsson,
Huawei has managed to
take advantage of the
consolidation the industry
has undergone, increasing
its market share. The latter,
in GSM and WCDMA, is around
10 percent, according to
Cerwall's estimate.

Huawei is still strongest in the emerging markets and has problems in the North American market. However, over the past couple of years it has had some successful break-ins with some of Ericsson's largest customers, such as Vodafone and France Telecom.

Cerwall says that in order to cope with the competition from Huawei, Ericsson will have to work hard to meet them on several fronts at the same time.

"We must be more responsive to customer requirements; maintain our technology leadership; and improve operational excellence."

☑ Benny Ritzén

Need for healthy growth addressed

Ericsson's cash flow was strengthened in 2007, but there is still room for improvement. The answer is simple: cash in early and control spending.

CHALLENGE Healthy growth is among Ericsson's top priorities: growth that generates both profit and cash flow.

Ericsson has done a good job in growing faster than the market, with best-in-class margins in recent years. However, the company has not been able to demonstrate a satisfactory cash-flow performance. It needs to reach its target level of 70 percent cash conversion.

Henrik Bergman, who is coordinating Ericsson's work with cash-flow



Henrik Bergman

progress, says that too much capital is tied up for too long in the value chain.

Ericsson must focus on strengthening the cash flow because this secures the competitiveness, financial flexibility and leadership of the company.

So what can be done to improve cash flow? Contracts can be closed with clearer scope and more frequent acceptance milestones; additional continuous

improvements can be made over time on the terms and conditions of contracts; the project execution process and supply chain can become even more effective; improvements in contracts with suppliers can be made. Finally, staff can push for timely invoicing and rapid payment collection. Essentially, it is all about making small daily improvements to cut down the time that elapses between a customer order being placed and the money arriving in the bank. Bergman says:

"Growth, decreased cost and reduced time to cash are the keys to success. Several actions are ongoing companywide, driven in the line organization locally as well as centrally. They encompass commercial areas, service delivery, supply, sourcing and so on."

☑ Editorial Services







Preventing stress and improving employees' work motivation is as important as increasing sales. **A lot of good work is going on** within the company to provide employees with the right conditions for them to do a good job. But there are also many things you could do on an individual level to ensure that you do not end up in a situation that becomes too stressful.

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"We've been working with both small and big issues"

ZAGREB Sroatia, Europe Ericsson Nikola Tesla in Croatia has succeeded in combining good business results with satisfied employees. This has required hard work on many fronts.

time, but it is not just Ericsson staff lining up for schnitzel, minestrone soup, the vegetarian option, meat and fish. There are also well-known faces from Croatian RTL TV in the canteen, as well as staff from other companies that have leased space in this old factory area in the west of Zagreb. In its heyday, 6000 people worked at this Ericsson site, which principally manufactured telephone exchanges for the Eastern European market. In the 1990s, the company announced layoffs, but Ericsson in Croatia

has since then started to fill its premises once more, except now most of the staff has a university degree.

One of the departments with the highest educational level is Ericsson Nikola Tesla's Research and Development Center. Alessandro Pane, the head of that department, is sitting at one of the tables in the canteen.

In his organization, coaching and mentoring has proved to be important,

stress relief.

"Due to complex tasks and very demanding projects in my department, we work a lot with competence development," he says. "Mentoring involves a senior person meeting one or two people regularly to discuss daily work. Coaching and co-coaching is based on three to five people also meeting on

both for business performance and



Alessandro Pane (dark suit and tie) and his colleagues in Zagreb in a meeting with representatives from the office in Split. One of the conference rooms includes frequently-used video-conferencing equipment to reduce traveling at the company but still have effective meetings.

"A lot of stress comes from not feeling noticed and not getting the help you need" Nevenka Mesarov

▶ a regular basis over a four–month period to discuss their jobs and give each other tips and advice."

Pane is also a big fan of Ericsson's balanced scorecards – how targets are measured. "It's a good tool to see that our strategies, decisions and work are taking us in the right direction," he says. "From balanced scorecards, we then break down the department's targets to an individual level. It's important that everyone knows where we're going and how to reach that position."

The physical working environment is also methodically examined. For example, the high noise level in the department's lab has been trying for many people. "We try to arrange it so our engineers are in the lab as little as possible," Pane says. "And to have remote control of some of the technology in the lab, so that as much of the work as possible can be taken care of in the office."

A couple of floors above the canteen in the R&D department, we find Krešimir Brebrić at his desk sending an e-mail. He is working with Pane. Brebrić has been part of a 20-person work group that has been analyzing stress-related problems and then working in smaller groups to solve them.

"We've been working with both small and big issues - from getting more parking spaces and more vegetables on the menu in the canteen, to improving communication between managers and employees and change how work is shared internally," Brebrić says. "One result is that work tasks are now only handed out by line managers. Previously, project leaders could also hand out assignments, which meant nobody had an overview of how much people had to do. This resulted in many people feeling stressed. Now that one person has the project and line responsibility, we hope it will reduce the risk of employees having too much to do."

There is also enhanced communication in the Research and Development Center around what is happening in the market and the company in general, including a new newsletter and better organization of internal meetings.

"We've come up with new routines, including clearer agendas, to become more efficient," Brebrić says.

Getting employees involved has become a conscious way of working at Ericsson Nikola Tesla. Not only do the employees feel more involved but management realizes that those who experience a problem are often in the best position to solve it.

In the yard outside the Ericsson building is a statue of Nikola Tesla, the famous Croatian scientist and engineer who the company is named after. Past the statue, through the yard, is the main building. There we meet the company psychologist Nevenka Mesarov, whose job involves helping people with stress,

Dialog Health Index shows Ericsson employees in "sound health"

Sixty-one percent of Ericsson employees fall into the "sound health" category. Many of them feel that they have a good and supportive manager and that they would remain with Ericsson even if they received other job offers.

At the other end of the scale is the "risk group," which contains 19 percent of employees. They say that they are less motivated, experience more obstacles in their work, have less support from their managers and have less faith in Ericsson as a company.

Recovery the most important factor in reducing stress

When looking at the factors that lead to negative stress within Ericsson, the possibility for recovery after periods of hard work has the greatest positive effect on recovery. Enough time allocated for competence development is almost as important.

Negative stress is also influenced by how the employee feels in general, the extent that the demands placed on them are in line with their competence, the opportunity they have to manage their time and their ability to prioritize work tasks when there is a heavy workload.

communication and teambuilding. Her job includes educating employees and management on what causes stress and how to deal with it.

"Generally, a lot of stress comes from not feeling noticed and not getting the help you need," she says. "The matters that are discussed in special courses for employees as well as managers include practical exercises on how to improve their own situation and other work to strengthen groups."

Mesarov emphasizes that stress is a part of daily life that is difficult to avoid completely. "Moving around, exercising and having free time that allows you to gather strength is important to feeling good and not becoming too stressed," she says. "This is something the company wants to encourage. The better employees feel, the more they can concentrate and be efficient and creative in their work."

A fitness hall directly next to their workplace makes it easier for staff to get exercise. Josip Dulj and Mario Živić, two engineers who work with mobile solutions, are in the middle of a table



Leisure-time recreation and exercise is important to feel good at work. The company's fitness hall has a table tennis table, which comes out when the premises are not being used for yoga or other types of exercise.

tennis match during their break. Dulj hits the ball straight into the net. "I'm better at soccer," he says and laughs. He then says that both of them play for the Mobile Network department's soccer team, which plays the Fixed Networks department in a company derby every week.

The exercise facilities are used quite frequently early in the morning, before work, or at the end of the working day. As well as table tennis, yoga cour-

ses and different exercise sessions are held regularly. The philosophy is that recreational activity is important. It is also important for the company to give the employees a certain flexibility concerning the working hours. They have a core working time between nine in the morning and four in the afternoon, when everybody has to be there, but besides that, it is possible to come early and leave early or come later and then work a little longer into the evening.

Dulj and Živić both began working at Ericsson straight from university three-and-a-half and two years ago respectively. "I work with exactly what I studied and that's great, especially as we're encouraged to take our own initiative and consider new solutions," Duli savs.

Many of the young employees have yet to have children so are in a phase of life when they are most likely to spend free time with their colleagues.

"We have periods of quite intense work, but we have a good atmosphere at the office," Živić says. "There's al-

MARITA HELLBERG ON: STRESS AND DIALOG



head of Group Function Resources & Organization

Dialog measures the "temperature" of

the organization – the results give us an overall view of what we as employees think works well or works poorly at our workplace. The first step when working with continuous improvement is to know the most important area on which to focus. A lot of this involves giving the managers in our organization the right support and conditions so they can do a good job based on the results. It is very important to identify the causes of negative stress, but our analyses of the Dialog results teach

us much more than that – they give us an overall view and at the same time a lot of detail about specific units, leadership, motivation, obstacles and opportunities.

The IPM discussion is a good start when it comes to identifying an employee who feels unhappy. Talking about what causes negative stress within the unit, or for the individual, and actively helping the employee prioritize are important tasks for a manager. Then we need to remember that stress is often built up from many different factors. Private life and work obviously play a role, as can a workload

that is too great or too little, family life, finances, health ... it is important to look at the big picture. Through good leadership, a manager can help both individuals and groups to feel good, but people also have to take on their own responsibility for their well-being.

Ask for help. Have a discussion with your manager or with corporate health care. Ericsson is a company that cares for its employees and we strive to nurture a climate and a culture that benefits everyone concerned: our employees, our customers and our business.

EMPLOYMENT ENJOYMENT

STEPS TOWARDS A BETTER WORKING DAY

"We have remote control of some of the technology in the lab, so that as much of the work as possible can be done in the office"

Alessandro Pane

COPYING WITH STRESS

STEP BY STEP ▶ Company psychologist Nevenka Mesarov's top tips

- Tell your family, colleagues or your manager how
- 2. If you are too stresseu, less.

 break, a cup of coffee or some fresh air. If you are too stressed, leave for a while: take a
- Surround yourself with people who like you, Surround yourself with people who will give you positive feedback and not negative criticism.
 - Refuse things if you have too much to do.

- Be realistic do not try to be perfect, nobody Be realistic – do not try to be per rect, nobody can. Learn to know your limits – do not place too high expectations on yourself.
- Knowing how to relax properly is
- Plenty of sleep is important for your general
- Take care of your body, exercise and eat the 8. right food.
- Take care of your relationship with family and • friends – a good balance between work and free time is important.

ways help available, and we support each other."

They both highlight the benefit of company healthcare, which is available just outside the Ericsson gates. "If you need to go there, you just call and book a time then they contact you 15 minutes before you have to go," Živić says. "If I had to go to a doctor in town, I'd have to take the day off."

Stressed parents of young children are another group to get extra support. Not far from the company healthcare center is a daycare center that has an agreement with Ericsson. Every Tuesday after work, 12 parents of small children meet with a child psychologist to discuss parenthood and how to combine being a parent with their working lives.

But not everyone has daily access to the-

se facilities and benefits. Those within Business Unit Global Services, for example, may work abroad for several months at a time. Other options are put in place to help them.



Drazen Jarnjak, head of Consulting & Project Management Unit in Global Services Delivery Center Croatia, has staff stationed all around the world. This of course places particular demands on his leadership. Traveling is exciting but being away from family and friends for a long time can also be difficult.

"I've worked abroad myself for about five years and know that a phone call can mean so much, which means that I try to call my employees during the week to find out how things are going and how they are," Jarnjak says.

In the past year alone, Global Services Delivery Center in Croatia has grown due to the new responsibilities. Coaching and mentoring are important to help newcomers gain the knowledge they need as quickly as possible, as is training in customer relationships.

"When you work with customers, you need good insight into how to behave and what is important to make a customer satisfied," Jarnjak says. "We therefore work a lot with knowledge sharing, including internal presentation training and finding good examples from previous jobs. We find Knowledge Base a very important IT tool for the global knowledge sharing."

Jarnjak's department has also worked on improving project planning including remote deliveries. Remote deliveries reduce the length of time abroad and make time spent away from home shorter and more effective, thus reducing the unnecessary costs for the company.

"Employees can now be home more, meet their colleagues and be involved in things that are going on at the office. It makes a big difference," Jarnjak

☑ Text: Anna Björklund Photo: Per Myrehed



In May 2007 the CEO of Ericsson Nikola Tesla, Gordana Kovačević, was handed the Friend of the Family Award from the Croatian Government. The prize was given to Ericsson as recognition of "the comprehensive company's employee care and concrete actions to set the platform for their balanced professional and private life."



FACTS ABOUT ERICSSON NIKOLA TESLA

- Ericsson Nikola Tesla has survived the fall of the Iron Curtain, independence and a war that ended in 1998. After the parliamentary and presidential elections in 2000, the country entered a new phase, and Croatia is among the countries hoping to enter the European Union. Living standards in Croatia are slowly improving and there are good career opportunities both at home and abroad for today's university students.
- when Ericsson bought 49 percent of the shares in state-owned Nikola Tesla – a company founded in 1949 when Croatia was part of the former Yugoslavia. The country had a social market economy at that time and workers had a major influence on how companies were run. The company began producing Ericsson products as far back as 1953 under license for the Eastern European market.
- Since 1995, Ericsson Nikola Tesla has undergone major change, from manufacturing to
- high-technology IT and telecoms with a highly educated workforce.
- Today, the company has 1500 employees, of which 87 percent have a university education. The company's activities include marketing and sales, research and development, design of the total communications solution, services in the multi-service and mobile networks area, including mobile internet and complex system integration in all business







Nothing like a change of scene

A good office makes us feel happy and do a good job. Ericsson Workplace Design is the name of the concept that will help Ericsson create the ultimate workplace. In the long term, all Ericsson offices will be designed according to this model, but the change will be made gradually and will not take place until departments need renovating, or have to move to new premises.

ust over two months ago, Market Unit Australia and New Zealand. together with Business Unit Global Services in Melbourne. moved to new offices with a view across Docklands, an old Melbourne harbor district getting a facelift, with new shopping malls, marinas, apartments and offices opening up. But an office that adheres to Ericsson Workplace Design consists of more than just a nice view, new furniture and reflecting the Ericsson brand.

Helena Hambraeus is responsible for the concept on a group level.

"It has as much to do with being cost-effective, creating an ergonomic and healthy environment and spending money on the right things as it has to do with providing a nice, creative work space in which employees can do a good job. The concept is applied to the entire office, and is introduced throughout the company, step by step. It has been produced by us at Group Real Estate in co-operation with stress researchers, work psychologists and ergonomists. Over time, much importance has been placed on following up and on evaluating the offices where the concept has been introduced. Knowing that the concept works and is appreciated by the employees inspires confidence."

The result is an office where employees no longer spend the entire day in the same seat. Instead they choose the rooms and functions they need when they need them.

"We want people to move around during the day," says Mary Hart, who is responsible for planning the new office.

The entire Docklands office therefore has wireless LAN. This includes the "follow-me printing" function, which means that when you choose to print a document, you can go to any printer you wish and print the document there with the aid of a code.

Matthew Wilkinson is among those who have moved from the old offices in the Broadmeadows area of the city to Docklands.

"At the office, we can move between different areas - our work station, quiet rooms and meeting rooms - or go to the Promenade lounge on the seventh floor, a real café with a great view, which people from all departments in the building can use," he says.

Hart says: "We also have what we call the 'business lounge' - a place for everyone, with soft furniture and lots of wood in the interior design. It's somewhere you can go if you need some peace and quiet, but also a place where employees from Sydney and other visitors can set up a temporary workplace."

Many in the Global Services workforce frequently travel on business or work at their customers' offices, so most people do not have their own desks but rather flexible work stations. This is called multiflexing within Ericsson Workplace Design. Having desks for people who are in the office only a day or two per week is not considered cost-effective, and the work group has chosen instead to use the area for shared spaces, such as quiet rooms or meeting places.

Hart was also involved when the office in Sydney was redesigned in 2005. That was one of the first offices to make use of the new concept.

"We didn't really know what to expect at the time, but communication at the office was hugely improved," she says. "When the high screens we used to have were removed, we got an environment that promoted co-operation. You no longer needed to stand up to see who was around. We also swapped our elevators for a staircase, and suddenly had eve contact with those working on the second floor. Since then, experience and advice from experts has helped the

- that apply at the office regarding which ring signals should tidy up after yourself, whether you are allowed to sit at your desk and talk on the phone and so on. can easily turn into a source of conflict at the office. Remember that the rules may need to be adjusted along the way.
- Also consider the chance to change your own way of working. Do you need all those files, for example, and how safe is it to have documents in a bookcase? Ask yourself what you can store in digital format instead. Throw away what
- Once you are working at your new office, move around a lot during the day. Bring your computer with you and take the opportunity to work flexibly. Sometimes you can benefit from changing your

A MANAGER

- Consider which people at the office work together a lot and place them close to each other. Changing office is a fantastic opportunity to make a new start. Discuss what part of your work culture you want to take with you and what you want to leave behind.
- What problems do you have in your department? See if you can solve issues such as communication problems and slow decision-making processes by positioning the right people near each other.
- As a manager, recognize the opportunities you gain from sitting in an open-office environment. Your job as a day-to-day leader and role model is important: dare to be there and be a "visible" leader.

Did you that.

The Docklands office has enlisted the help of the Australian state organization TravelSmart for environmental reasons and to encourage employees to maintain a healthier lifestyle. The program helps employees look at "green" alternatives for getting to and from the office, such as walking, cycling or taking the train or bus.

EMPLOYMENT ENJOYMENT

STEPS TOWARDS A BETTER WORKING DAY

Did you know that...

The Melbourne office's design is part of Ericsson's global project Ericsson Workplace Design. During the past 12 months, the same concept has been used in Beijing and Madrid, as well as for the 7000 employees from Business **Unit Networks** and Business Unit Global Services in Kista, Stockholm who have recently moved to new premises.

concept develop and improve."

Hambraeus says: "Within Ericsson Workplace Design, the intention is that a well-planned office can solve problems instead of creating them.

"Moving offices is a golden opportunity to consider what works, what could be improved upon and how to develop ways of working that meet the employees' needs. The new premises' design could be a part of the solution. With the right planning, those who work together can sit together and easily help each other. They hear relevant discussions going on around them, get information indirectly and can therefore take informal decisions quickly."

Together with a colleague, Matthew Wilkinson has also been a driving force in the change program that the Global Services Delivery Center chose to start in conjunction with the move.

"It was like fitting a jigsaw together with half of the pieces" Matthew Wilkinson

"The objective was to help the employees feel engaged and set up open dialog," he says. "This has also continued since the move."

Much of the work has been about where employees should sit. The workplaces cover two floors, and 70 percent of the places are multiflex desks. Every work group has been allocated a certain number of desks.

"We've tried to arrange the office so that we get the best synergies between teams within the given constraints," he says. "It was like fitting a jigsaw together with half of the pieces missing, but we got there in the end."

Spatial changes and working in new ways can be tough on many people; moving from your own room or not having your own desk may require a lot of dialog with staff for it to be viewed as something positive. The important thing is for the management to add-

ress the employees' concerns and the problems they foresee, and for everyone to discuss them and find solutions together.

"We've been working on the office etiquette, or rather how we can best use the new environment and how we understand the change and adapt to it," Wilkinson says. "Discussions in this area are critical, since it is human nature to slip into routine, and it would be easy to bring with us the routines from our old offices. The more open dialog we had before the move, the more conscious everyone was of the changes."

☑ Text: Anna Björklund Photos: Melissa Powell

Footnote: You can read more about Ericsson Workplace Design, the Change Management program, evaluations and office etiquette on Ericsson's global intranet. Go into Support then click on Workplace Support.

achieve their goals. You need less energy in the evening and should eat fruit, vegetables and protein.

The Swedish national ice-hockey Davis Cup team, three Himalayan expeditions and Ericsson have one thing in common: they have all taken on diet, health and exercise coach Mats Pettersson to get their members or employees to change their lifestyles and

One hour before an inspirational lecture for 200 Ericsson employees in Kista, Sweden, Mats Pettersson says:

"The most important thing in breaking a daily habit is the conviction that this is the right

I try to give my audience a push in the right direction and motivate them to make a change.

You need to be convinced and then it works. I've seen examples of girls who've been trying to stop smoking for many years, but who've quit from one day to the next when they've become pregnant because they know that smoking harms their children."

Pettersson says that an important part of people

START THE DAY WITH BREAKFAST

changing their habits has to do with setting goals for themselves. "There's a big difference here

between the elite athletes I coach and ordinary individuals," he says. "Elite athletes have clear goals, such as winning the Olympics or the world championships. But if I coach an ordinary individual, we have to start by defining what they want to achieve. Only you know what quality of life is for you. Are you satisfied when you make the effort to complete 36 holes on the golf course, run faster than your children or ski

Pettersson often says that the issue of how we are feeling is multifaceted. An experienced cyclist, he has taken inspiration from the bicycle wheel to create a model in which life has seven "spokes": diet, exercise, sleep, relationships, free time to think and reflect, roles and goals.

"Just like a wheel, we can manage if just one of the spokes isn't working," he says. "But if two of them come loose, the wheel starts to shake."

The most important "spokes" are: diet, exercise, sleep and

getting free time to think and reflect. Small changes in these areas often bring major results.

"A while ago, I was coaching workers on a production line," he says. "For six months, we introduced five-kilometer walks. three times a week. We also made sure that everyone had breakfast

"When they did an employee survey after this period, the majority said that they felt more awake. They also believed that it could be that they had less work to do than before.

"But when I had a meeting with the management team later, it turned out to be quite the opposite: they were actually working more – productivity had increased by 30 percent."

Pettersson's basic tip for

anyone changing their habits is to start with a minor change.

"Eat breakfast, for example," he says. "This simple thing means that you'll feel slightly better and will be able cope with another change. Take one step and you'll start off a positive spiral that will make you feel better and better! ☑ Text: Anna Björklund Photo: Per Myrehed

THE FOUNDATION FOR FEELING GOOD

Sleep

We need sleep to recharge our batteries; the night time is when both our bodies and our psyche repair themselves. How much sleep we need differs from person to person. But one guideline is that we need at least six hours. Then it depends on how much we load onto our muscles and brain; if the brain has to work more than usual, we may need to sleep longer. For those who find it hard to sleep, Pettersson's tip is to read a book for a while before falling asleep, and definitely not to take a laptop to bed and work. He also says people who exercise have better-quality sleep.

Diet

There is research showing that children who eat breakfast achieve 30 percent better grades, he says, and offers this piece of advice: eat breakfast like a king, lunch like a prince and dinner like a pauper. During the day we need energy and should eat a lot of carbohydrates, but in the evening we should eat more protein and vegetables - which the body requires when repairing itself during the night. Avoid coffee, nicotine, alcohol and sugar, which increase stress and trick the body into feeling good. The feeling of well-being comes a dopamine kick - the same type of kick we get from a hug, a compliment or a workout.

Exercise

We are designed for life in another era, and are made to move around. Apart from exercise making us feel good and more focused, it also increases blood circulation and reduces the risk of cancer and heart disease. But for exercise to bring results, it is important to eat correctly. Otherwise the muscles break down through exercise, instead of being built up. He talks about Okinawa, the Japanese prefecture where they have more people over 100 than anywhere else. Their recipe for a long and healthy life is to eat fish and vegetables, walk up hills a lot and read books.

HEALTH COACHING

One way to start exercising is to get a health coach. Niana, which Mats Petterson is connected to, is one of the health care companies that Ericsson uses in Sweden. Niana has so far coached about 1400 Ericsson employees in Sweden towards a new and healthier lifestyle.

new and healthier lifestyle.

Niana provides each client with a health coach who follows their progress for four to six months. Together, the client and coach set personal goals for stress, diet and exercise. The client's development is then followed up with discussions and physical measurements.

In 2007, 879 people completed the program and the statistics show improvements on all fronts. More of them are sleeping better and eating well. Many of them are exercising more and are feeling better both physically and psychologically. The number of people that had been

The number of people that had been feeling unwell as a result of stress has fallen by 52 percent. Of those who previously had difficulty sleeping, 69 percent no longer have that problem. And 82 percent of those who thought they were not eating well have changed their eating habits.







NEW WAYS OF WORKING

Notes for the board

It is a **new way of working** for the multimedia product developers: they plan their dayto-day activities with the help of a bulletin board covered in pieces of paper. This new approach uses short development cycles and close cooperation between programmers and product management. The MIEP team is the first to try it out.

STOCKHOLM SWEDEN, EUROPE

nnica Kandelin leans over the table in the meeting room and begins to speak.

"I made a suggestion last time that we start with the 'config service.' And because I'm as stubborn as a mule, I'll suggest it again," she says.

This is the starting point for a discussion. One moment eyebrows are raised, and the next there is laughter around the room. We are at a "planning game" for both the seven software developers for the MIEP (Mobile Internet Enabling Proxy) product and the technical product management in Kista, Stockholm. The meeting began with a demo for product management and other interested parties; the participants are now deciding what the team will spend the next two weeks doing.

Soon everyone agrees with Kandelin's proposal. She writes the task down on a small piece of paper and sticks the note on the bulletin board on the table.

When the meeting is over, the board is covered with notes, each describing a task that the developers have to

complete before they meet in 14 days. The product management team is not allowed to disturb the developers with new demands during that time.

The bulletin board is moved down the corridor to its regular place, outside rooms adorned with children's drawings, photos and Dilbert cartoons.

Every morning, the board has the team's undivided attention during the "stand-up meeting," another new type of meeting for the MIEP team. Everyone gives a short description of how things went the previous day, what they are going to do next and whether they need help with anything.

The meetings are also the time for changing the status of the notes on the board – from "to do" to "done." In this way, each day begins with a confirmation that work is moving forward.

In some sense, it can feel quite liberating: a simple bulletin board, covered in handwritten notes, representing the latest in Ericsson's software development.

MIEP's developers are pioneers within Streamline Development -

"...if you have a problem, you just have to throw a couple of experienced developers into a room.

Annika Kandelin



Each morning starts with a stand-up meeting, at which team members inform their colleagues about how the work is progressing. People stay standing in order to keep the meeting short, hence the name. "But sometimes it is hard to do things quickly," says Mattias Karlsson.

a way of working that aims to speed up product development and ensure that what is developed is what the customer really wants. The whole idea is to manage the unpredictability that characterizes software development.

The main new aspect of this approach is that the developers - who have more than 100 years of development experience at Ericsson between them – and product management plan the team's work together. The development work is then done in smaller increments, which means the product appears gradually in several small steps rather than in a few giant leaps.

The developers say this represents a big break from the past. Team leader Mattias Karlsson says that knowing the team's priorities two weeks ahead makes a world of difference.

Software developer Uno Carlsson agrees: "We get direct feedback through planning games and from showing demos. We constantly check things off and can change if something isn't right. I think that is very good."

Colleague Alexandre Patchine adds: "We have more control now. We're involved in deciding what we're going to do and what we have time to do over the next two weeks. That's good because we know best what is needed to meet a demand."

Previously, all work was planned at the start of a project, and all tests were performed at the end. With Streamline Development, planning, programming and testing are continuous.

"This is nothing revolutionary, but it's a smart way of working," says Björn Granath, who is also part of the MIEP team. "I think it's good that we don't wait three months before we focus on the concrete things - the programming, in other words."

It is important that the team does not forget the big picture: the architecture and system solution.

"The joy of programming must not take the upper hand," Granath says with a smile. "That's why planning games are important. But we all think it's great to be involved in the big picture, so our work is not just about writing code."

He points out that iterative development has come gradually to Ericsson's software development and Development Unit Multimedia Products (DMMP), which is the R&D arm of Multimedia Solutions within Business Unit Multimedia. A quick look at the evaluations done for DMMP, of which MIEP is a part, shows that the results so far have been good: the time it takes for a product release to reach the market has fallen over two years from an average of 72 weeks to 36 weeks, and the number of functions that are never used in the products has been reduced. "Waste" was previously 25 percent; now it is down to 9 percent. At the same time, the number of product releases has increased by 40 percent.

More than 50 teams are using this new approach to a greater or lesser extent today.

The members of the team are agreed: they are cooperating more today, both with each other and with product management. Previously, programming could often be a lonely, isolated task. Now they are part of something bigger. As a group they work proactively and take on more responsibility, because there is nobody telling them exactly what to do. Annica Kandelin summarizes the entire way of working.

"I usually say that if you have a problem, you just have to throw a couple of experienced developers into a room, and it will sort itself out, as long as they work in an honest, open and solutionoriented way. That's exactly what we're doing here," she says.

With or without a bulletin board. ☑ Text: Jonas Blomqvist Photo: Per Myrehed

THE NEW APPROACH

STEP BY STEP ▶ In 2005, **Ericsson set the goal of halving** development times within software development. Since then there has been a gradual shift towards shorter projects, smaller development teams and a focus on customer requirements. The seven "agile methods" are the most recent addition to Streamline **Development.**

- The development team and product management prioritize work in planning games based on the customer's requirements.
- The developers inform each other every day about how the work is going in stand-up meetings.
- The development teams The development teams are cross-functional, which enables them to solve their tasks without micromanagement.
- The development process is test-driven. First, the

developers write the test, and then they code the program to pass the test. Some of the time, they use pair programming.

- Short development cycles preferably of two weeks, Short development cycles, give focus to a few prioritized, concrete tasks.
- A demo completes every 6. cycle. The focus is on getting the code to work.
- "Retrospective (evaluation)" • is part of every cycle.

WHAT IS MIEP?

Mobile Internet Enabling Proxy evolved from the WAP Gateway/Proxy. MIEP is used when consumers surf the internet, send MMS messages or download files on their mobile devices. With MIEP in its network, an operator has control of the mobile internet traffic. The consumer will experience easier logins, customized services and shorter response times when surfing via мıєр. The services are customized using information provided by мієр. мієр also provides virus protection



"Information more important than ever"

Ericsson's performance has been the subject of much discussion among the media and investors in recent months. As head of Group Function Communication, Henry Sténson has overall responsibility for **communication** within the company. Having such a responsibility means he can sometimes be in the thick of things.

ténson understands that, as a spokesperson, he has to bear the brunt of any criticism directed at the company. "That's what I'm paid for," he says. In his professional role, Sténson reads what is written about the company, both in Sweden and in English-speaking countries.

In recent months, the company's image has been portrayed somewhat negatively in Swedish newspapers and on TV. Sténson disagrees with their views.

"While our media profile seems to suggest we are in a slump, we as a company are actually stronger than ever," he says.

"In the broader perspective, the third quarter of 2007 was actually better than any quarter in Ericsson's history before 2003."

The recent criticism has centered largely on two things. First, some suggest that Ericsson ought to have anticipated unprecedented adverse market changes that led to the weaker results in the third quarter of 2007. Second, some argue that the company should have sent out a press release before the much publicized capital-market presentation in New York on November 20

In Sweden, some of the criticism has been severe, which is a clear swing from how it was for some time.

"We've been surfing on a fantastic wave of success for many years where business has been superb," he says. "During that period, we constantly received good media coverage.

You can now say that a more than four-year love affair with the Swedish media is over, at least for now."

Is there any good reason for the criticism after, for example, the appearance in New York?

"I can understand the question being raised, but I believe we acted appropriately," Sténson says.

"What was crucial in this particular case was that, before the presentation, we made the decision that we weren't presenting any news. The figures presented were a confirmation of the figures in the third-quarter report; the sensitive political situation in Pakistan and Bangladesh, which affected the business result, and the weak dollar weren't news in our opinion."

Stênson elaborates: "What we did in New York was to clearly communicate information which, in our judgment, was already known, and, most importantly, we reaffirmed that we believed that sales in the fourth quarter would land within the area of SEK 53 billion to SEK 60 billion."

He says that one clear trend is that, when Ericsson shares show positive development, the newspapers generally write positively about the company. When the share curve points downwards, the media changes its reports and analyses and writes critical pieces.

Sténson points out that media attention is different from how it was just a few years ago.

"The slightest fall in the share price is often described as a "crash" and on the newsbills a criticized CEO is 'threatened with dismissal," he says.

"That dramaturgy colors many people's interpretation of a company's stability." In this way, Sténson says, the external media coverage also affects confidence internally.

"Many employees are shareholders, and the share-price fall reflects market unease," he says.

"The only way for us to regain public confidence, both externally and internally, is to deliver good results and profitability."

Sténson says that internal information becomes even more important than usual in such a situation, and an employee's direct manager is the most important communications channel.

"You should place high demands on getting the information you're looking for," he says. "A manager should be able to describe the company's vision and targets as well as the strategies to get there, and also what that means in a practical sense for the employee who asks. This is especially important in turbulent times such as these."

But the responsibility for information lies not only with managers; employees have a responsibility to get it too. As encouragement to all employees, Sténson says: "Don't sit and wait to get information from your manager – ask."

☑ Text: Johan Kvickström Photo: Gunnar Ask



Pump up the volume

Today, Apple is the front man when it comes to **mobile music** – everyone else is outside the spotlight. The battle for more room on the stage revolves around finding the best way to deliver mobile music.

nd it is mainly a battle among the players in the telecom industry over who will play second fiddle to Apple, with its unbeatable iTunes, iPod and iPhone.

Michael Goodman is an analyst at Yankee Group, a research and consultancy firm within technology and communications. He says: "With regards to mobile music – in other words, music you can take with you and not necessarily music in a mobile phone – most of the horses have already left the stable. There isn't much room left for operators."

By this he means that operators should not chase new subscribers through music services. While it is true that some people want to use their mobile phones for everything, they are in the minority.

"It's wrong to think that consumers want to carry only one device," Goodman says. "Most people like to have more, especially if they're small and cool like the iPod. The operators have to ask themselves whether music really is profitable for them. If the answer is yes, they have to realize that they offer just one of many distribution channels. They often believe that they are the

center of the world through the mobile. Within music, this really isn't true."

It will be hard for operators to, as Goodman puts it, knock out iTunes. There are so many ways to get hold of and listen to mobile music today that are better than buying it from the operators and listening to it on a mobile.

Furthermore, the PC remains the main amplifier for digital music. There are about 500 websites in about 40 countries selling music that works on PCs, digital music players and mobiles. And Microsoft recently bought Musiwave, a company that distributes music to more than 160 mobile operators.

But despite the Pc's dominance, the mobile could still have a role to play, according to Goodman. Digital music devices quickly became popular because they work for listening as well as downloading and copying.

They are, unlike mobiles, integrated with the pc

"The operators' mistake was that they were too slow, and overestimated the mobile as a music player in the beginning," Goodman says. "But they have a chance if they recognize the situation and realize that they'll never have the same control over music as over voice services."

Jakob Lorentzon, head of Sales for music services within Ericsson's Business Unit Global Services, agrees – to a certain extent. He says that music is one way for operators to stand out from the crowd, and when it comes to Ericsson and multimedia, music is important for creating customer loyalty and a vital area to be seen. Undoubtedly, telecoms, operators, mobile manufacturers and content suppliers must work together to get the public to listen.

"But the mobile will be the central point withinmusic," Lorentzon says. "When Apple launched the iPhone, they said that devices that only play music were about to die out. What you need is a music service that is fully integrated between the computer and the mobile; what you download to the computer should be playable on the mobile"

Nokia recently claimed that several of its 2008 models will provide consumers with yearly subscriptions to music that can be moved to other devices. Goodman says Ericsson is in a different league: "Ericsson is different and particularly





"We don't see the iPod and the mobile as competitors"

interesting within the music arena. Through co-operation with Sony Ericsson and Sony вмG, among others, the company has a better chance of success than most."

During 2008, for example, Sony Ericsson's PlayNow download service enters a new era, as consumers will be able to access around five million tracks. With Track 1D they can, among other things, see what tracks others have listed as the "best right now." PlavNow also allows them to buy tracks directly through the mobile phone and PC.

Another example is Ericsson's agreement with the operator 3. Through 3's streaming service 3Music, consumers can listen to as much music as they like for SEK 49 per month. They can create playlists that can be sent to others, and at the 3Music Store they can pick up songs for their mobiles and PCS for SEK 9.90 each

Ericsson has full hosting responsibility for 3Music, which includes systems integration as well as management and development of the service.

Marc Rappe, head of Music at 3, says: "I believe that today's consumers expect their operators to have a music service."

Everyone agrees that the music market of the future will be digital, but players in the telecom industry are still playing out of time with each other when it comes to how the business models will look.

Tobias Ryberg at Berg Insight, an analysis company within mobile telephony, says that one difficulty is that two-thirds of the income from music goes to the music industry and just one-third to the operator. The margin before their own expenses is about 30 percent. If a song costs sek 10, sek 3 remain for system and transaction costs and marketing.

"The mobile will be one of the most important and most personal players for music," Ryberg says. "But music services specifically for the mobile won't be as important because most users transfer their music collections over the pc."

☑ Text: Staffan J Thorsell Illustration: Ebba Berggren

IN BRIEF FROM CONSUMERI AB

ConsumerLab surveys show that:

- **28 percent** of people believe it is important always to have access to their favorite music;
- ▶ that figure is 48 percent in the 15 to 24 age
- if you have an iPod, you probably also have a mobile with music and vice versa;
- **72 percent** of people always take their mobile with them, and 16 percent always take their MP3 player;
- ▶ in Japan 83 percent of total digital music sales are made via the mobile network;
- ▶ in the ∪ĸ that figure is 31 percent.

Urban Nyblom at ConsumerLab says: "We don't see the iPod and the mobile as competitors. They don't exclude one another but complement each other. The mobile is the world's most common digital camera, but at the same time more digital cameras are being sold. However, the PC is



Urban Nyblom

definitely the central music channel. That is where you download, sort and share your music."

WHERE DO YOU GET YOUR MUSIC?



Berg Insig

I get my music from Musicbrigade. I listen to it on my Nokia N73. My favorite song is So. Central Rain by R.E.M.



Michael Goodman, Yankee Group

I get my music from cos and from the iTunes Store. I listen to it on my iPod. My favorite song is If I Had a Million Dollars by Barenaked Ladies.



Jakob Lorentzon, Ericsson

I get my music from Napster. I listen to it on my Sony Ericsson W88o. My favorite song is Suspicious Minds by Elvis Presley.



Marc Rappe, 3

I get my music from 3Music Store. I listen to it on my 3 Mobile, a Sony Ericsson w8goi. My favorite song is Supper's Ready by Genesis.





Mobile Adventures by Jola Cederschiöld

