#2 • 2008 The magazine for Ericsson employees

Contact

The key to freedom

MOBILE BROADBAND MAKES A MOVE

Pages 16–25

132 years of logotypes

PAGES 32-34

BENGT THORNBERG, INDONESIA:
"The right person often means a local person here"

Pages 26-30

Basic course:
HOW TO GET FIBER TO THE HOME

Page 5

Sony Ericsson W910 – the world's best mobile

Page 9

SAY OUT HERE ARE TONS OF OPPORTUNITIES FOR YOU AND YOUR CUSTOMERS

AND HERE YOU ARE IN NEED OF A SMOOTH TRANSITION TO REACH THEM

THEN THIS IS US MANAGING THAT MOVE FROM END-TO-END

It's a fast changing, merging and converging world. A real challenge when you need to integrate your different networks, systems and solutions. So let's talk. We know how to manage change and help you explore new possibilities. As a prime integrator we have the expertise and resources to manage the transition in the most efficient way. If you're serious about providing value for your customers, let us smoothly bridge the gap between today and tomorrow.

ericsson.com

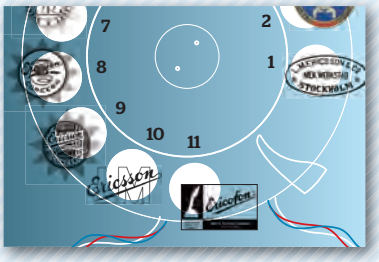
ERICSSON

TAKING YOU FORWARD

Tough conditions in Indonesia

Base stations in red-hot surroundings

pages 26–30



Contact

Editor **Jenz Nilsson**, jenz.nilsson@citat.se, +46 8 588 331 38 **Publisher** **Henry Sténson**, henry.stenson@ericsson.com **In charge of internal channels** **Malin Nordén**, malin.norden@ericsson.com, +46 8 585 33 917 **Assistant editor** **Jonas Blomqvist**, jonas.blomqvist@citat.se, +46 8 588 330 13 **Reporters in this issue** **Anna Björklund**, anna.bjorklund@citat.se, **Jonas Blomqvist**, jonas.blomqvist@citat.se, **Lars Cederquist**, lars.cederquist@citat.se, **Tomas Eriksson**, contact.magazine@ericsson.com, **Johan Kvickström**, johan.kvickström@citat.se, **Gunilla Tamm**, gunilla.tamm@citat.se, **Staffan J Thorsell**, staffan.thorsell@citat.se **Original graphic design** **Jan Sturestig**, jan.sturestig@citat.se **Layout** **Pelle Bouveng**, pelle.bouveng@citat.se, **Carola Pilarz**, carola.pilarz@citat.se **Graphics** **Svenska Grafikbyrån**

Address Contact, Box 1042, 164 21 Kista **Fax** +46 8 522 915 99
E-mail contact.magazine@ericsson.com **Printed at** **Colorprint AB**
Distribution **Strömberg**, SE-120 88 Stockholm, tel: +46 8 449 89 57
Contact online http://internal.ericsson.com/page/hub_inside/news/magazines/contact/index.html

Mobile freedom

I'm working at home this morning. It's great to get time to think without interruption and also know I can be reached via phone and e-mail. I'm sending out minutes, answering e-mails and seeing what the media is writing. The stock market continues to rise today, as it did yesterday. I was just authorizing payment for invoices in Ericsson's IS/IT environment. Fast and simple.

With a 7.2Mbps card in my computer, I like being able to do what we take for granted today. How quickly we become accustomed to things.

I was at the Mobile World Congress in Barcelona a couple of weeks ago. It was a hive of activity, with people everywhere talking about broadband, IPTV and new services. The industry is developing in different ways in different places. It seems we're taking a new direction – from mobile coverage to higher speed. This is resulting in more capacity and new services.

While in Barcelona, we got to hear again from our customer Sol Trujillo, the CEO of Telstra in Australia. The last time was in May 2007, at our capital markets day in Stockholm, when Telstra had just begun utilizing its new HSPA network.

His message was clear: things are happening at higher speed and with good capacity. The operator is improving revenues. Customers get greater convenience and efficiency. Mobile broadband is also helping the environment. Take, for example, the farmer who can avoid driving 170 kilometers per day to tend his cattle because he does most of his job from home with web cameras and remote controls. Or the mobile mammography center that travels to rural areas and can offer test results almost immediately thanks to mobile broadband.

Technological advancement can continue to contribute to a better world, partly through convenience and partly through efficiency, but also through care for the environment.

Communication is becoming more important as we try to combat global warming.

Now I'm going to the kitchen to make a cup of tea and a sandwich. No driving for me today.

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

GREAT!

The new Contact is much better than before. It has improved a lot, both with the new size and its overall look. The end page, "Mobile Adventure," is a nice addition. Good luck!

Atul Sharma A, India

A SUGGESTION

I think you have got the composition and size of the new-look magazine right. It's very well done, and a good idea to have snippets of statistics and information. One idea that I would like to suggest is to have updates from all market units and product units, sharing what has been going in those units since the last issue.

Manu Shah, India

ANSWER *This is a good suggestion and we have discussed it several times over the years. We have realized, however, that even if we kept every update short, there would still be too much material for the magazine as it stands today.*

Kind regards, the Editor

CONTACT AS E-MAIL?

I suggest that you distribute the new Contact as an e-mail instead. That would be in accordance with the company's environmental policy and because the regular internal post is working very poorly, it would also guarantee that I got my copy.

Anders Aronsson, Sweden

HELLO!

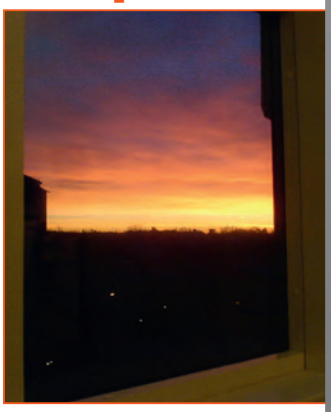
Wouldn't it be cheaper and better (not least from an environmental perspective) if Contact were distributed electronically?

Demis Stavridis, Sweden

ANSWER *We have decided to continue to distribute Contact as a printed magazine. The main reason for this is that many Ericsson employees say that they appreciate getting a printed magazine in their hands as a complement to all the electronic information they get. But, of course, the environmental aspect is important, which is why the new Contact is printed on paper that fulfils tough environmental demands. The magazine is also smaller and much lighter than the old one, which means that it is far more environmentally friendly to transport and distribute.*

Kind regards, the Editor

Reader picture



The winter sun through a window. "Taken December 19 2007 from my desk in Älvsjö, Sweden, using a W810i Walkman phone."
Steven Blanchette, Ericsson in Sweden

TIME FOR A COMPETITION

I think your magazine is really good, with a great mix and a big global spread of articles. I would, however, like to read more about successful customer projects, such as the MTN article in issue 9/2007, and even short news items.

And if it is acceptable, (I would like to see) more sales figures. Maybe (you could have) a competition with some Ericsson-related prize.

Marios Petersson, Sweden

Welcome...

PHOTO: MIKI ALCALDE

... Rajesh Kumar, who is new at Ericsson

Rajesh Kumar, a software engineer, started work at the Ericsson office in Gurgaon, India, in January. He works in a maintenance team with design, fixing bugs for various customers.

What brought you to Ericsson?

"I was working for a company in Bangalore that provided services for telecom companies, so the business was not new to me. But working for a company that is a global leader in its area seemed even more interesting."

India is a hugely populated country with a rapid subscription growth. Did this fuel your interest in telecoms?

"Yes, and the fast growth in telecoms in this country makes me proud. I believe it is beneficial not only for Ericsson and for India, but for the world as a whole."

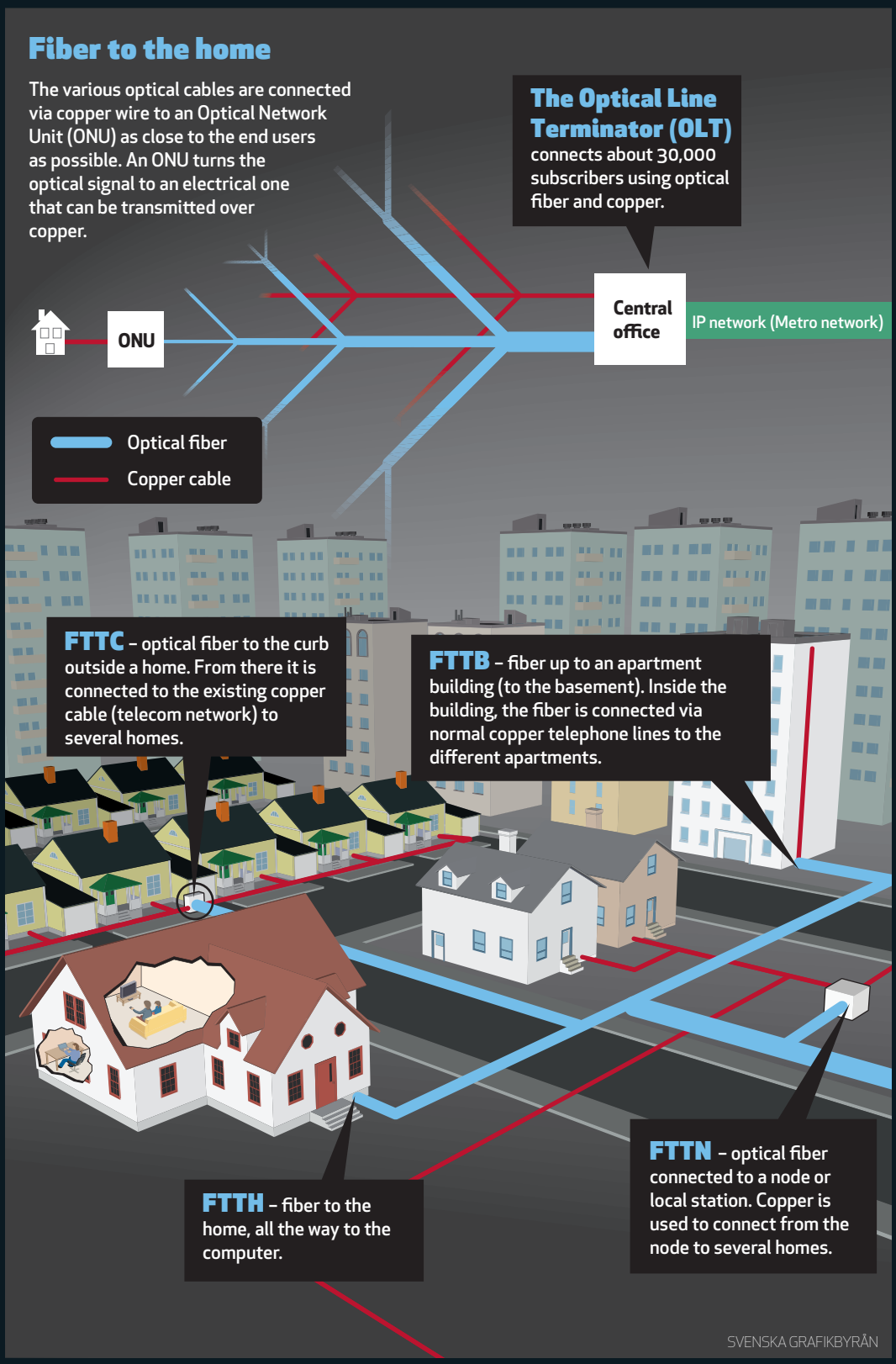
Web poll

79%

...of Ericsson employees said that they had not read any of Ericssons internal blogs.
Total number of answers: 1700

Have you been asked...

...ABOUT FTTX OR FIBER TO THE HOME?



FTTx stands for Fiber-To-The-x, which means broadband over optic fiber.

Fiber networks can be built either with fiber all the way to the end user, the "x" then becomes "h" as in Home, or with fiber to a central connection point, the "x" then becomes "c" as in Curb. In the latter case, the transfer of data is done with the help of copper cable for the last stage to the end customer.

WHY IS FTTX NEEDED?

The driving forces are the new broadband services, such as online games, video, TV and supporting mobile networks. Fiber is also seen as the step towards the energy-saving knowledge society.

By all accounts, optic fiber is the strongest broadband channel in the long term. The alternative is copper wire, cable TV's coaxial cables and mobile broadband.

WHAT IS ERICSSON DOING WITHIN FTTX?

Ericsson participates in both the Fiber to the Home (FTTH) Council – which works hard to get fiber all the way to the home – and in the standardization and research of new technology.

Ericsson has products for both GPON, Gigabit Passive Optical Networks, and active Ethernet point-to-point. It also manufactures optical fiber cables and solutions for different uses and develops new technology to insert fiber into thin pipes a few kilometers at a time with the help of high-pressure air.

☒ Lars Cederquist

1.40pm / October 15, 2007 / Hudiksvall, Sweden

Fiber for the future

Pia Dahlkvist works as a machine operator at Ericsson Network Technologies in Hudiksvall. She is shown here "jacketing," adding the plastic insulation to a cable. The cable, which is then coiled around a reel, is a fiber connection for a future broadband network. Every reel holds around 8000m of fiber; this can become part of an even larger cable system that can be hundreds of kilometers long. Ericsson's cables are sold to countries in Eastern Europe, Africa and Asia.

PHOTO: **PHILLIPPE RENDU**

PHOTO: ADIDAS

Goal feast

SPORTS When FIFA, the international soccer federation, stages the 2010 World Cup, fans around the world will be able to catch the action on their mobiles thanks to Ericsson. FIFA and Ericsson have also signed a contract for 2009, allowing TV companies and telephone operators who want to spread TV, video and information services to consumers to do so via Ericsson's service platform.

Five strong driving forces

TREND New approaches to communication stemming from an explosion in user-generated material will be the driving forces in the telecom, media and Internet industries over the next three years. They are:

▼ TOP 5 TRENDS

1. **Social networking**
2. **Networked media**
3. **Increasing online advertising**
4. **New business models, based on advertising**
5. **Connected life.**

Source: Ericsson, Internet and media study 2007

93%

... is the average increase in productivity for companies connected to Telstra's Ericsson-built HSPA networks.
Source: Ericsson

PHOTO: TOBIAS RÖSTLUND/ SCANPIX

China Mobile and China Netcom are the official telecom sponsors for the Olympics. Ericsson has assisted both operators on projects in several Olympic cities.

Into the final straight

Beijing and several other cities are entering the final straight in the lead-up to the Beijing Olympics. And Ericsson is sprinting alongside them.

SPORTS Market Unit Greater China is nearing completion of an ambitious three-year program to ensure communications during the event. The Greater China Olympic Games Program involves no fewer than 16 tasks.

"We are helping our customers so they can offer the best possible telecom services," says Lisa Lin, who has been working with the program for two-and-a-half years. "At the Beijing Olympics, mobile data and broadband services will play the most important role they ever have at an Olympics."

China Mobile and China Netcom are the official telecom sponsors for the Olympics – China Mobile for mobile services and China Netcom for fixed-line and broadband services. Ericsson has assisted both operators on projects in several Olympic cities, including Beijing, Qinhuangdao, Tianjin and Shanghai. A recent project Ericsson undertook was for the China Netcom Olympic Command Support System, where Ericsson's IMS solution will enable the convergence of data, audio and video to provide IP multimedia services.

"The IMS solution will provide the best quality of services, ensuring our customer's success," Lin says.

Lisa Lin

Ericsson is also involved with enterprise customers, through its companies Marconi, TANDBERG Television and Redback Networks. These customers include companies such as Beijing Power, Beijing Capital International Airport and Beijing Olympic Broadcasting.

Ericsson's commitment to the 2008 Olympics has helped the company land contracts for other major events, such as the World Expo in Shanghai in 2010 and the football world cup in 2010 in South Africa.

The market unit will host a conference during the Olympics, inviting customers from across the Chinese provinces. But it won't be all business; customers will also be able to watch competitions at the Games. "I am really looking forward to being there for some of these events," Lin says.

⊠ Gunilla Tamm

Did you know...

Ericsson was part of:

- the 1992 Olympics in Barcelona, with GSM
- the 1996 Olympics in Atlanta, with D-AMPS (a US standard)
- the 1998 Winter Olympics in Nagano, with micro base stations
- the 2000 Olympics in Sydney, with GSM and GPRS/EDGE
- the 2004 Olympics in Athens, the first Games that widely used mobile services other than voice.

The world's best mobile

MUSIC MOBILE W910 WINS

GEAR **Sony Ericsson's W910** has received the mobile world's highest award. The W910 was named the world's best mobile at the Mobile World Congress in Barcelona, Spain, in February. The jury was impressed by the W910's breadth of features, with special music functions (such as shake control to change songs), internet, video and 3D games.

... and other popular mobiles

The iPhone killer? One of the Nordic region's biggest newspapers, Aftonbladet, dubbed the new X1 a possible iPhone killer. It is Sony Ericsson's first mobile based on Windows Mobile and its first in the new Xperia series. It supports turbo 3G (7.2Mbps in the downlink, 2.0 in the uplink) and has a touch-sensitive screen that can be guided with either your fingers, a stylus or a keyboard.

The new iPhone. Last year's most talked about mobile was undoubtedly Apple's iPhone. Many believed that the latest model would be a 3G mobile, but that was not the case. The major difference is that the new iPhone has twice the memory – 16 gigabytes – of the last model.

Mobile film director. Motorola is considering selling its troubled mobile business, and it has found it hard to follow up the success of its Razr mobile, but the Moto Z10 HSPA phone may be a boon for the struggling company. It is said to be a mobile film studio. Filming, editing and creating a transition between scenes, adding visual effects and soundtracks are all possible with the Z10. Directors can also upload their films to sites such as YouTube and Yahoo. Special academy awards for mobile films, anyone?

Service enabler. Nokia has recently launched a music service, Nokia Maps, and a service where users can share their multimedia clips with each other. The new N78 will bring together everything in one mobile. It holds a camera, music and GPS navigation. A new addition is geo-tagging, where the location of where pictures have been taken is stored automatically.

The touch-screen trend continues. LG released several touch screens last year and since then the trend has grown. The KF 700 is one of the company's high-end mobiles. It has three input methods: a thumbwheel, a large touch screen and a numeric keypad.

Mobile with soul. Samsung's latest flagship offering has 3G in its soul. The phone, called Soul, adjusts menus depending on their area of use, such as photos or music. The trend of cooperation between telephone manufacturers and other strong consumer brands can be seen through its functionality from Bang & Olufsen. Samsung has recently also unveiled a mobile in cooperation with Armani.

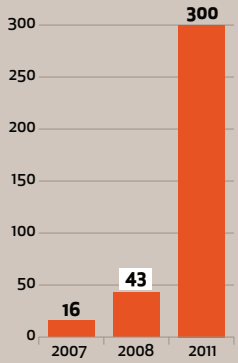
PHOTO: SONY ERICSSON, APPLE, MOTOROLA, NOKIA, LG, SAMSUNG

Sony Ericsson W910 has received the mobile world's highest award.

GPS services on track

SERVICES Location-based services on mobile devices look to take off in the next two to five years, according to research firm Gartner.

SUBSCRIBERS
in millions



Revolution in a box

PRODUCT Ericsson's new RBS 6000 brings together the top mobile standards, with GSM, WCDMA, HSPA and LTE in the same cabinet. "The cabinet will basically become the site, and we can add the different base stations as modules," says Ulf Ewaldsson, head of Product Unit Radio at Business Unit Networks.

RBS 6000 will work together with Ericsson's RBS 2000 and RBS 3000, and it will be released by the end of the year.

No more PBXs

ORGANIZATION Ericsson is selling its PBX business to Aastra Technologies. The announcement means that about 630 employees, 360 of whom work in Sweden, will have a new employer come April. Enterprise solutions remain an important area for Ericsson, but the aim is now to sell network-based solutions to operators and service providers only.

HOSTING A WORLD FIRST

INDIA Ericsson has signed its first hosting contract globally for the new Consumer Push e-mail (CPE) service with Maxis in India, meaning customers can send and receive e-mails via SMS and MMS. This is Ericsson's first hosting deal of any kind with Maxis. The service is expected to be launched late March, and will be offered to customers of Aircel, which is part of Maxis.

Rohit Chandra, executive director at Aircel, says that the simplicity and availability of the service makes it easy to deploy in a mass market like India.

"We'll use this service as a differentiator and to enhance our revenue in a very competitive declining ARPU (Average Revenue Per User) market," he says.

Rohit Chandra

Hello...

PHOTO: FREDRIK INGVARSSON

... Lars Rüdiger, who has worked in the Central African Republic (CAR) for Ericsson Response.

What did you do there?

"I came to the CAR as part of a Swedish Rescue Services Agency on-the-job-trainee program for information and communication technology. I was mainly stationed in the capital, Bangui, to support the UN Office for the Coordination of Humanitarian Affairs with IT support. As part of this assignment we were also responsible for a recently built UN camp in the northwest and I traveled there twice. My usual job at Ericsson Eurolab in Aachen, Germany, is within the integration and verification of GSM/WCDMA."

How is the situation in the CAR?

"The country borders Sudan, Chad and the Democratic Republic of the Congo, so it is surrounded by trouble spots. There are two rebel factions in the CAR that are fighting against the government, and the civilian population has become a target in the conflict. Around 200,000 people have fled and are in hiding. Many villages have been burned down."

How did you find your assignment as a volunteer?

"I'm glad of the experience. The surroundings I worked in were very different and not harmless. The job was practical and I quickly saw the result of what I'd done. It was very educational and I wouldn't hesitate in doing it again."

☒ Gunilla Tamm

What was happening this time...

...25 years ago

1983 Work was under way early in the year on a preliminary start-up order that Ericsson had received from Racal-Millicom Ltd for a **mobile phone system** to cover the entire UK. The first parts of the network were to come into operation in March 1985 and serve London, Birmingham, Bristol and Cardiff. The estimated order value was SEK 1 billion.

Ericsson's first **weather radar system** was installed at the Swedish Meteorological and Hydrological Institute in Norrköping. The advanced signal-processing equipment was built in Mölndal, while the computers and color presentation equipment came from Kista, Stockholm.

...10 years ago

1998 Ericsson's Cordless Telephony System (CTS) was launched in March. This made it possible for **GSM users** to make and receive calls over the fixed network for the same cost as a fixed-line phone.

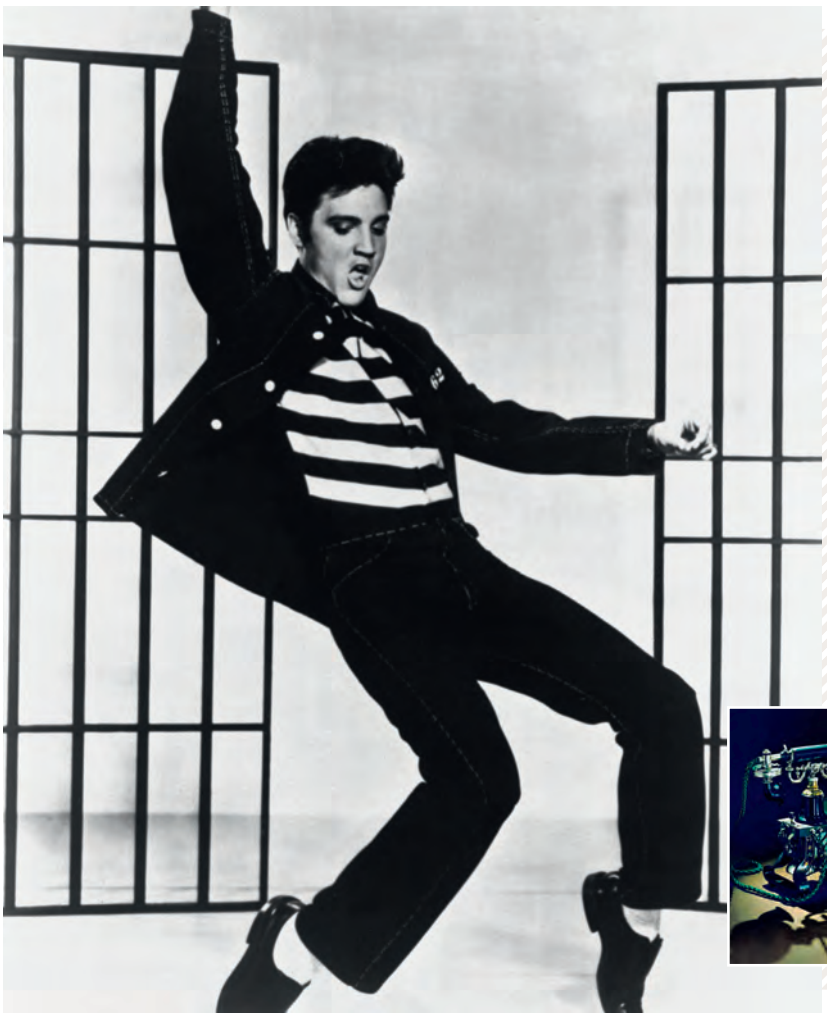
At Ericsson's annual general meeting on March 30, Björn Svedberg resigned as chairman of the board, a post he had held for eight years. Before that, he had been CEO for 13 years.

...5 years ago

2003 The March issue of Contact included a feature on the new and booming **multimedia market**. To keep up with this development, Ericsson had produced a general platform, the Ericsson Content Delivery System (ECDS), which was to support most terminals, networks and different content services.

In mid-March Ericsson launched a **platform for marketing** that would give the brand the right position for the future. The platform was based on examples of different innovations for which the company was responsible.

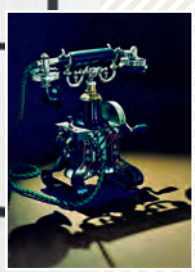
PHOTO: SCANPIX



Phone fit for The King

HISTORY Today, Sony Ericsson telephones can be found around the world. But how many people know that LM Ericsson's old "Dachshund" telephones, from the 1890s, can be found in quite a few places as well? One is the US town of Tupelo, Mississippi, where rock'n'roll legend Elvis Presley was born and grew up before he moved to Memphis. One of the exhibits in a small Elvis museum in Tupelo is an old Dachshund telephone. Elvis is said to have given it to a girlfriend.

Source: Phonetiken



Elvis, king of music, and "Dachshund," king of phones.

"That's where I want to work!"

This is the reaction potential employees will hopefully have when they see this and nine other pictures. They have been produced to promote the image of Ericsson as an employer of people looking for challenges and development opportunities at an innovative and world-leading company.

MARKETING Films have also been produced around the same theme, called Experience Ericsson. The photos and filming were done in Dubai.

The material is to be used in recruitment advertisements and presentation material, for Ericsson's career portal, and student and recruitment fairs, and is the result of cooperation between group functions Human Resources & Organization and Communications.

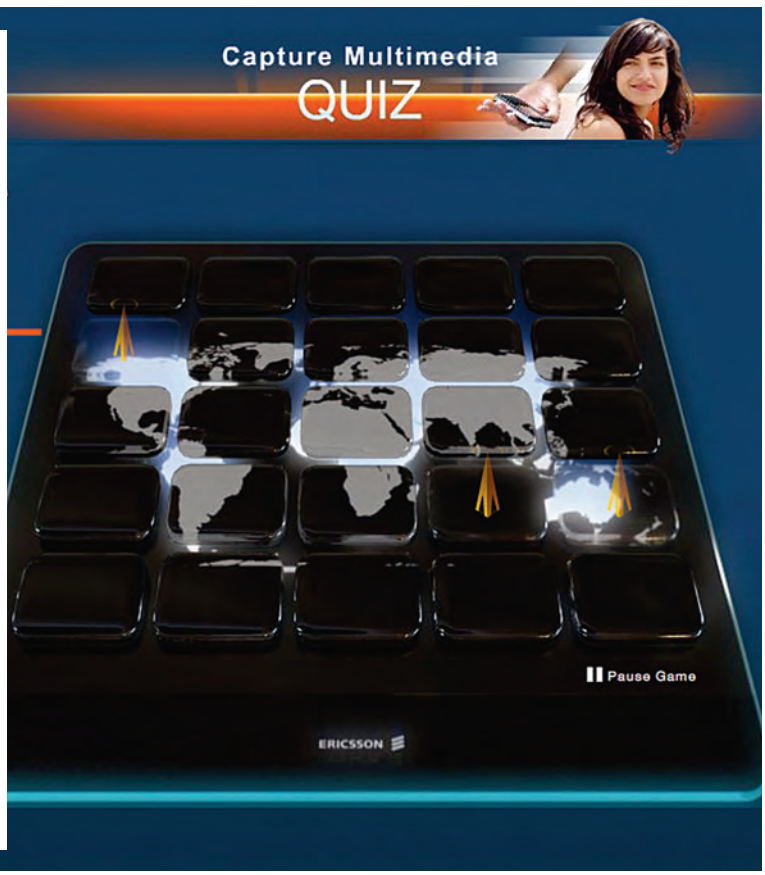
You can view the other images or download the material from Media Bank on the Brand Portal: http:\\brand.ericsson.net. For more information, contact Cecilia Bladh or Yvonne Ehinger.

The new recruitment material is aimed at different target groups. This one is for attracting students and young professionals.

"In principle, you should be able to put the mobile on the compost heap when it has died. But we haven't arrived there yet." **Markus Terho** Nokia's Director of Environmental Affairs, to Swedish news service, TT. In the same interview, he said that if all Nokia users unplugged their chargers from the power supply when they had finished charging their phones, it would save the equivalent of the yearly energy usage of 100,000 European households.

Win a trip!

COMPETITION What does the Multimedia Solution messaging portfolio consist of? What type of solutions does LHS provide? These are a few of the questions in the Capture Multimedia quiz. Don't worry if it seems difficult – there are three alternatives and a video-clue for all questions. The winner of the competition receives a trip to a Volvo Ocean Race stopover. The competition is open until March 28 and the winner will be announced the week after. Anyone can participate – just go to the Multimedia Campus, which you will find from the Learning Portal or the Business Unit Multimedia website.



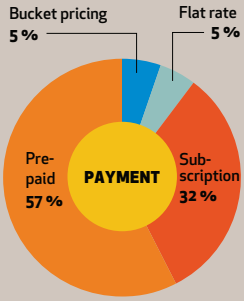
Meals through the mobile

SERVICES No, mobile phones are not going to be equipped with knives and forks. But Sweden's Din Teknik magazine reports that, in the us – the home of fast food – many well-known chains are testing the concept of customers ordering with the help of their mobile phones. Papa John's, Domino's, Pizza Hut, Subway, McDonald's, Starbucks and Dunkin' Donuts are all trying new ways to satisfy hungry Americans – either through text message orders or through mobile sites.

5th

... Ericsson is the fifth-best company to work for in Portugal, according to the business magazine Exame.

▼ PRE-PAID MOST COMMON



Source: Global Infocom study 2007

Hello...

Eli Leal, senior manager, Sales Development at Market Unit sub-Saharan Afria, which widened its lead over its closest rival, Huawei, by 15 points, in the latest Ericsson customer survey. That is the biggest increase of any market unit.

How did you boost customer ratings?

We've doubled our number of offices over the past two years. Increased presence in key markets is vital to our success as an MU that serves 43 countries. Our experience in implementing key projects in an African milieu is also crucial to clients who need peace of mind, knowing that their projects will be carried out with few delays. Most importantly, our staff is passionate about making "Communication for all" a reality in the region.

What is the main source of Ericsson's competitive edge?

Our commitment to quality. We operate in a price-sensitive market, and Ericsson stands out as a vendor that delivers high quality at a competitive price.

Are people skills more likely to be a sustainable advantage?

Product differentiation is becoming increasingly difficult to use as a selling point, so it really comes down to who the customers trust the most to deliver a network that works for them. Our customers want partners, not suppliers.

⊠ Sonora Ocampo Åkerfeldt

Sayonara, Nokia

After ironing out some initial snags, Ericsson has successfully swapped out 4000 Nokia sites in Japan, completing its largest UMTS swap project to date.

PHOTO: KYE PRIGG

An RBS 3016 is being lifted into its new home as the Ericsson team swaps out the Nokia site.

JAPAN The project began in December 2006 when Ericsson won a deal from SoftBank Mobile (SBM) to replace its entire Nokia network in Kansai. SBM ordered that the Nokia sites be changed to Ericsson radio base stations (RBS) with an average downtime of less than 30 minutes per RBS.

However, lack of resources and experience in a project of this scale and complexity put the swap project off-track barely three months after work began in January 2007. This triggered a revamp of the project team in May that year.

The new team, headed by project director Kye Prigg, revised the swap plan, developed new processes and mobilized resources from all over Japan. The team grew from an internal staff of 50 to 220 and from 300 subcontractors to 1800. The project quickly picked up speed and was completed this month – two weeks ahead of schedule.

Kye Prigg

Average downtime was 18 minutes per RBS. The quickest swaps took only three minutes.

"Achieving this in Japan makes the project unique because Japanese customers are known to be the toughest when it comes to quality and attention to detail," Prigg says. "They expect perfection."

Having the right leaders in the right places was critical to success, Prigg says. Other success factors included an on-the-job training program for all team members and the adoption of a production-line approach.

Safety control was also paramount.

"Japan has an extremely safety-conscious work environment," Prigg says. "If anyone was injured, that could stop the whole program."

Masayuki Harada, installation team leader, says working with the project taught him the virtue of patience. "Some of the installation and swap conditions were extremely tough," he says. "I constantly had to consider how to complete the installation and swap smoothly to minimize downtime. In such a work environment, patience is paramount."

Masayuki Harada

⊠ Sonora Ocampo Åkerfeldt

Background

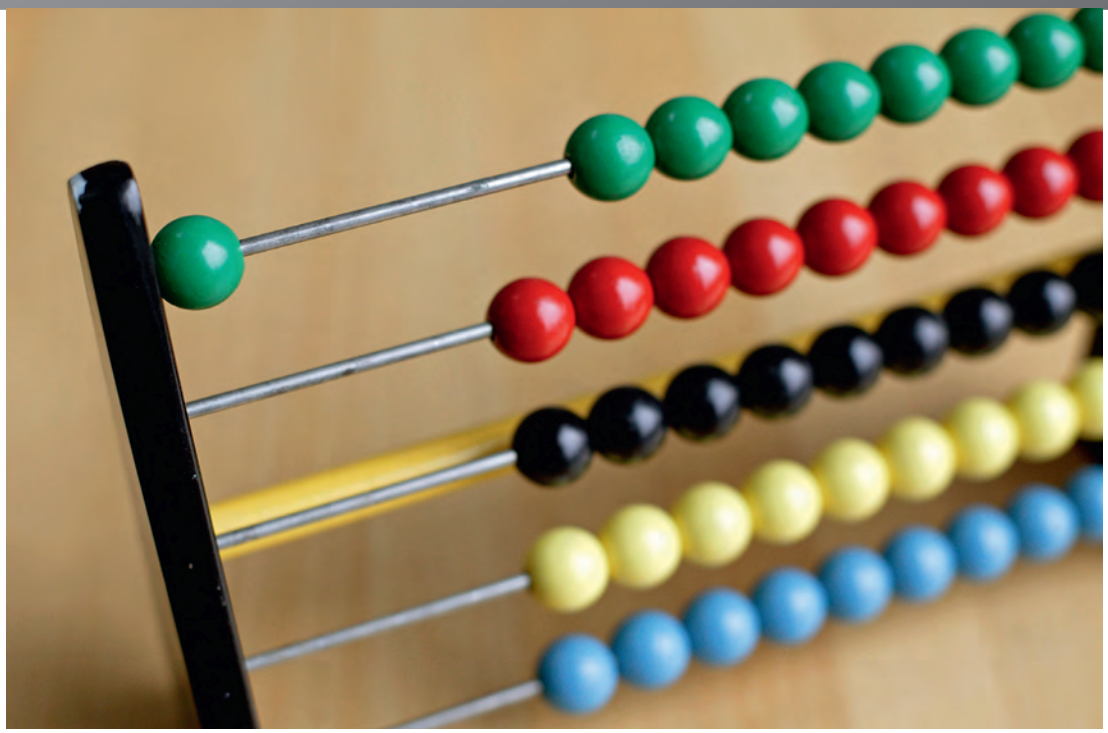
The SBM order was to build a new core network to handle voice and packet traffic, O&M systems and to swap 4000 Nokia sites to the latest Ericsson products. Ericsson also won a contract for full turnkey services for site development and transmission. The mass swap of RBS peaked at more than 700 swaps per month.

High-flying plans

Airplane passengers will now be able to receive MMS, SMS and e-mails at a height of 10 000m.

IT Air France-KLM is testing technology for this in one of its Airbus A318s. It should also be possible to make calls later during the six-month trial period. The planes feature a new light similar to the "Fasten your seatbelt" sign: the "Switch off your phone" light which, when extinguished, indicates to travelers that they may use their mobile phones. The technology has been developed by On Air and is based on a small base station on the plane which sends the traffic via satellite to a base station on the ground. The traffic goes from the base station to the passengers' home-telephone networks. Other companies are also testing or considering introducing solutions making it possible to have mobile traffic on planes.

PHOTO: AIR FRANCE



"It will help us a lot," Ericsson CFO Hans Vestberg says about the new IT system for supporting financial flows.

ONE system for better financial control

Within two years, all of Ericsson will have a single IT system to support financial, ordering and manufacturing flows. The solution is called ONE.

IT All tasks – such as time-reporting and handling orders, logistics, invoicing, deliveries and project management – will be done in ONE.

The aim is for everyone within Ericsson to work in the same way; at present, in contrast, units have different IT systems and ways of working.

ONE builds on the current system called MUS, which is in place at more than 100 units. MUS will be renamed as ONE, with additional functions ensuring that everyone can use the solution.

The rollout of the first version of ONE has begun and will continue up to 2010. The system and new ways of working are being introduced within the framework of the ONE change program, which consists of about 100 projects.

Ericsson is introducing the new IT system for two reasons: it will give the company better control over its operations around the world, and it will save money.

"Having everyone working in the same system is by far the best way for us to see and have an overview of our figures. It will help us a lot," Ericsson CFO Hans Vestberg says.

REMEMBER TAMAGOTCHI?

MOBILE FUN A few years ago, these electronic pets became popular all over the world. You could help them "develop" by feeding, playing with and rearing them. Nokia now has its own tamagotchi for the mobile. They are called Creebies.

A Creebie's personality and development depend on the attention they receive from their owners.

Creebies can also meet and play with other Creebies via Bluetooth. Nokia says that Creebies will be available this year.

"Ericsson is without a doubt our toughest competitor, but I believe overall that today we're ahead of both Alcatel-Lucent and Nokia Siemens."

Zhu Tan, head of 3G products, Huawei, Swedish business daily Dagens Industri reports.

As small as a matchbox

PRODUCT Media converter OPW 120 from Ericsson Network Technologies makes it easy for end users to install fiber broadband at home. It is sold to operators, energy companies and property owners, who in turn can offer it to the end users. Thanks to its small size, it can be posted in an envelope.

3G spices up Mexican market

MEXICO Telcel, part of América Móvil, has added extra flavor to the Mexican market with the nation's first 3G network. Telcel 3G services will initially be targeted at a younger demographic, but the operator believes the enterprise market will be big in the future.

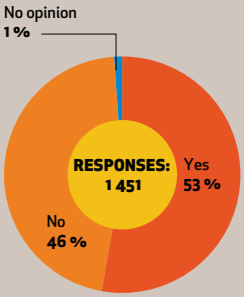
The 3G rollout includes 3000 base stations and will be completed in 2009. The first phase was finished in January when Mexico's 11 largest cities got 3G. It has capacity for 1.5 million users.

400,000

... optical products have now been delivered by Ericsson.

Source: Business Unit Networks

▼ DO YOU SEE WIMAX AS A THREAT TO HSPA?



Source: Internal news portal

Mobile apps hot for youngsters

TREND New mobile applications are the top interests among Swedish youth. They want their mobiles to be able to do everything. Here are the three hottest youth trends according to the Youth Barometer study for 2008.

1. Mobile applications
2. Environmental awareness
3. New styles.

Source: Aftonbladet/Cosmos Communications

New platforms

TECHNOLOGY Ericsson has produced two new mobile platforms. The U380 is the first, developed in cooperation with Texas Instruments. The U380 is an HSPA platform in a small chip and has been developed for smart phones. It supports all major open operating systems. Another newcomer is the U500, developed for mass-market mobiles. It supports many functions, such as 3D games, high-definition video and mobile TV.

68%

...of employees are satisfied with their jobs at Ericsson.

Source: Dialog

PHOTO: SCANPIX

Many operators are considering network-sharing. The question is what this means for Ericsson.

Network-sharing could pose risk

Operators are looking to cut costs and one way of doing this could be through sharing networks. Such a shift would affect Ericsson, so it is preparing itself.

TREND Regulatory obstacles and disagreements have been slowing the trend of major operators joining forces to share networks. In a recent example, Vodafone UK and Orange set out to share a network, but after lengthy negotiations decided to only to share sites.

Mikael Goldberg

"But our industry is like 'follow the leader,'" says Mikael Goldberg, business strategist at Ericsson. "If a few major operators start sharing entire networks, things could move quickly and that could affect us. The joint-network company's aim is to reduce investment, so we've begun a program to prepare ourselves."

The program involves business units Global Services and Networks and is being driven by Fredrik Jejdling and Morgan Curby.

Jejdling says: "We're realists and are aiming primarily for 'low-hanging fruit,' solutions that are non-controversial and easy to sell.

Fredrik Jejdling

"Making it easy for the operator to share sites for radio equipment is such a measure. And we're seeing new opportunities to consolidate and run common networks, 'managed services.'"

Ericsson's experience of running genuinely shared networks is limited to one case in Sweden and one in Australia. Yet Ericsson also supplies technical solutions for geographically shared networks to more than 100 operators.

Curby says: "UK operators (Vodafone and Orange) were to join forces, they wanted to reduce the total number of their sites from 40,000 to 25,000.

Morgan Curby

"Equipment from both operators would then be at the same sites. But the total traffic volume is unlikely to fall and we have base stations with double capacity."

☒ Lars Cederquist

The pros and cons of sharing

OPPORTUNITIES

- As a major vendor, Ericsson could increase its market share because operators will look for a trusted partner.
- Ericsson has powerful technical solutions that can reduce the number of sites needed.
- Ericsson could dimension and run operations at combined sites.

RISKS

- Fewer sites could mean less equipment sold.
- With fewer customers, competitors will become more aggressive in their negotiations.
- If independent companies run the networks, Ericsson will end up one step further away from the end users.

Heroes keep China connected

China was hit by the worst snowstorms in the country for 50 years over the past two months. Thanks to a great job by Ericsson's Field Maintenance teams, the mobile system stayed up and running despite the harsh conditions.

PHOTO: ERICSSON

Determined: When Ericsson staff could not get through by car, they continued on foot.

EMERGENCY Bao Liekai, Ericsson's operations manager for Hubei province, says: "It was the worst weather I've seen. Nobody had predicted it. We had just taken over the service contract for Hubei Unicom and hadn't even finished the handover period."

Throughout January and the beginning of February Ericsson's Field Maintenance teams were faced with the challenge of supporting both Hubei Unicom and West China-based Chongqing Mobile.

"We received nearly 3000 emergency calls – roughly 10 times more than usual," says Liekai. "We made an emergency plan straight away, prioritizing service to the most essential sites."

The weight of the snow snapped power cables, leaving many base stations running on batteries.

The 282 Field Maintenance staff in Hubei and 160 staff in Chongqing were courageous. When they could not reach a site by car they continued on foot. It was essential to get to the most important base stations as quickly as possible because the batteries only lasted for three hours.

☒ Jon Fowler & Gunilla Tamm

Vasaloppet vision: Powered by Ericsson.

A race into multimedia era

TV The Vasaloppet, the world's largest cross-country skiing race, entered the multimedia era this year. The race was more accessible to TV viewers than ever with Ericsson's Me-On-TV solution. Swedish state TV company SVT had three correspondents on skis using 3G mobiles to film at locations where there were no normal cameras. SVT later screened the footage in a small frame in its TV broadcast.

"My vision is to make the race more accessible to a broader audience," says Vasaloppet CEO Johan Bauer.

"Today, the Ericsson share is completely dead as far as traders are concerned." **Anders Elgemyr**, analyst from Glitnir, to Swedish news site E24.

NEW CONTRACTS

- **Russia.** Ericsson will deliver a WCDMA/HSPA network to VimpelCom. The network will cover seven of nine macro regions across Russia, including services.
- **Japan.** NTT DoCoMo has selected Ericsson for its LTE base station development project.
- **Egypt.** Etisalat Misr and Ericsson have signed an agreement to expand the operator's GSM/WCDMA/HSPA network.
- **Singapore.** Ericsson will deliver microwave and optical transmission solutions for mobile operator M1.
- **Denmark.** Ericsson will manage and develop TDC's mobile network under a seven-year agreement. 220 TDC employees will be transferred to Ericsson.
- **Armenia.** ArmenTel, part of VimpelCom, has selected Ericsson to transform its fixed network into an IMS-based, convergent fixed-mobile network.
- **Canada.** Valtech Communications has chosen Ericsson's IPTV solution.

MOST READ ON THE INTRANET

These articles received the most hits on Ericsson global intranet portal in February.

1. Ericsson takes actions to meet challenging market
2. How Ericsson will take on Huawei
3. Ericsson to divest its enterprise PBX solutions
4. Everyone must adapt to change
5. Reason for Ericsson to be proud

Three entrants

SALES Nokia remains, as usual, at the top of the list of the world's largest mobile phone manufacturers, but further down things have changed, with three newcomers, the Financial Times reports, citing research firm Gartner.

Apple, with its iPhone, is 10th on the list based on numbers sold during Q4 2007. Research In Motion (RIM), which created a buzz with its e-mail mobile phone BlackBerry, is in sixth, followed by ZTE, which has been successful in emerging markets.

These three entrants knocked BenQ, Bird and Sagem out of their top 10 positions.

According to Gartner, mobile phone sales increased by 16 percent in 2007 to 1.2 billion units. It predicts 10 percent growth in 2008.

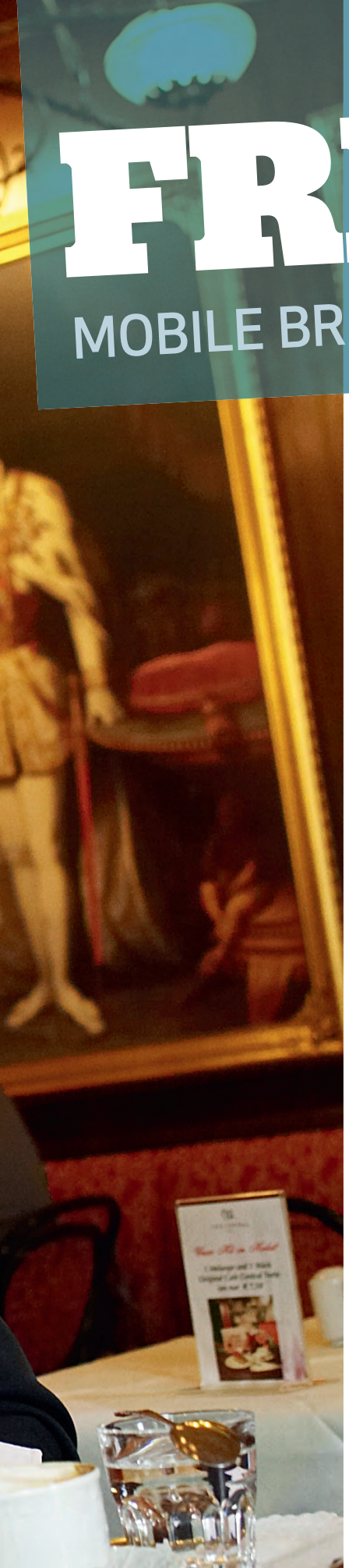
THE WORLD'S LEADING MOBILE HANDSET MAKERS

1. Nokia
2. Samsung
3. Motorola
4. Sony Ericsson
5. LG
6. RIM (Blackberry)
7. ZTE
8. Sharp
9. Kyocera
10. Apple (Iphone)

Source: Financial Times/ Gartner

"I don't have to go to the office to check e-mails, get important documents or search for facts on the internet."

Sylvie Schwer



FREEDOM

MOBILE BROADBAND MAKES A MOVE

Few would turn down the **chance** to connect to the internet from their holiday home, boat or ski lodge. Mobile broadband makes that possible without the hassle of wires. This is a great **business opportunity** for Ericsson. Yet the company's offering is aimed mainly at laptop users. How do these two things go together?

"Mobile broadband is freedom for me"

VIENNA AUSTRIA, EUROPE

Austria is one of the countries that has come the furthest within mobile broadband, largely thanks to operator mobilkom austria, which saw the potential of mobile broadband and decided to focus on the technology four years ago.

Sylvie Schwer has a table by the window, even though it is 10 in the morning, a typical meeting time at the celebrity-packed Café Landtmann. This is where Vienna's politicians, cultural personalities and businessmen meet. Landtmann is also one of the cafés where Austrian coffee house writers, the Kaffeehausliteraten, such as Anton Kuh, Peter Altenberg and Egon Friedell, wrote their classic works. Beside Schwer's cup of the cappuccino-like coffee melange and her apfelstrudel is a laptop connected to the internet via a mobile modem. Schwer checks and reads her e-mails before a meeting at the Austrian Ministry for the Environment about how hydropower, Austria's most important energy source, affects the quality of water.

Schwer is a consultant, working partly with water-related issues, where as a "water economist" she helps scientists and lawyers optimize water usage. This work is done in Vienna, as well as in Brussels, Belgium, and Ljubljana, Slovenia. In Austria, she also works as a trainer with company management teams within leadership, conflict handling and other issues. She was an early user of mobile broadband.

"Mobile broadband means freedom for me," she says. "I don't need to go to the office to check e-mails, get important documents or search for ▶

FREEDOM

MOBILE BROADBAND MAKES A MOVE

Customer on the move: Barbara Oberdorfer is head of mobilkom austria's data products.

"27 percent of our 3G subscribers now have broadband" Barbara Oberdorfer

▶ facts on the internet. I'd find it hard to do my job without mobile broadband. Everyone expects to be able to reach me, and for me this has resulted in new assignments just because I've responded first."

On the way to the ministry, she stops her car outside the classic Burgtheater to check one more time if that e-mail from the Bulgarian Environment Ministry has arrived before her meeting. It has, confirming that she has now also taken on an assignment as a water economist in Bulgaria.

There are four mobile operators in Austria: mobilkom austria, with its brand A1, is the largest and the only locally owned operator, owned by Telekom Austria Group; the other networks are run by T-Mobile, One (Orange) and Hutchison.

The competition is fierce and mobile charges are among the lowest in the world. Thanks to the many fixed-price offerings, Vienna is a city full of youngsters holding mobile phones to their ears. The tough competition also means that operators are constantly searching for new revenue streams – and is why they were quick to invest in mobile broadband. This happened when the fixed-broadband vendors were charging relatively high prices on low volumes and for low speeds, which opened up the way for competitive mobile-broadband offerings. The operators decided to go with the same price model that is most common in Austria for fixed-line broadband: "bucket pricing."

In 2004, mobilkom austria became one of the first operators in the world to invest big money in mobile broadband. A fixed monthly fee, for capacity and speeds similar to the fixed-broadband offerings but with the "mobile" advantage, was a strategic cornerstone, which its competitors in the mobile market followed. The price structure today is largely the same for all operators: about EUR 20 per month "bucket" price for 3Gb, which equates to downloading 15,000 websites or 600 MP3 files.

"That's enough for 99 percent of our users," says Barbara Oberdorfer, who is responsible for business data products at mobilkom austria. "If you exceed the 3Gb limit – and you do that only if you start downloading films or other large content – it costs EUR 0.1 per megabyte."

The mobile-broadband services market in Austria is unique in Europe: 28 percent of all broadband subscriptions are for mobile broadband. This can be compared with neighboring countries Germany, where the figure is 2 percent, or Switzerland, where it is 6 percent, reports consultant firm Arthur D. Little.

"About 290,000 subscribers, 27 percent of our 3G subscribers, now have mobile broadband," Oberdorfer says. "That gives us the leading position in terms of market share."

The maximum speed in mobilkom austria's network today is 7.2Mbps in the downlink and 1.4Mbps in the uplink.

"Studies at the Vienna University of Technology show that our average

What is mobile broadband?

When discussing mobile broadband, it is worthwhile differentiating between the service the customer receives and the technology used to provide the service.

When an operator mentions mobile broadband in its marketing materials, it is today most often referring to access to the Internet using a laptop or notebook, which is made possible through a modem, a data card or a built-in module.

HSPA is by far the most common technology for mobile broadband, with 174 commercial networks around the world.

Success in Sweden

Mobile broadband has been the best seller for operator 3 in Sweden since February 2007.

Peder Ramel, 3's CEO, told Swedish financial news site E24: "I have never been involved a new service that has taken off as quickly as mobile broadband."

3 was the first to launch mobile broadband in Sweden, but others have now followed its lead. Mobile broadband has been the biggest seller for Sweden's largest operator, Telia, since June 2007. There are now more than 430,000 mobile broadband subscribers in Sweden.

speed is 2Mbps in the downlink and 0.7Mbps in the uplink, which is twice as fast in the downlink, and three times as fast in the uplink, as our competitors," Oberdorfer says.

Today, mobile broadband at mobilkom austria covers 99 percent of the Austrian population, thanks to the combination of HSPA and EDGE. But there is a lot to be done before the entire country is covered by HSPA, and much of that work will no doubt be done by Ericsson's Austria office, one of the two main 3G vendors for mobilkom austria. The strong growth within mobile broadband will also demand expansion of the network in densely populated areas, partly to create better indoor coverage at workplaces and public meeting places.

About 100 people work at Ericsson's Vienna office, which lies in the technological and financial cluster built around the disused Nordbahnhof railway station by the River Danube.

Sylvie Schwer at Café Landtmann, a regular meeting place for Vienna's businesspeople, celebrities and politicians.

Telekom Austria, mobilkom and One (Orange) are the biggest customers. The 3G network of mobilkom austria, which was built in 2001 and launched as one of Europe's first commercial UMTS networks in Austria in April 2003, was one of the first 3G networks of any kind built by Ericsson. When it was time to equip the 3G network with HSPA, Ericsson was again the main vendor.

"The mobilkom austria group is driving new technology, not just in Austria but throughout the world," says Erich Dunkel, who is responsible for sales to mobilkom austria at Ericsson. "That's why we go so well together – we also want to be technology drivers."

Erich Dunkel

He says that Ericsson was active in the development of mobile broadband in Austria.

"As well as wanting to expand the network, we saw that mobile broadband would create traffic and thereby revenues for the operators," Dunkel says. "Networks without traffic don't create any new jobs for us.

"But it was a tough job, especially finding experts within Ericsson in those early 3G days. We had to look for the best technicians globally and received support from Croatia and Switzerland. Above all, network optimization is much harder than in a GSM network.

WE'LL TRAIN COLLEAGUES

Greger Blennerud

Greger Blennerud runs the mobile broadband program.

Why does the program exist?

We're working to spread knowledge of why mobile broadband is good business, both for our customers and internally. The purpose is to increase data traffic in 3G networks and, through that, our revenues.

What help can you give me if I'm in a market unit?

To support customer account teams in their customer dialogs, we've come up with a toolbox, which contains examples of operators that have had success with mobile broadband. We'll train colleagues at the market units so they can also effectively lead the dialog about mobile broadband.

We're doing about 10 prioritized business cases with selected customers. What we learn from these will be reused with other customers.

We're doing our best to help other account teams that want to begin discussions with their customers. We've had about 50 workshops in all regions.

We also have close cooperation with Business Consulting, which is developing another program, Mobile Broadband Industry Program.

What do you not do?

We don't do RFQS, RFIS or have any deep technical discussions. Nor do we help operators with launches; but Business Consulting does, if the customer asks for it.

THESE UNITS ARE INVOLVED IN THE PROGRAM:

Business Unit Networks: Sales Development, Product Unit Radio, Product Unit Broadband, Product Unit Core Network Solutions, Strategy & Intelligence.
Business Unit Global Services: Business Consulting & Advice.
Business Unit Multimedia: System Sales – Fixed Wireless Terminals.

FREEDOM

MOBILE BROADBAND MAKES A MOVE

PRICE MAKES THE DIFFERENCE

THREE VARIANTS ▶ More than 150 operators have launched mobile broadband, but only a few have managed to secure a big consumer uptake of the service. There is one factor that makes the difference: the pricing model.

The successful operators have chosen the model used for fixed-line broadband – normally called "unlimited flat rate" – and set the price so that mobile broadband becomes a viable alternative to fixed line. There are three pricing models:

1. **Charge per megabyte.** This works poorly because the user cannot relate to what a megabyte is. The user becomes cautious about using the service and reluctant to purchase.
2. **Bucket pricing.** Users buy a certain amount of data traffic (often 1-3GB) for a fixed price. Traffic above that limit is charged on a per-megabyte basis and is often expensive. The most common model so far, but users must know how much they have used, which few do.
3. **Unlimited flat rate.** This model has worked best so far, and is Ericsson's recommendation. Users know what they are getting and what it costs. The model is known from fixed-line broadband in most countries.

▶ The mobile-broadband networks have to handle a large amount of data at a low price."

The cooperation with mobilkom austria has also led to deliveries to mobilkom networks at mobilkom austria group in Slovenia, Croatia, Bulgaria, Liechtenstein, Serbia, Macedonia and Belarus. But in these countries, mobile broadband is still a small business.

In Vienna's 14th District, games designer Jürgen Musil has returned to his place at online games constructor Avaloop from his part-time job as a tutor at the Vienna University of Technology. During his trip on the metro, he has been in contact with Avaloop's server via mobile broadband and checked if anything new has been done in World of Papermint, a virtual world that will soon be launched in a beta version. He is now putting the finishing touches to the tricks that Origami, a figure he has created, will be able to do in the game. When he is working on World of Papermint, Musil likes to take his computer out and sit in a café or outdoors. Mobile broadband means he is always in contact with the server at work – and his friends all over the world. And regardless of where he is, he is almost always playing games or reading about games.

"When you design games, there's no division between work and entertainment, which is why I benefit greatly from my mobile broadband," Musil says. "It also means I can go to my parents, who don't have broadband, and work from there and at the same time be accessible to people at work and the university."

He gets around the 3Gb limit by compressing the files he sends.

"Google has many good and robust applications for compressing files, for example," Musil says.

Constant accessibility is mobile broadband's best – and worst – characteristic.

"That's why I turn off my telephone and computer at eight in the evening," Musil says. "For me, vacation is when I'm not connected."

Consultant Sylvie Schwer has had a good day at the Austrian Ministry for the Environment, but she is now on her way home. She also sometimes feels pressured by her accessibility.

"I don't work at weekends and I try to stick to fixed working times," she says. "But I often check my e-mails to see that there hasn't been a catastrophe. I can rarely relax before I've checked my mail."

One thing that annoys her is the price of using mobile broadband abroad. Just as a mobile phone does, the computer searches for a working network – and just as with mobile phones, this ends up being expensive.

"I'm a European and I work across all of Europe like many others," she says. "I find it hard to understand that national borders, which no longer actually exist, should make everything so much more expensive. There should be access to a network for the same price throughout Europe."

Another thing she finds somewhat annoying is that her children are now pressuring her to give them their own mobile broadband.

"I often hear 'Why can't we have it when you do?' And when a friend at school has got it, it starts getting like when the first kids got mobile telephones…"

☒ Text: **Tomas Eriksson** Photo: **Heinz Tesarek**

Did you know…

… that Ericsson and Lenovo, the world's third-largest PC manufacturer, recently signed a deal to put HSPA modules in Lenovo laptop computers? There is a lot of talk about including mobile broadband modules in laptop computers, vehicles and mobile devices such as cameras.

Game designer Jürgen Musil is constantly playing or reading about games no matter where he is. Mobile broadband means he is always in contact with the work server.

MODELS FOR DEVELOPING MARKETS

Mobile broadband will probably become the most common form of internet access in most regions around the world. Ericsson is helping push progress in this area.

João Cox, president of operator Claro in Brazil, has said that mobile broadband will have the same significance for internet use as pre-paid had for mobile telephony.

Mattias Engvall

It is cheaper than laying cable to the home and no bills need be sent out.

"Take a country such as Uganda," says Mattias Engvall, sales development manager for mobile broadband at Ericsson. "It has 98,000 copper lines for 28 million people. Building on the ground costs close to EUR 1000 per subscriber. It is much more cost-effective to build 'in the air.'"

Egypt, South Africa and Tanzania are growth markets that have made significant progress in the rollout of mobile broadband. Ericsson is now developing business models for around 15 changing markets around the world. Engvall, however, has a crystal-clear message for all markets.

"Mobile broadband is all about a fixed monthly cost. That is how you get people to want and to use mobile broadband," he says.

☒ Text: **Tomas Eriksson**

Intensive customer meeting in Bulgaria

FREEDOM

MOBILE BROADBAND MAKES A MOVE

Ericsson and Mobiltel representatives listen to Ericsson's presentation about mobile broadband in Sofia, Bulgaria.

Making the case

SOFIA
BULGARIA, EUROPE

Most people agree that mobile broadband is the future. Ericsson is doing its best to get operators to invest in the technology. Bulgaria is one country where sales have already started, and where operator Mobiltel is showing strong interest.

The mildly chaotic morning traffic in central Sofia means departing an hour and 15 minutes before a meeting with Bulgarian operator Mobiltel is due to start. It is just enough time.

Martin Englund, who has called the meeting, points out to the gathered customer representatives that he does not know of a single country that has failed when using fixed broadband pricing for mobile broadband. This makes several of the Bulgarian participants squirm uncomfortably. "We do not want to be the bad example!" says one.

Evgeni Karakanovski, the operator's director of solutions and innovations, elaborates on the situation. "People are still skeptical," he says. "The perception is that this is an expensive service."

This is the situation when Ericsson's sales team – comprising Valeri Georgiev, key account manager, Nikoay Tantchevkey from the KAM team, and workshop leaders Martin Englund and Karin Ljungren, who have flown in from Sweden – arrives for a preliminary meeting aimed at persuading the operator to take up the mobile broadband offering. The team, which works specifically on the broadband offering, has spent many hours in preparation and has a wealth of experience communicating what the business involves. And they have put a lot of time into studying this particular customer and its circumstances – right up to the start of the meeting.

"We were in the office until 9:30 last night," says Georgiev before he sets off for the morning meeting. Ljungren nods, adding: "Yes, and after dinner, I kept going in my hotel room until 1:30 this morning."

The meeting is being held on a frosty morning at the customer's headquarters in northwest Sofia, a large complex of buildings in an extensive industrial area. It is a perfectly conventional meeting venue, with a big-screen television and a screen for PowerPoint presentations. On the table, there are bottles of water and a small plate of cookies. Mobiltel has put together a mixed group, from both marketing and the technical side. The meeting starts off dominated by younger employees, but during the first half-hour it is joined by people including Karakanovski, who, after listening for a while, becomes an increasingly active participant.

Ljungren, with many years of experience in these types of sales, kicks off the meeting with a comment that no operator expects: "This is not about the telecom industry. This is about broadband."

That introduction – Ericsson's position on the issue – is the basis for her and her colleagues' argument. It includes the realization – difficult for operators to accept – that they cannot charge for traffic in the same way they have charged over the years for telephony, or more recently for complementary services such as news, music clips or e-mail on the mobile.

"A flat rate is essential," Ljungren says. "The end user wants to pay a set fee to be able to use the channel freely for everything."

She then presents a market analysis in two parts. One provides an overview of various countries that have already adopted mobile broadband; the other looks at the specific conditions in Bulgaria. All the customer representatives around the table nod in agreement at her comments; the viewpoints and questions are, initially, few.

But as the meeting progresses, reservations are raised more frequently. They are not so much about mobile broadband itself – all at the table agree it is the future – but more about the prevailing potential in Bulgaria. Something close to a debate kicks off among the Mobiltel staff. The arguments center on two topics; first ▶

Did you know that...

... AT&T launched the world's first HSPA network in the US in October 2005. Mobiltel in Austria launched its HSPA network a few months later, in January 2006, and 3 Italy went online a month later.

THIS IS HOW YOU SELL MOBILE BROADBAND:

1. Start by reading the Full Service Broadband toolbox, which you can find on the intranet *(BU Networks > Sales & Marketing > BNET Sales Program > Mobile Broadband)*. It includes useful examples.
2. Talk to your customer about establishing broadband as a new business, about using a flat rate as a pricing model, and about the need for prices to compete with fixed-line broadband. Give good examples.
3. If the customer becomes interested and wants to go further, it is time to create a network strategy.
4. Finally, it is time to select the products for the network.

ERICSSON NETWORK FACTS

- Ericsson has the best products according to company statistics. And that is what operators need when network traffic picks up. They need products that provide good coverage and can cope with a lot of data traffic.
- A network from Ericsson provides 100-150 percent more capacity per radio channel than other vendors' networks.
- Ericsson has the most efficient cells. A network from Ericsson covers a greater area per cell (or site) than those from other vendors. That is cost-effective.

"I am not convinced... You are also selling to our competitors" Evgeni Karakanovski

Did you know...

... there are 174 commercial HSPA networks in 76 countries? 86 percent of the world's WCDMA networks have been upgraded with mobile-broadband technology. 113 of the networks have a speed of 3.6 Mbps in the downlink, 35 have a speed of 7.2 Mbps in the uplink, and 27 of the networks have been upgraded with HSPA.
Source: Global Mobile Suppliers Association

▶ how the general level of interest in mobile broadband in a country where penetration in terms of fixed broadband is still relatively low, and second about how to become profitable in a country where it is not uncommon to download DVDs from piracy sites.

At this point, the room has become so warm that a hint of condensation is forming on the inside of the window. It's time for the participants to stretch their legs and get some fresh air. Englund is cautiously optimistic.

"There is obviously some interest, so it will be interesting to see where we end up," he says.

Georgiev is even more guarded. "To be honest, this is not the first time the customer has heard this," he says with a wry smile.

After the break, Englund takes the stage, which Ljungren has set with her marketing analysis. Now it is time to create interest in the business case. This should show how an operator can be profitable when offering mobile broadband. The business case is really a first step towards getting the operator to invest in expanded mobile-broadband capabilities.

Englund explains how a business case can use actual and nominal figures and information, but the reservations come almost immediately. Karakanovski makes his feelings known: "I am not convinced ... You are also selling to our competitors. How do I know you don't take the figures we give you for a business case and pass them on to our competitors?"

Englund explains that a business case does not necessarily need the actual figures, even if they, of course, make it more accurate. "The important thing is that by working this way, you create a complete picture of both revenues coming from the users when applying different price models, as well as the costs of investments in equipment, marketing and operating expenses caused by the increased internet traffic in the network. If the network is built in a cost-effective way, the costs can be minimized and profitability can be good. This is what we want to show," he says.

But Karakanovski's skepticism remains: his questions are not so much about Ericsson's offering as about his own company and the sensitive details that might come out. Englund answers all the questions with purely factual arguments. What should have been a presentation has instead become a heated debate. And then, suddenly, it all changes.

Karakanovski returns to Ljungren's conclusion, when she spoke of 483,000 potential customers for mobile broadband in Bulgaria. A broad smile lights up his face when he states that, of course, he is interested in them.

Ericsson's proposal – to work with a business case – is eventually accepted. Karakanovski assigns a project manager and states that he wants it to be ready in March.

The meeting winds up with enthusiastic handshakes. Englund, smiling as he leaves the office, says: "I think they had already decided beforehand."

A few days after the meeting, he says things are looking good. Mobiltel will launch mobile broadband in one way or another, and a business case together with Ericsson is on the way. But it remains to be seen where things will end up.

☒ Text: **Johan Kvickström** Photo: **Boryana Katsarova**

Ericsson's Martin Englund at the meeting with Mobiltel, during which he explained the value of a single common business case.

Mobile broadband – the lowdown

Flat rates, bit pipes and an emphasis on laptops rather than mobile phones: all these factors give many operators ulcers. Henrik Högberg, head of Sales at Business Unit Networks, talks about why those operators need to relax.

Mobile broadband could increase sales for Ericsson.

"We're clearly seeing orders increase from customers that have been successful with mobile broadband," Högberg says.

A successful focus on mobile broadband means customers buy software, hardware and services for their networks. If data traffic takes off, they need products and solutions to cope with faster speeds and more functions.

But some operators have doubts about mobile broadband's profitability.

How can they make money with a flat rate?

Through subscriber growth. One example is Sweden, where 430,000 users have bought mobile broadband in just over one year, paying SEK 200 per month. That's SEK 86 million per month in new revenues. Operators also know in advance how much they'll get.

With flat rate, you know what the revenues are. But operators' network costs are harder to predict because they are linked to the amount of traffic. How do they know their costs are covered if people surf a lot?

Based on what we've seen, it pays for the operators. If a subscription is SEK 200 per month, it isn't just a ceiling; it's also a revenue floor for operators. More customers bring economies of scale, and it will actually be cheaper per user, even if the operator's investments increase. We've also revised our price models so they work for the market's conditions.

With mobile broadband, the operator becomes a bit-pipe vendor, which scares many of them. Why do we advocate this?

In this case, bit pipe is actually good. They get more subscribers, data traffic and new business. They don't need to develop services in the beginning; they're already out there on the internet. Later on, operators can package mobile broadband with things such as security and company packages, their own content services, mobile telephony or router offers that allow everyone in a household to get online at the same time. The operator will then be a "smart pipe."

With mobile broadband, Ericsson is focusing on the laptop instead of the mobile. This could be strange to many employees. Any comments?

Laptops and mobiles do not cancel each other out; they're two different markets. Having one operator for mobile doesn't mean you must choose the same one for the computer. Mobile broadband is competing more with fixed broadband than with other mobile offerings.

We believe that mobile broadband in the laptop has greater potential right now; it's already a simple and good business. But of course we're not abandoning the mobile for that.

Why should an operator with both fixed and mobile networks compete with their own fixed business?

It's better to do it yourself than for the competitors to do it. For operators with both types of network, it's important to define a clear broadband strategy for what suits different customer groups.

☒ Text: **Jonas Blomqvist** Photo: **Stefan Borgius**

Henrik Högberg, head of Sales at Business Unit Networks.

"In many places in the world they drive equipment to a base station with a truck in an hour. Here, we have to build roads first..."

Bengt Thornberg

BUILDING NETWORKS IN INDONESIA

On a rollout

There is dead silence in the air-conditioned Toyota. Everyone is holding on tight as the **driver edges across a makeshift**, creaky, wooden bridge – one of many spanning parts of the swamp where it has not been possible to lay the dirt road through the rainforest. One of Ericsson's cars was recently wrecked when it fell through one of them.

JAKARTA
INDONESIA, ASIA

Miraculously, nobody was injured, says Nanang Hadidewanto, regional manager for south and central Kalimantan, the Indonesian part of Borneo, which is the third-largest island in the world.

Once on the other side, everyone gets out and the heat almost knocks the wind out of you. Hadidewanto wipes the sweat from his brow and explains that accessibility at the site we have just reached is ranked as "moderate."

"Perseverance." Being "the prime driver in an all-communicating world." They are phrases you often hear at Ericsson. If you spend time with the Network Deployment & Integration unit in Indonesia, you see what these phrases really mean.

Bengt Thornberg

Bengt Thornberg is head of Ericsson in Indonesia. He says that having the right person in the right place is enormously important here. Indonesia consists of around 17,000 islands in three time zones, and has 240 million people who speak more than 100 languages. And if you believe most travel writers, the terrain here is as rugged as it gets.

"The right person here often means a local person," Thornberg says. "We don't hesitate to bring in people from outside if necessary for, say, a new solution. But just 4 percent of our staff are expats. We give responsibility to people with local knowledge and they are largely responsible for our success within network rollout."

And things have certainly been moving forward. Since 2003, Ericsson has grown in Indonesia from 300 people to 1500 and today it rolls out 8000 base stations per year. Indonesia is the company's eighth-biggest market.

"What we've learned in Indonesia is unique," Thornberg says. "Our processes work, and we happily share that knowledge. In many places in the world they drive equipment to a base station with a truck in an hour. Here, we have to build roads first. We use single-engine airplanes and riverboats to reach many of the sites."

Indonesia has 70 active volcanoes and lies on the fault line of two continental plates. Most of the area ▶

"What we've learned in Indonesia is unique. Our processes work. And we happily share what we've learnt." Bengt Thornberg

Ericsson's Network Deployment & Integration team on Kalimantan (Borneo). From left: Amri, Yuda Novianto, Aryendi, Sutopo Nursani, Nurdin Mahfudz and Nanang Hadidewanto.

▶ is flat coastland which follows the equator, making the climate tropically hot. Earthquakes, floods and droughts are common.

Ni Putu Riama is Total Project Manager for the Kalimantan Project Telkomsel, an Ericsson project on Kalimantan with Indonesia's biggest operator, Telkomsel.

She says that it is very important here to be on the ground. When the capital, Jakarta – which is on the country's most densely populated island of Java – was hit by severe flooding in 2007 Riama was project manager for Ericsson's microwave project with Telkomsel. She went out at once to solve the problems together with the customer, supported by other project managers at Ericsson Indonesia.

Ni Putu Riama

"We have processes in place so that we are able to react quickly," she says. "That time we were not only able to solve the problem, but we also took over the area from one of our competitors."

From Ericsson's head office in Jakarta it takes just over one hour by plane to Banjarmasin, the "river city," in Kalimantan. And from the office there, the drive north takes five hours to Telkomsel's "Manusup" site. After just an hour or so, the asphalt ends. Then it is all about avoiding holes, making it across wooden bridges and not getting a flat tire.

Hadidewanto's team members spread out around the steel tower reaching into the hot evening sky. They all want to discuss the progress within their respective areas with those building on site.

Hadidewanto himself waits by the side of the road, and an elderly man in a canoe on the river stops to see what is happening. The swamp is dotted with small wooden houses on stilts, and several families have come out to see why four minivans have just arrived in the jungle. Hadidewanto nods towards his team members, who are going through blueprints.

Nanang Hadidewantos

"They want to know that everything is going according to plan," Hadidewanto says. "In one month the base station will be up and running. The communication between villages and traders in the region will then work much better."

The team collects water bottles from the boxes by the tower. It takes 12 hours to drive to the next site, Agro Bukit 2. The journey is impossible without a few hours sleep in a motel in the town of Palangkaraya in central Kalimantan. At dinner, in a small restaurant on the outskirts, Hadidewanto talks about his team. They are sitting at the next table, eating, drinking iced tea and laughing.

"I know them all and they make sacrifices," he says. "They have families or partners, and they're obviously away a lot because it takes such a long time to travel here. But they believe in what they're doing here."

The last hour to the site goes through what the team calls "the labyrinth," a jumble of dry-mud roads through endless fields of palm-oil plantations. Here, palm oil is extracted to be used in, for example, produce.

"None of you got carsick, did you?" Hadidewanto asks and smiles before he gets out.

There is no rainforest here to offer shade. You are soaking wet in two minutes. This tower is finished and electricians connect the last wires of the red-and-white tower. Hadidewanto heads off to speak to one of them.

In a few days the button will be pushed here and the farmers in the area will be able to communicate with each other, with traders and with their families more easily.

At the foot of the tower, by an electrical cabinet, Hadidewanto looks proud.

☒ Text & Photo: **Staffan J Thorsell**

A few seconds later the car fell through the bridge. Nobody was hurt...

...but the car was wrecked.

Network Deployment & Integration

▶ The unit's business is project management for major projects within:

RADIO NETWORKS Installation of base stations, including all equipment and buildings. Indoor radio coverage inside, for example, airports.

CORE NETWORKS Installation of fixed and mobile switches for telephony and data communication.

BROADBAND Installation of broadband access and transmission for fixed networks.

EXAMPLE OF PROCESSES: PROPS is Ericsson's standard for project management.

The aim is efficient, business-focused project management through common terminology and methodology with clear roles and areas of responsibility throughout the entire organization. PROPS defines what has to be done, when it has to done and by whom.

PROPS includes tools such as SiteHandler, a system to handle information about specific sites.

Kalimantan (Borneo), Indonesia. Ericsson's base station is coming together in the 34c heat.

The success stands and falls with the people

"We have to have the processes in place. We work in some of the most inaccessible areas on the planet" Per-Henry Olsson

DID YOU KNOW THAT...

...Ericsson in Indonesia is the main supplier to:

1. Four out of five GSM customers
2. Four out of five 3G customers
3. 70 per-cent of the networks for mobile-broadband access.

▶ Ericsson's market share in Indonesia is 55 percent for radio and 28 percent for core networks.

The view from the road between Ericsson's office in Banjarmasin, "the river city," and one of the sites on Kalimantan (Borneo).

Ready before the start

"Processes, methods and tools" has almost become a mantra at Ericsson. These are vital to those who work within network rollout. But, says Jan Melin, head of Network Deployment & Integration, the success stands and falls with the people working in the field.

"It's those who work in our projects all over the world, with their commitment and knowledge, who ensure our success," Melin says.

The unit's task seems simple on paper. It is to deliver world-leading rollout services within three areas: radio networks, core networks and broadband transmission *(see factbox page 28)*.

It is all a matter of being well prepared and efficient.

"We make decisions about schedules, budgets and resources for a project before we've won the contract," Melin says.

Jan Melin

"We're ready when the starter pistol goes off, which is vital if we are to succeed."

Before the contract is signed, a project manager works with sales staff in one of Ericsson's Core 3 teams, which consist of people with skills that complement each other and a common goal.

"They have to deliver in accordance with the customer's expectations and at the same time fulfill Ericsson's profitability targets," Melin says.

In other words, a project manager at Ericsson has a very central role.

"Network rollout is about being able to manage projects successfully. You have to know the contractual aspects, and you also have to understand the technology and the local challenges. It's also about handling customer demands and making sure everything runs smoothly with the subcontractors," Melin says.

Per-Henry Olsson

Per-Henry Olsson, key account manager for Indonesian operator Telkomsel, agrees that having the right people is vital.

"We have to have the processes in place," he says. "But here we work in some of the most inaccessible areas on the planet. To maintain a good relationship with the customer you also need local knowledge."

Melin says that the result of thorough preparation – and, consequently, projects that are carried out well – has been clear.

"When our projects run well our customers are satisfied, and this serves as a springboard for expanding Ericsson's business," he says.

☒ Text & Photo: **Staffan J Thorsell**

IMPROVE
CONSUMER EXPERIENCES

Watching TV or making a voice call, consumers expect you to reach new heights for reliability, quality and simplicity of use. Ensure you can deliver.
ericsson.com/multimedia

TALK TO US ABOUT
MULTIMEDIA

ERICSSON
TAKING YOU FORWARD

LOGOTYPE – an Ericsson history

Ericsson's 131-year history is **a rich one:** ground-breaking inventions, enormous investments and interesting personalities. The company archives also reveal a large number of logotypes – from the first simple seal to today's stylized E. **Join us on a journey** through the history of Ericsson's logotype.

The first logo (1). Lars Magnus Ericsson's workshop produced its first telephones in 1878, two years after starting operations. Ericsson marked his products with a simple stamp showing the company name inside a square or oval. Such markings, along with advertising and marketing for products from a particular factory, were something new at the time – a consequence of the industrial age's mass production – but were fast becoming an important way for a company to attract consumers.

Craftsmen had previously marked their products with stamps or insignia, but such markings were mostly because of regulatory requirements meant to ensure that authorities could trace the origins of any faulty goods.

Registration for trademark protection became possible during the second half of the 19th century.

1894 – the first registered trademark. Ericsson's first registered trademark was the logotype for Taxen (the Dachshund) **(2)**, one of the market's first tabletop phones, with a combined microphone and speaker in one handset. The phone was a success and sold on into the 1930s. By this time, Ericsson had also started producing and selling telephony switches.

New company – new logo (4: combination of 2 and 3). Ericsson merged with Stockholms Allmänna Telefonaktiebolag (Stockholm Public Telephone Company, or SAT) in 1918. The new company, Allmänna Telefonaktiebolaget LM Ericsson, used a combination of the previous companies' logos: SAT's pointed star with Ericsson's Taxen in the center.

The story of the merger is interesting. SAT's founder, Henrik Tore Cedergren, was one of the first Swedes to install Alexander Graham Bell's new invention, the telephone, after it reached Sweden in 1877 (because there was no network, he installed a line between his home and the family's jewelry shop, both on Drottninggatan, the same street where Lars Magnus Ericsson had his workshop).

Cedergren's business idea was to develop and operate a telephone network that many could afford. SAT was a big Ericsson customer, but also began to produce its own telephones. Another competitor, the government-owned Telegrafverket – later to become Televerket (today Telia Sonera) – did the same. This temporarily reduced the size of Ericsson's domestic market, and the company exported most of its products.

SAT and Ericsson began cooperating again in the early years of the 20th century and became increasingly close. Up until the merger, both companies were investing in manual systems and were being overtaken by competitors whose systems were more automated. When they joined forces, SAT sold its telephony network to Telegrafverket and concentrated on developing new products. This made Allmänna Telefonaktiebolaget LM Ericsson the market leader.

Local variations (5 & 6). The new company, like its predecessors, had major operations outside Sweden, and many variations of the parent company's logotype. In 1926, the word Allmänna was removed from the company name, and the parent company's logo was adjusted.

The 1920s were an eventful decade for Telefonaktiebolaget LM Ericsson. It expanded its portfolio by buying up companies. Their products included electrical ▶


ERICSSON POLSKA A.S. ELEKTRYCZNA
ALLMÄNNA TELEFONAKTIEBOLAGET L.M. ERICSSON
EMPRESA DE TELEFONOS ERICSSON S.A. MEXICO D.F.
L.M. ERICSSON & Co. TRADE MARK STOCKHOLM
SVENSKA RADIOAKTIEBOLAGET
L.M. ERICSSON & Co. MEK. WERKSTAD STOCKHOLM
Ericsson CONCERN
Ericsson CONCERN
Ericsson LM
Ericofon
CAUTION HANDLE WITH CARE!
NORTH ELECTRIC COMPANY GALION, OHIO

"Our logotype with the stylized E is timeless and will not be replaced"

Kjell Åke Rydén

and telephone cables, Bakelite products, condensers, copper wire and electric motors. The subsidiaries had their own logos based on the parent company's. One of them was Svenska Radioaktiebolaget, which was launched in cooperation with ASEA and AGA **(7)**, a company producing radio transmitters and receivers. Marconi became a part-owner in 1921, eventually selling its share in the 1970s, when Svenska Radioaktiebolaget was renamed Ericsson Radio Systems.

Ericsson goes cursive (8 & 9). The company got its first corporate logotype in 1927. The star shape remained, but the Taxen has been replaced by a more modern telephone, and the word Ericsson is written in cursive style with a long tail from the letter N. This way of writing Ericsson had previously been used on letterhead, and in catalogs and brochures.

Color change. The 1940s were a new era for both Ericsson and Sweden. Ericsson had built a new factory and headquarters in Midsommarkransen outside Stockholm's center, while the city had contributed with workers' accommodation and a new metro station: Telefonplan. The streets in the new suburb got appropriate names, such as Mikrofonvägen, Telefonvägen and LM Ericssons väg.

A new logotype was launched in 1942, in keeping with the times. A cursive "Ericsson" in the foreground had the letters "LM" in the background **(10)**. The corporate color became red. Yet the old logotypes also lived on, and local variations of the corporate logo were used in many countries. Individual products also had their own logotypes **(11)**.

Logotype for "One Company." During and after World War 2, Ericsson had operations in a variety of fields: traffic lights, fire alarms, radio and television sets, time clocks and more. During the 1960s and 1970s, digital technology entered the telecom world, with AXE as one of the pioneering products.

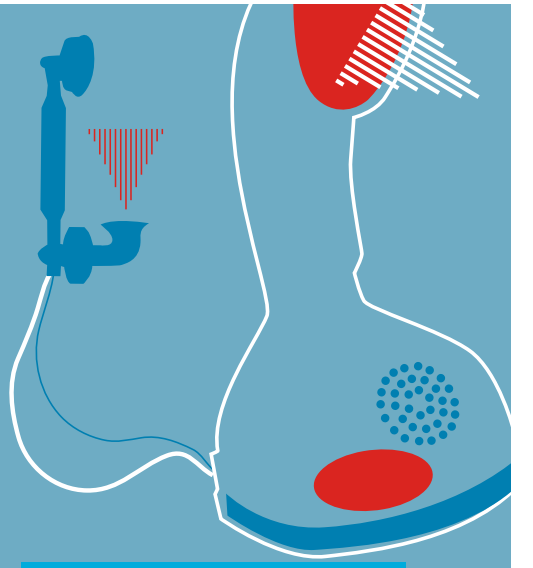
The early 1980s were characterized by major changes. Ericsson delivered its first NMT networks in Sweden and Saudi Arabia, and IBM launched the personal computer. Several markets took the first steps towards deregulation: In the US, AT&T was split into seven separate "Baby Bell" companies in 1984, the same year as British Telecom (now BT) was privatized.

Ericsson deputy CEO Lars Ramqvist coined the term "One Company" to bring the whole group together. One of the first steps in the process was appointment of London bureau AID to create a common logotype and graphical profile for the entire concern.

Many discussions later, the corporate color was changed in 1982 from red to blue, and the stylized E was chosen from several proposed logotypes. Not everyone realized that the symbol was an E: In Sweden, people guessed that it was tre korvar (three sausages), while in Mexico, people joked about *tres telebananas* (the three tele-bananas).

Today's logotype. There have been small adjustments made since the introduction of the stylized E. The blue color was replaced two years ago by a darker blue, the better to signify Ericsson as a service and software company and a partner for good business – more than just a technology company. The latest update of the graphical profile means that use of the stylized E on its own is now permitted. This logo is often placed on flags and pylons – high up and clearly visible – at trade fairs and Ericsson offices to communicate: "Ericsson is here!"

Text: **Anna Björklund** Illustration: **Ebba Berggren**



Three questions

Kjell Åke Rydén

The current Ericsson logotype is the same as the one produced in the 1980s, but with a darker shade of blue. Kjell Åke Rydén is the current guardian of the brand.

What are the most common questions you get about the logotype?

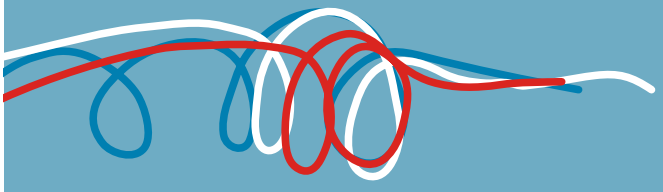
"They are often about how and when people can use the logotype. I also get questions from people who want to produce their own logotype or trademark. We have many creative and innovative people at Ericsson who unfortunately I have to turn down. It is important to understand that continuity leads to recognition. When we at Ericsson start to get bored with everything looking the same, people outside the company are usually just starting to recognize things and see connections. If we ensure the trademark embodies all the great things we are doing, then we can all benefit from it."

What is the most important thing to think about when using the logotype?

"We really want our logotype to be surrounded by a lot of space, so that it is distinct and not disrupted by other graphical elements. The logotype can be dark blue, white and black. And the blue logo may only be used on a white background."

When will it be time to change the existing logotype?

"Our logotype with the stylized E is timeless and will not be replaced."



1984 Malaysia

Villagers in Malaysia use one of the 500 solar-cell-powered coin telephones included in the NMT 450 system that Ericsson delivered to Malaysia in 1984. This was the first order for a mobile system that Ericsson had received in the Far East, and it received much attention from the Malaysian media. The order was valued at SEK 180 million.

At that time, Ericsson's biggest competitor in the mobile systems arena was Motorola.

Photo: **Archive**

Mobile Adventures by Jola Cederschiöld