

Contact

COMPETE
& WIN!
PAGE 15

Jeffrey Sachs, visionary:

Take a chance on green business

Pages 16-25



**EVA ENGLUND,
INVENTOR OF THE YEAR**
"I hope to inspire
other women."

Page 11

Worth knowing:
MOBILE
BACKHAUL

Page 5

The "Minute Factory"
behind Bharti's success.

Pages 32-34



PHOTO: OSKAR KILHEDBERG/ERICSSON RACING TEAM



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The Centre for Business History

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pages 26-30

A green competitive advantage

I t will not have escaped your notice that much of the world is experiencing a serious economic downturn. For that reason, it feels good to announce that the hard work we have been doing at Ericsson resulted in a strong third quarter. I must add that the expectations people had of many companies during this period were lower due to the financial crisis. And yet our sales were up 13 percent on the same period last year, our profit margin was slightly higher and our cash flow has remained stable. We now have to keep at it – deliver on what we have promised and win new business. The ongoing Volvo Ocean Race is a prime sales tool for success in the latter of these areas.

As this goes to press, the boats have left the competition stopover in Cape Town and are on their way to Kochi in India. The competition is won on the open seas, but part of our future will be determined on land. We get to spend hours in the company of customers with whom we would otherwise spend only brief periods at trade fairs. In some ways, the prevailing financial crisis makes these customer meetings even more important. We must now really make use of our opportunities and demonstrate what we can do. A successful Volvo Ocean Race is not the be-all and end-all, but it represents one of many important factors involved in our ability to present further strong quarterly reports in future.

Another area that is constantly improving is the way we offer our customers sustainable end-to-end solutions from an environmental perspective. It would be no surprise if, in a few years, operators wanted us to declare the environmental impact of everything we supply, such as how much carbon dioxide a specific product emits.

We must therefore now put processes in place that allow us to face these demands. A lot of work is already underway within the company, so the theme of this issue is how Ericsson works in an end-to-end way on the environmental issue. Working on environmental issues can give us a clear, or green, conscience, but it also gives us an enormous competitive advantage if we can demonstrate that we are the ones who take the most responsibility and are in the most control when it comes to the environment.



Henry Sténson,
head of Group Function
Communications and
publisher of Contact



NEWS

- ▶ 8 Ericsson modernizes its IT architecture
- 10 **Job shadowing** – a great idea
- 12 Power module goes from strength to strength
- 14 Company controller Jens Lööv on working with ONE
- 15 What happened at the beginning of October 1998?



COVER – GREEN BUSINESS

- ▶ 18 **Jeffrey Sachs**: “We worship Ericsson at The Earth Institute”
- 19 Next G – Telstra’s new super-network supports the environment
- 19 Ericsson thinking green from end to end
- 20 Knowing the **Millennium Goals**
- 23 Johan Jemdhahl, head of Ericsson Distribution Logistics: “The best products at the lowest cost – and the best for the environment”
- 25 Take-back ties environmental efforts together



PLUS...

- 4 Have your say
- 5 How **Mobile Backhaul** works
- 26 Where Ericsson’s history is stored
- ▶ 32 Minutes mean everything to India’s Bharti
- 35 Ericsson’s biggest contract so far
- 36 Find your way with SMS-and-go

Contact

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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/kontakten/index.html



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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

POINT MISSED

The Mobile Adventures comic strip on the back cover of Contact issue 7 misses the point.

The story is about an adolescent boy becoming sick after two days without his mobile phone.

The reaction of his friend is to download a movie, using his phone and laptop.

In my opinion, calling a mental hospital or a psychiatrist

would have been a more appropriate response.

Stefan Van Oorschot, Netherlands

MORE KNOWLEDGE SHARING

Excellent article especially the part summarizing the steps to be done for efficient meeting & managing time. I believe Knowledge sharing sessions need to take place in each Ericsson office for more.

Haitham Elsaadany, Egypt

LATEST ISSUE

Outstanding! Very interesting! I read every single word. The parts on POE in Spain and Bengt in Rwanda were extra interesting!

Bengt Alverborg, Sweden

GREAT RESPONSE TO COMPETITION

The editorial team would like to thank our readers for the huge interest that you showed in our Ericsson strategy expert competition. Even after the competition closed, our mailbox received a couple of hundred entries. Overall, almost 2800 people responded, which is great, and makes us want to continue with more competitions. So don't miss our new one in this issue. And don't forget to send in your comments on the rest of Contact's content to the same e-mail address: contact.comments@ericsson.com

The Editor

Reader's pictures



This picture was taken with a K850i through an open car window in Mount Rainier National Park outside Seattle, Washington, US, on September 17, 2008. I think it turned out very nice.

Bengt Alverborg, Sweden



Great picture! This is me on top of Mount Kilimanjaro in Tanzania at a height of 5895m on October 10 at 6.36am, taken with my Sony Ericsson W910.

Martin Björck, Sweden



I would like to share with you this photo I took with my W580i. These are the autumn colors in Montreal, Canada.

Anderson Bariani de Almeida, Canada

Web poll

62%

... percent of 1192 Ericsson employees use non-standard ringtones in their mobile phones.

Source: Ericsson's intranet portal

Welcome...

PHOTO: AGNES FERRARI



... Carla Belitardo, new Excellerate trainee in São Paulo, Brazil

As well as Ericsson, Carla has worked at IBM and as a consultant. She has just completed the first of the three job rotations, launching the Cash is King program in Brazil to improve cash flow...

What are you doing at the moment?

"I'm preparing to move to the Stockholm headquarters, where I will join the SFA program in How to Secure Best-in-class Growth, Margins and Cash Flow.

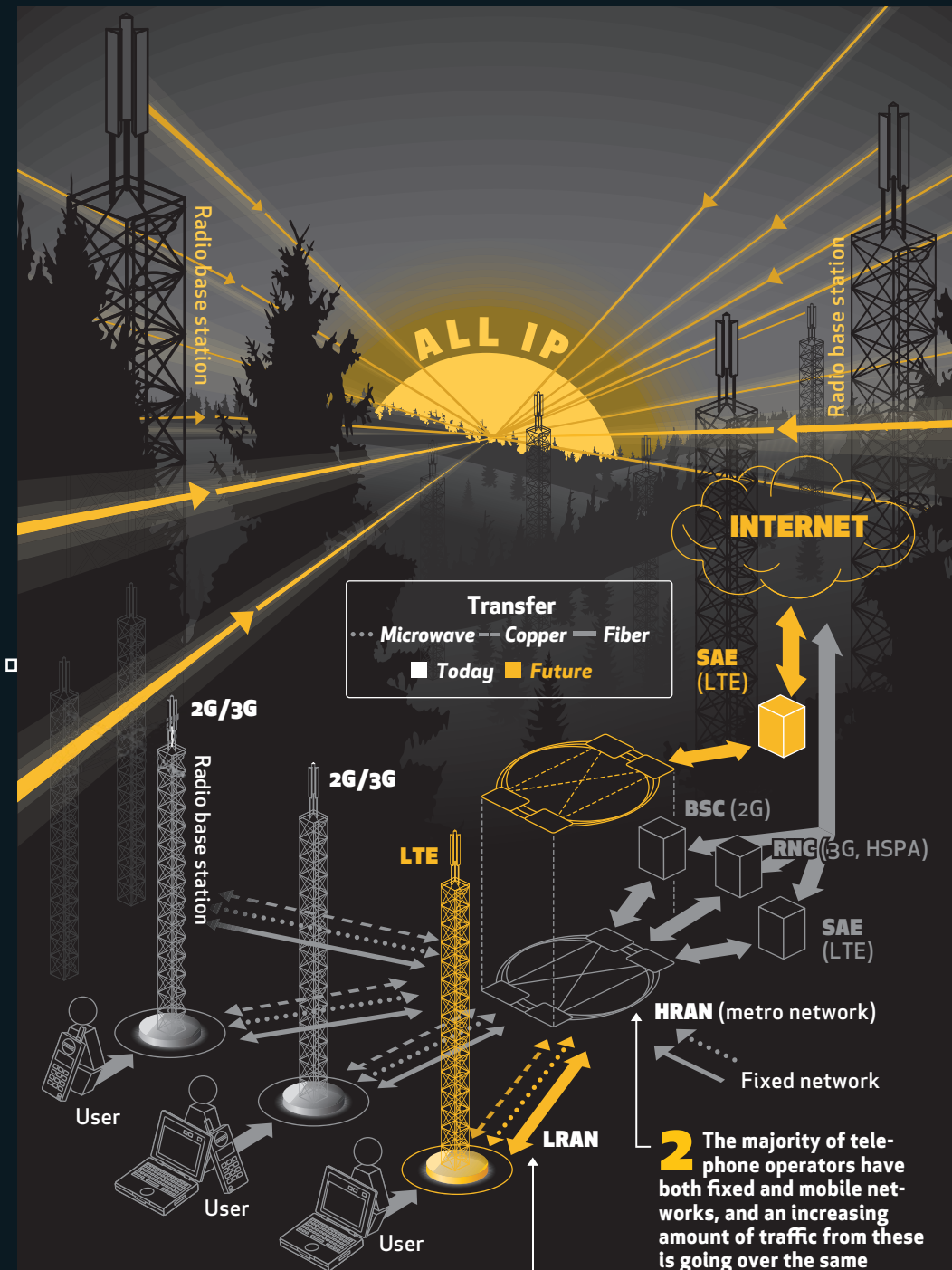
"After that, I'll be off somewhere else in the world for the third job rotation and then I'll return to São Paulo."

What is the best thing about working in São Paulo?

"It's a world city – a metropolis that has everything. Although many of the world's economies are going through testing times at the moment, we're actually experiencing an economic boom in São Paulo, which feels great!"

Have you been asked...

... ABOUT MOBILE BACKHAUL?



1 The infrastructure for an operator's broadband network consists of a mobile-access part (LRAN), where traffic is transferred point-to-point from thousands of base stations to the metro network (HRAN). In the HRAN, the traffic is aggregated to be sent on to the control nodes (base-station controller or BSC, radio network controller or RNC and System Architecture Evolution, SAE) and then to the transport network towards the internet.

2 The majority of telephone operators have both fixed and mobile networks, and an increasing amount of traffic from these is going over the same aggregation network (HRAN) and core network. As mobile IP traffic increases, the operator may need to upgrade the HRAN with a separate network for mobile packet data.

THE SHIFT TO ALL-IP IS SAID TO DEPEND UPON MOBILE BACKHAUL. WHAT DOES THAT MEAN?

This is where the bottleneck is in mobile networks. Mobile backhaul is the link between perhaps thousands of radio base stations and the control nodes that run the base stations.

WHY IS THIS IMPORTANT RIGHT NOW?

The shift of mobile networks to IP – with online games, films and mobile TV – brings a powerful increase in traffic. The bottleneck until now has been the air interface between the base stations and the mobiles. But new radio technology can cope with more traffic, so the backhaul also needs to be strengthened. Operators' backhaul networks are built using microwave, copper or optic fiber. More than half of the networks currently use microwave, which will continue to dominate, especially closest to the base stations. The use of fiber will increase in pace with the traffic; the overall trend is towards IP over Ethernet – regardless of the technology used for the connection.

WHAT IS ERICSSON DOING WITHIN MOBILE BACKHAUL?

Ericsson has comprehensive, verified, integrated products and solutions for the new IP networks. They also cover the radio network and backhaul, with, for example, edge routers for metro networks. Ericsson advocates a simple, phased shift to all-IP, in which operators run traditional circuit-switched traffic alongside packet data, over the same IP-backhaul network.

Svenska grafikbyrå

☒ Lars Cederquist



3:55pm / September 25 / Colombo, Sri Lanka



Top-level contract

Ruksan Erantha S.P. is on his way up a mast to install a MINI-LINK TM in the jungle outside Colombo. The installation is part of a project with Hutchison Sri Lanka, in which Ericsson is taking care of everything from network planning and design to installation and support. Work began in November 2007 and is now in the second of four phases. Ericsson will install a total of 650 MINI-LINK units.

PHOTO: CHRISTINA SJÖGREN

Hello...



PHOTO: PRIVATE

... **Francesca Vitale**, who works with customer solutions within business development at Ericsson in Rome. Francesca writes the blog "Mobile terminals and applications" and is one of few female bloggers who write about technology on Ericsson's intranet.

Why are there so few women blogging?

There are only two of us in the technology section, although there are more among managers. One reason might be that there are fewer women with technical competence.

What is the idea behind the blog?

I share news from mobile telecoms. The aim is to increase understanding among my colleagues. There are a lot of interesting things to write about; things that might be important to Ericsson.

Will people with a "normal" degree of technical interest understand what you write about?

I thought everyone understood what I wrote about until a colleague asked me what DRM (Digital Rights Management) was. I try to avoid filling my texts with abbreviations, and some are not about high tech. For example, one is about the Android mobile phone, and you have to know what the Android platform is, of course. Or you can read about it in previous entries.

☒ Fredrik Kullenberg

New IT environment on the way

On December 1, the work of modernizing Ericsson's IT architecture across the whole world will begin. This will eventually lead to better performance and reduce IT costs.

UPGRADE Carl-Magnus Månsson, Chief Information Officer at Ericsson, says that, as well as modernizing the IT environment, the new IT contract



Carl-Magnus Månsson

with HP and IBM includes improving the IT service, with longer opening times and faster fault management.

More capacity

The modernization will be carried out in stages and is expected to be completed by 2011. The improvements will include enlarging mailbox capacity fivefold



PHOTO: INA AGENCY

Stay cool... The new IT environment is expected to bring more stable networks with better user performance.

and giving employees the ability to choose from more than the current six models when they change their PCs.

Over the next two years, parts of the network will experience more planned service

interruptions and downtime than usual as the work is carried out.

"This is a disadvantage, of course, but in the long term we'll all gain from this," Månsson says. "Our aim is for the users to notice as little of

the work as possible."

When the work is complete, the IT environment is expected to be more stable than before, with better performance for the end user.

☒ Cia Kilander

Tower Tube wins award

DESIGN The Wall Street Journal's jury considered the Ericsson Tower Tube to be beautifully constructed, and the newspaper awarded it first prize in the Technology Design category at this year's Technology Innovation Awards.

The man behind the design of the low-energy concrete mast is architect Thomas Sandell, who also redesigned the interior of Ericsson's London office in 1999.

The Tower Tube was one of 700 entries in all categories in the 2008 competition, which recognizes individuals, companies



PHOTO: STEVEN BUSH

and organizations all over the world that are active in technical areas.

The awards ceremony took place in conjunction with the Dow Jones Alternative Energy Innovations conference in California.

☒ Cia Kilander



PHOTO: PETER TAMM

A memorial plaque and a small building are all that is left from the wireless station at Cape Cod.

Wireless across the Atlantic

HISTORY The first wireless message from the US across the Atlantic was sent from here, the Marconi Wireless Station at Cape Cod, south of Boston, US, in 1903. Guglielmo Marconi, the inventor of the wireless telegraph, and US President Theodore Roosevelt sent a greeting to Britain's King Edward VII. All that remains today is this commemorative plaque and a small building with a model of the station.



☒ Gunilla Tamm



PHOTO: JULIANA HARRKI

Just a PC and a couple of telephones are needed when Stefan Dahlberg, Recovery Leader, is leading the team at Global Support in Finland. Here he is with Eveliina Naumanen.

Job shadowing a smart way to learn

The role of a recovery leader is a tough one that needs rigorous preparation. Job shadowing is one successful training method.

COMPETENCE The telephone rings at Ericsson Global Support in Jorvas, just outside the Finnish capital of Helsinki. An Ericsson customer somewhere around the world has a serious problem. The team at Ericsson Global Support, with the recovery leader in charge, has four hours to solve the problem.

Real situations Stefan Dahlberg, senior recovery leader at Global Support, has been using job shadowing for the past two-and-a-half years.

“I have trained 40 recovery leaders during that time,” he says. “Job

shadowing is effective. We have gained in terms of both time and resources.”

The previous approach was to use simulations, but this was unrealistic and took a lot of time. Now the team sends new recruits into a real situation together with an experienced leader who acts as a mentor.

“As a mentor, it is much easier to see and assess how the student adapts to an authentic situation,” Dahlberg says. “It makes it easier to give advice and make corrections.”

As part of the training for recovery leaders, the mentor sits beside the student the whole time. At the beginning, the student learns by watching what the mentor does. When the student is ready, the two switch roles: the mentor sits

behind the student, like a shadow, and guides the student. When required, the “shadow” can jump in and take over. Step by step, the mentor provides guidance and training until the student can handle an acute situation him or herself.

Effective and tangible

“The thing I like best about shadowing is the interaction that develops between the student and the mentor. There are always

new questions, which makes the process more effective. It has tangible benefits.”

Eveliina Naumanen became a recovery leader in March, and job shadowing was part of her instruction.

“I think it can be good to shadow two or three different people and see how they work,” she says.

“I shadowed two people and tried to take in as much as possible. It was a very good way to learn.”

✉ Cia Kilander

Heard of everyday learning?

Job shadowing is an example of everyday learning, a term that refers to learning that does not come from formal education and courses. Other examples include:

- Holding presentations for colleagues
- Coaching a new employee
- Teaching others
- Rotating jobs
- Trying new challenging tasks.



PHOTO: INA AGENCY

Fast surfing for Tokyo citizens

SPEED The Japanese already have fast internet connections, but they will soon get even faster. Everyone living in buildings of three floors or less will now be offered a connection of 1Gbps. For just over SEK 350 per month, people living in the Tokyo area can have broadband access from operator KDDI, writes Techworld.com.

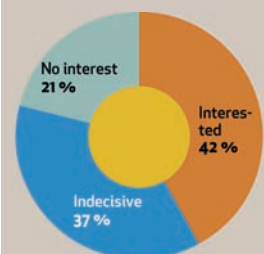
Phone chooses operator

INVENTION Google has submitted a patent application for a system whereby the mobile phone can automatically choose operators, writes Metro Teknik. If the idea comes to fruition, it will mean consumers will be able to set their phones to search for the cheapest operator.

Shop 'til you drop

SERVICE Ericsson Consumer Lab has asked people in Greece, China, Italy, the UK and the US if they would be interested in using their mobile phones when purchasing from vending machines.

▼ THE ANSWERS



Ericsson top of the league

RANKING Analyst firm ABI Research has ranked mobile-network vendors.

Unsurprisingly, the market leader tops the list:

1. Ericsson
2. Nokia Siemens Network
3. Alcatel-Lucent
4. Huawei
5. Motorola
6. Samsung
7. ZTE
8. Nortel
9. Fujitsu

Strong third quarter

REPORT The equity market was surprised when Ericsson published its third-quarter report earlier than expected. Ericsson made the decision to release the report early because results were far above market expectations. Sales of SEK 49.2 billion equated to a 13 percent rise compared with the same period last year. The success is mainly due to good growth for Business Unit Networks in all regions except Western Europe. When the report was released, CEO Carl-Henric Svanberg said that Ericsson's cost-cutting measures were starting to show results.

Mobile data moving forward

FORECAST Revenues for mobile-data services will continue rising, predicts Informa Telecoms & Media's latest edition of World Cellular Data Metric.



Race thrives despite choppy financial waters

While much of the world faces a financial crisis, Ericsson is investing in the Volvo Ocean Race. Torbjörn Possne, Ericsson's head of Sales & Marketing, explains how these two things go together.

MARKETING *Has the global financial crisis in any way affected the race or Ericsson's involvement?*

No, the competition was already underway when the financial crisis hit. Not making use of the investments we have already made would be nothing other than waste. Among other things, cost obsession means utilizing our



Torbjörn Possne

investments to the maximum. It is important to point out that the money we are investing in the Volvo Ocean Race does not represent an extra cost, but is a part of our usual marketing budget.

The first leg is over. What does the race mean to business?

The time we get with our customers during the Volvo Ocean Race is invaluable. During the stopovers we can spend hours together, instead of just minutes, which is what can happen in other contexts. This means we get to understand each other better and create relationships that enable future business.

When do you expect to roughly break even with this event?



PHOTO: OSCAR KIHLEBORG/ERICSSON RACING TEAM

Ericsson Racing Team powers ahead.

We have already met more customers than we did throughout the entire race last time, if we include the preparation period of building the boats in Kista. So, in that respect, we have already passed breakeven. But we should mostly view this as a long-term investment that will pay for itself over time.

What is the atmosphere like if you compare it with the last Volvo Ocean Race?
I was not actively in-

volved last time, but it all started very quickly, and because the competition went badly for us from the start, the company was not committed as a whole.

This time, we have been involved right from when the boats were being built in Kista, and we have been able to follow the crews' training regularly. The race has also started well, so the atmosphere is far better.
Erik Milles

"It isn't certain that we will buy from Ericsson or Nokia Siemens when we roll out Long-Term Evolution. The Chinese companies are at least as good and have good prices"

Johan Lindgren, CEO of Telenor in Sweden, in an interview with Svenska Dagbladet.

Most powerful within wireless

LEADERS What qualities should a leader have? Fierce Wireless's editorial team has given the issue some thought. They came to the conclusion that good financial instincts, good management skills and technical innovation are a decent mix, but not enough. A manager should also be charismatic and have both feet on the ground. Here is Fierce Wireless's list of the most powerful people in the wireless industry:

1. Steve Jobs, Apple
2. Eric Schmidt, Google
3. Ralph de la Vega, AT&T Mobility and Consumer market
4. Lowell McAdam, Verizon Wireless
5. Dan Hesse, Sprint Nextel
6. Robert Dotson, T-Mobile USA
7. Kevin Martin, Federal Communications Commission
8. Barry West, Sprint Nextel's XOHM
9. Olli-Pekka Kallasvuori, Nokia
10. Carl-Henric Svanberg, Ericsson

NEW CONTRACTS

► **Bangladesh.** Ericsson and the leading Bangladeshi operator Grameenphone have signed an agreement to extend the capacity of the Telenor Group company's all-IP core network.

► **Cyprus.** Kuzey Kıbrıs Turkcell has selected Ericsson as the sole supplier of its WCDMA/HSPA network. The agreement includes Ericsson's mobile-backhaul solution with microwave and optical-transport equipment. Ericsson will also provide professional services such as consulting and systems integration.

► **Bangladesh.** Ericsson will manage operations of Bangla Trac Communications' new switching

infrastructure through a managed services contract. The contract builds on a previous agreement to deliver and implement a fixed-line network based on a total Ericsson solution with its Telephony Softswitch, Redback SmartEdge routers and the Marconi OMS Multi-Service Provisioning Platform.

► **Indonesia.** Axis has chosen Ericsson to deploy its GSM/EDGE and WCDMA radio-access-network expansion, including about 2100 sites in Greater Jakarta, Banten and Sumatra. Ericsson will also supply its mobile-backhaul solution. The agreement also includes a three-year managed services deal.

Improving customer projects

Indonesia is at the forefront of a new way of managing projects. Project manager Wima Sakti Ginting thought it was frustrating to begin with, but now it is working well.

SMART IDEA Customer Project Management@Ericsson is a change program created to improve the steering of customer projects. The new way of working gives managers clearer economic responsibility in their projects; by being involved early in the sales process, they can influence a contract's content, which is important for the project's finances.

Defining roles

Another aspect is that the program defines more clearly the roles of the key account manager, project manager, project controller, customer solutions head, steering group and others involved in project steering.

The new way of working also affects projects in other specific ways. Everyone involved feeds project figures into the same solution for financial data, MUS. That enables increased project transparency, improves the quality of reports and gives everyone a common understanding of the



PHOTO: ERICSSON

Ericsson is conducting a project for Indonesian operator Telkomsel using a new steering program.

project status. It also specifies the required meetings, participants, reports and agenda.



Wima Sakti Ginting

Structure is undoubtedly a key aspect.

Wima Sakti Ginting, project manager in Indonesia, has used the CPM way of working in a project with Telkomsel. "The biggest differences are better control of projects and more accurate cost estimates," he says. "We get more transparency

and the project manager becomes more accountable."

Indonesia has been using the project steering formula for all its projects over the past three months, but it is still too early to see any big financial results.

"It was difficult and frustrating to begin with, because we had to adopt a new process while also coping with a lot of work," Ginting says. "But it seems to be running well now."

✉ Jonas Blomqvist

TOP THREE TIPS FROM INDONESIA FOR IMPLEMENTING THE NEW WAY OF WORKING ▶

1. It means change; make sure you have a plan.
2. Line managers, process owners and the project office should be part of the local change team. Customer-project experience is important.
3. Communicate a lot with those affected.

INDONESIA: WHAT DOES THE NEW WAY OF WORKING MEAN TO YOU?



Per-Henry Olsson, key account manager

"It means everyone focuses more, and earlier, on the financials, and also financial follow-ups. Following up is simpler and more straightforward. Good planning makes invoicing and project closure easier."



Zarrot Ansory, project controller

"It makes things simpler for me because everyone is using the same system. Our cost forecasts are more accurate, and we get more realistic financial figures. It also reduces the obstacles to tracking site progress."



Bengt Thornberg, country manager

"We now have an even more aligned project organization, when it comes both to execution and reporting. It becomes easier to track project performance and get warning signals in time, before anything goes off track."

Luxury restaurants always at hand

FOOD The world's most-renowned restaurant guide, the Michelin Guide, will start giving its readers tips via mobile phone. The publication's latest restaurant tips for New York, Las Vegas, San Francisco and Los Angeles can now be found at www.ubiubi.mobi, a mobile site for the jet-set, writes AFP. There are also plans for mobile Michelin guides for other cities.

25

...On October 13 it was exactly 25 years since the first commercial mobile call was made in the US, according to Telecoms.com.



The G phone is here

PRODUCT It has been the most anticipated release since the iPhone, and this is what it looks like – the first mobile phone built on Google's Android platform. T-Mobile USA released the G1 phone on October 22. It is a 3G phone, designed to create a first-class mobile web experience, and it can access the Android market, which hosts applications and mashups of existing and new services from developers around the world.



55 years in Canada

ANNIVERSARY Ericsson started operations in Canada in 1953 with just 10 employees. It now has 1700. Did you know...

... that the first project in Canada was to lay a power cable from New Brunswick to Prince Edward Island?
... that in 1984 Ericsson signed a contract with Can-tel to provide Canada with its first mobile network?
... that the first 3G conversation in North America took place in 2000? It was between Montreal and Dallas.



Ericsson delivers a new radio base station every 90 seconds.

Danes like going to work

SATISFACTION The Danes top the list when it comes to employee satisfaction with the workplace, a survey shows. The survey, by Ennova, asked employees from 20 countries around the world what they thought about their workplaces. The least satisfied are the Japanese. The Americans are at number seven, followed by the Swedes and the Germans. The top five are:

- ▶ 1. Denmark
- ▶ 2. India
- ▶ 3. Norway
- ▶ 4. Brazil
- ▶ 5. Finland

From nowhere to prize-winner in four years

Ericsson Power Modules has received two international awards in recent months, the latest for a revolutionary product based on a technology that did not even exist four years ago.

ENGINEERING As part of Ericsson's environmental program, Power Modules has developed a new technology, called digital power, which will help to reduce energy consumption. The magazine Electronic Products China has now ranked Ericsson's digitally-controlled DC/DC converter, launched in June 2008, as one of the best products of its kind, naming it Top 10 DC/DC product of the year.

The European Elektra Awards committee also chose the Ericsson DC/DC converter with digital control as a finalist for the 2008 Elektra competition in the category "Power Systems Product of the Year."

"We believe we're now two years ahead of our competitors," says Patrick Le Fèvre, marketing director of Ericsson



Patrick Le Fèvre



The two sides of the BMR453 power module, the digitally-controlled DC/DC converter, which is assembled onto a circuit board. The black components are transformers.

Benefits of the power module

- ▶ Intelligent system architecture with reduced number of components
- ▶ Flat efficiency from low load to high load
- ▶ 33 percent less power dissipation
- ▶ Reduced utility costs and environmental impact
- ▶ Two years ahead of competition

Power Modules. "When we began developing our new modules based on digital control, not many people believed in the technology."

The new modules are far more energy efficient than previous models and provide 50 percent more power.

Fewer components

The digital DC/DC converters, called BMR 453, are used for all types of electronic products, including radio base stations and routers. They convert the direct currents between different voltage levels, according to requirements.

System architects can now reduce the number of components on the silicon chip and optimize energy consumption in a totally new way, both on the circuit board and at micro-processor level.

In the new modules the voltage conversion is completely digital. The built-in digital part automatically checks all dynamic parameters and always gives the lowest possible energy consumption. The loss of energy is therefore minimized.

☒ Lars Cederquist

"Sony Ericsson is weak in the low-end mobile-phone segment. But they are doing the right thing by investing in more advanced phones. They need to do that to increase the average selling price." Carolina Milanese, mobile specialist at Gartner, quoted in Swedish newspaper Svenska Dagbladet.

PHOTO: SERGEI KULIKOV



Historic building lives on

RUSSIA This building, at 60 Sampsonievsky Prospekt in St Petersburg, has a special place in Ericsson's history, as the first place the company ever operated outside Sweden. Lars Magnus Ericsson was there when the factory opened in December 1901, and handed out 25 kopeks to each employee. The factory manufactured telephones and switches. Russia was such an important market that Ericsson seriously considered moving the company's head office there.

The building is still standing. Recently renovated, it is called the Ericsson Business Center, but apart from the name, it has no connection to Ericsson.

☒ Gunilla Tamm

PHOTO: LASSE HEIDENBERG



Eva Englund jumped with joy when she received word that she was Inventor of the Year.

Eva is Inventor of the Year

Eva Englund, at Ericsson Research in Linköping, Sweden, has become only the second woman to win the Inventor of the Year award.

INNOVATION Englund has received the award for her important inventions within HSPA and LTE in the area of radio resource management and algorithms. Many of her patents have already been implemented in Ericsson's radio-access network (RAN) products. The Inventor of the Year award has been running for 14 years, but all

previous winners but one have been men.

"It feels great to receive this award because it's a big thing among those of us who are active within research," Englund says. "There is a traditional image of inventors and I hope I'm contributing towards challenging that in this way and inspiring other women."

To succeed as an inventor, Englund says, you must identify yourself with the inventor role and, in particular, dare to take your ideas seriously and drive them forward. And Englund

believes she has had no problems getting her ideas heard.

"I've had the advantage of working in a creative environment with other creative people who've dared to believe in me," she says. "You need to have safe surroundings where you dare to push forward bold and challenging proposals to produce new and vigorous solutions."

Inventor of the Year has been awarded since 1994 to a maximum of three people who have made a particular contribution to Ericsson's

progress through their inventions and patents. This year's winners have together contributed to more than 100 patent applications within HSPA and LTE.

☒ Lars-Magnus Kihlström

Inventor of the Year

► **Award winners:** Eva Englund, EAB, Dirk Gerstenberger, EAB, and Walter Müller, EAB.

► **Special mention:** Erik Dahlman, EAB, and Stefan Parkvall, EAB (winners in 1998 and 2005 respectively.)

Hello...



PHOTO: JONAS BLOMQVIST

...**Jens Löw**, company controller at Ericsson Corporate (EAB), who switched over to the new business system ONE on September 1.

What exactly do you use ONE for?

"We have just finished our first quarterly report in ONE and that went well. We discovered a few minor issues, but they're being corrected so that it will be even easier next time. I also time-report in ONE and place internal orders there, just like most other employees."

What is the difference for you as a controller between working in ONE or in CBS?

"It's much easier to get correct information on figures immediately now that we're working in the same system. Before, we had to transfer the figures manually because you couldn't see information in the other systems. We'll become even more efficient in about a year when all parts of EAB, including production and customer contracts, are transferred from CBS to ONE."

How many people shifted to ONE on September 1?

"About 3400 of us at EAB's functions shifted over at the same time. Business units Global Services and Networks have also moved over to ONE. So now Multimedia is the only unit left in Kista that has not switched, and it will be their turn in February. The changeover has gone very smoothly."

☒ Jenny Sköld

FEW RECYCLE MOBILE PHONES

ENVIRONMENT Only 3 percent recycle their worn-out mobile phones, according to a survey by Nokia. The survey asked 6500 people in 13 countries what they did with their old mobile phones. It revealed that the majority owned five telephones in

their lifetime, which were now lying in drawers.

"Many don't even know that you can recycle mobiles, or how you do it," says Nokia's Markus Terho, Environmental Affairs Director. He says that if each



of the world's 3 billion mobile users recycled just one of their used phones, it would save 240,000 tons of raw materials, which would have the same effect on greenhouse gases as removing 4 million cars from the streets.

☒ Cia Kilander

3 HAVE THEIR SAY

Where will the Ericsson boats finish in the Volvo Ocean Race?

► Alan Zhao, China.



"I've just been browsing through some information on the Volvo

Ocean Race and I've realized that it will be a serious challenge for the participants because, apparently, the weather conditions will be tough during the competition.

"I want to wish all the participants the best of luck and I hope that one of Ericsson's boats will finish first or at least in the top three."

► Alok Hom, India.



"The phrase 'One team, one goal, forward together' means a lot. With this mantra I think Ericsson will finish in a leading position. It's an exciting competition and many factors will play a part in it.

"I think that the Puma Team could be one of the toughest competitors.

"I think that the Puma Team could be one of the toughest competitors.

► Silvina Fortuna, Mexico.



"I expect Ericsson's boats to finish among the top five.

I read on the intranet that we have a good chance of doing very well.

"By the way, the Volvo Ocean Race website is fantastic. I can really recommend that everyone goes in to look at the website. I think the pictures are very good. I'd like to have them as wallpaper."

I think the pictures are very good. I'd like to have them as wallpaper."

☒ Cia Kilander

ONE DAY WITH MARTIN BJÖRCK

"Maybe I should take part in Idol"



Risk-management, tough discussions, different people and clear leadership are all part of project manager Martin Björck's working day. But he says this combination is what attracts him.

07:15 The sun rises in the bedroom from my Wake-up Light. I get up and turn on the TV for the morning news.

08:25 I arrive at work, check the e-mails that have come in during the night, get a cup of coffee and write down what I'm going to bring up in tomorrow's presentation at the Operational Steering Group (OSG) meeting.

09:00 I call Alex, one of the subproject managers, to check some areas before the OSG meeting. I talk on the phone to Luigi, Gunnar and Göran about the subproject all morning. Our delivery plan must be better synchronized.

10:00 I have a meeting with the Mobile Switching Center (MSC) project that we supply to. Bernd expresses concern about our remaining verification activities. We need to push forward our plans.

11:40 I go to lunch alone but meet some old colleagues in the restaurant. Nice!

12:15 Time for our daily internal System Emergency Board (SEB) meeting, where we go through new, serious system errors in our pro-



Martin Björck walks between two of the day's five meetings.

duct that have been discovered in the past 24 hours, and the status on solutions to previous errors that have been reported.

14:00 A meeting with Patrik, the line manager of one of the design units, before tomorrow's OSG meeting. I highlight the risk areas within the design area that I think need more focus. There is a discussion, but no agreement.

14:30 I have a meeting with the Change Control Board (CCB) for our product development unit (PDU), to receive two new Change Requests to be analyzed for the project. I leave after 15 minutes so I can listen to

my telephone messages and make a few calls.

15:30 The CCB meeting AGAIN, this time internally within the project. I arrive 15 minutes late. We follow up on the status of existing Change Requests and distribute new ones to the subproject.

17:10 Finally, no more meetings today. I go to my office to check my e-mails.

19:00 I drive home. I eat spaghetti with my partner. Tasty! I relax a little on the sofa in front of the TV. Idol 2008 is on. Maybe I should take part one year.

21:10 I turn on my computer to finish my OSG presentation.

00:10 Time for bed, I'm tired now. My partner is already asleep. Goodnight.

☒ As told to Staffan J Thorsell

This is Martin Björck

- **Name:** Martin Björck
- **Born:** 1975
- **Title:** Project manager, R&D
- **Years at Ericsson:** 8

Martin prefers:

- ✓ **City**
- ✓ **Team sport**
- ✓ **Book**
- ✓ **Evening home**
- ✓ **Cinema**
- ✓ **Countryside**
- ✓ **Individual**
- ✓ **Morning paper**
- ✓ **Evening out**
- ✓ **DVD**

PHOTO: FERNILLE TOFTE



PHOTO: ARCHIVES

Bakelite telephone makes history

PHONE Around 1930, Ericsson began to see that it could sell to the whole world. It therefore needed a new telephone with a modern design. The prestigious assignment went to Johan Christian Bjercknes, construction manager at Elektrisk Bureau in Oslo, Norway. Bjercknes had seen everyday articles in bakelite and figured the material would also be suitable for telephones. He came up with a model in plastalina, a type of clay. Artist Jean Heiberg was hired to put the finishing touches to the new design. Heiberg produced a plaster model that was patented in 1931.

This led to the first modern, custom-designed telephone to be cast rather than assembled.

☐ Cia Kilander



PHOTO: INA AGENCY

Warning: Links spread viruses

COMPUTERS "Click-jacking" is the name of a new phenomenon designed to trick internet users. When the user clicks on something in the web-browser window, they are unaware that they are clicking on an invisible button which then activates virus-spreading links, reports Computer World.

"Walking along the street in Redwood Shores is like going through my browser's bookmarks. Everything is there: Google, Apple, LinkedIn. We believe that everything that is on the computer will end up in telephones, so it's important to be there." Magnus Andersson, product manager for Sony Ericsson's new X1 mobile, in Metro Teknik.

Against censorship

RULES Google, Yahoo and Microsoft have agreed on rules against restrictions to freedom of the press and freedom of speech, reports the Wall Street Journal. The guidelines describe how internet companies should do business in countries that actively practice censorship. The process of deciding on the rules also involved civil-rights organizations, researchers and investors. Independent experts will also check how closely companies are following the guidelines.

COMPETE AND WIN A PRIZE

CONTEST How carefully do you read Contact? The answers to the three questions below can be found in this issue of the magazine.

1. What is the name of the architect behind the Ericsson Tower Tube and the redesign of Ericsson's London office in 1999?
2. Where can you find the biggest collection of historical Ericsson equipment?

3. What is the name of the method for training recovery leaders?

Write your answer to each question, put "competition" in the subject field, and e-mail your entry to contact.comments@ericsson.com by December 4. The winner will receive a luxury Ericsson Racing Team beach towel. If we have several correct answers, the winning entry will be drawn from a hat.

What was happening this time

...25 years ago

1983 One of Italy's biggest banks signed a contract with Ericsson Information Italia to deliver a data and telephone exchange network to cover the entire country.

The Danish army was modernizing its Centurion tanks and replaced the optical sights with laser sights from Ericsson Radio Systems in Mölndal, Sweden.

...10 years ago

1998 In early October, Ericsson held a management conference in San Diego at which it unveiled a new organization structure, a new management team and a new strategy under the leadership of the then CEO, Sven-Christer Nilsson. After the press conference, the Ericsson share price received a boost, rising more than 20 percent.

...5 years ago

2003 EDGE, the improved version of GSM/GPRS, was ready to be launched around the world. Russian operator VimpelCom started a GSM/GPRS network in the Ural region and the base stations were equipped with EDGE.




Youth control family shopping

PERSUASION They might not own the thickest wallets, but 13- to 21-year-olds have the ability to influence their parents in terms of what they should buy for the household, according to the Mobile Youth Report 2008.

▼ YOUTH SHOPPING



A photograph of Jeffrey Sachs, a man with glasses and a suit, speaking at a podium. The background is dark, and the lighting is focused on him. A semi-transparent teal box is overlaid on the bottom left of the image, containing a quote and his name.

"We adore Ericsson at The Earth Institute. They've understood that sustainability is not about charity, but about adding long-term value"

Jeffrey Sachs

GREEN BUSINESS

A few years ago, the consumer became the focus of attention when the telecom sector realized that services and solutions had to revolve around individuals and their needs, and everything became end-to-end. **Now the same thing is happening** – but this time, with the environment. While it is not new to Ericsson it is a hotter topic than ever and the company is looking at the big picture.

“Those with the best insight will survive”



NEW YORK, USA
NORTH AMERICA

Jeffrey Sachs has been on Time Magazine's list of the world's 100 most influential people several times; the New York Times has called him "the Indiana Jones of economics" and he is probably one of the world's best-known activists within the sustainability movement. Sachs himself believes that the telecom industry is crucial to a better planet.

In 1985, when Sachs was 31 and a professor of international economics at Harvard University in the US, economists from Bolivia gave a lecture there about their country's hyperinflation, which had reached 20,000 percent. Sachs asked for per-

mission to explain how the problem could be solved. One of the Bolivians is reported to have said: "If you're so smart, why don't you come to Bolivia and help us?" When Sachs left Bolivia two years later, inflation was at 11 percent.

Today, he is an adviser to UN Secretary General Ban Ki-moon on the Millennium Development Goals, (*see box, page 20*) and director of The Earth Institute at Columbia University, a research institute focusing on sustainability.

Sachs says that sustainability is about two things. First, companies must protect the environment, minimize ►



Design for Environment (DFE) is a general term for a series of guidelines on how companies can create products that have a minimal effect on the environment. Ericsson's base station production is just one of these areas. PHOTO: GUNNAR ASK

“Mobile telephony and connectivity are the most revolutionary technologies we have for sustainable development”

Jeffrey Sachs

► carbon-dioxide emissions and also use technologies that help others do the same. Second, need to companies work to help poor countries be part of this development.

And he thinks that many companies have become aware of the need for sustainability.

“They’ve either decided early to take a visionary leadership and have been thinking ahead, or the market has shown them that it only wants to invest in tomorrow’s technology,” Sachs says. “Customers, vendors and financiers are telling companies that they have to get in the game. They want to do business with players that will survive, and only those with the best insight about sustainability will.”

Sachs stresses that much has already happened. Today, there are technologies that contribute towards increased productivity while causing less harm to the environment. Sachs mentions farming, where new technology

for drip irrigation has minimized the use of water and fertilizer. Within the energy sector, he mentions new technologies for solar power, new “clean” diesel and hybrid models within the automobile industry.

He is as far from cynical as you can get. Those with a cynical attitude to sustainability, companies that do not believe they can contribute through their business, do not understand their link in the chain, he says.

So companies should get on board by seeing the bigger picture – from their own core business via customers and suppliers to the people.

“Otherwise, they run the risk of going under,” Sachs says. “One example is when pharmaceutical companies almost wiped themselves out by developing fantastic medicines against AIDS – which never reached the poor, who were suffering most. There was no business model. It was not sustainable.”

And he believes the telecom industry can contribute in a massive way.

“Mobile telephony and connectivity are the most revolutionary technologies we have for sustainable development,” Sachs says.

It is quite a bold statement. But Sachs says that connection breaks down isolation, and that Ericsson has understood what can be done with “the values and pioneering technology” that the company possesses.

“We adore Ericsson at The Earth Institute,” he says. “They’ve understood that sustainability is not about charity, but about adding long-term value. It isn’t about giving away money but offering expertise, capacity and decisiveness. Ericsson has asked itself the question: ‘How can we contribute?’”

As an example of this, he mentions the work with the Millennium Villages project.

“Ericsson goes to an African village and builds a site with low energy

REACH PROGRAM

In June 2007, stricter laws came into force regarding the handling of chemicals. Ericsson had to act – and it did so through the REACH program.

SO WITHIN the framework for its Design for Environment (DFE) work, Ericsson has a REACH program. REACH, or Registration, Evaluation, Authorization and Restriction of Chemicals, is the European Union's latest legislation on chemicals.

Ericsson is affected by REACH as a user of chemicals in the development and supply of finished products. Ericsson's

own REACH program was created to keep track of the legislation, to interpret what this means for Ericsson's business and to make sure it is followed cost-effectively.

"But most important is that we have control over the substances we use in production and in the finished product.

We get that by declaring the material and by checking the list of substances that are either forbidden or about to

be phased out," says Richard Trankell, head of the program.

The program is run by employees from Supply & Sourcing, and the focus now is on making an inventory of the substances that are used in production, declaring these substances, and informing subcontractors of the requirements.

"We're also running the program to influence our suppliers to comply with REACH so there are no disruptions in the deliveries."

Read more about REACH on Ericsson's intranet.

costs," he says. "It could be an area that has suffered severely from climatic changes that the Western world in particular has caused. But with the right tools – mobile phones, solar panels or biodiesel generators – everything can happen quickly. Farmers form cooperatives, no longer need to transport themselves and material for several days, and productivity rises."

That is the vision. But Ericsson also needs to earn money – for itself and its customers. How can one make

this equation work? Susanne Lundberg is head of Environmental Product Management, at Business Unit Networks; her task is to ensure that the entire company has the same sustainable processes for materials and products.

"We collect, interpret and drive environmental demands for the whole product portfolio to make sure that



Susanne Lundberg

we meet the expectations of customers, legislators and others," she says.

The springboard for the work is Ericsson's efforts within Design for Environment (DFE). DFE is a general term for a series of guidelines on how companies should create products that have a minimal effect on the environment. Ericsson has been working with DFE for more than 10 years (see box, left).

But the Environmental Product Management unit is just one year old. Lundberg says her task is to see what the sustainability requirements mean for Ericsson, but also how Ericsson will work with authorities, industrial organizations and subcontractors.

"It's a relatively new unit, but most things are in place, and the tools can be found on the DFE site on the intranet," she says. "It's supposed to be a natural place to search information; it has a mailbox and opportunities to ask questions. It all has the management team's support, and many product areas have been quick to make use of it. On the other hand, many are still waking up to it."

But the latter does not apply to Karin Svingby or Tom Linusson, responsible for the Ericsson Efficient Energy business solution at Business Unit Global Services.

"We work with a complete business solution, where Ericsson ▶

NETWORK COMBATS GREENHOUSE EFFECT



Chloe Munro

This year Telstra activated in its Next G network an important new feature for the Mobile Packet Core network called 3G Direct Tunnel. Ericsson is the first vendor to deliver this advance to mobile operators. But what does it mean in terms of sustainability? Contact talks to Chloe Munro, Executive Director Innovation projects for the Digital Future at Telstra.

What has the Next G network meant for you as an operator and for your customers when it comes to sustainability?

Telstra's investment in the Next G network has been a significant step to enable Australia to tackle global warming using the immense power of telecommunications technology. Like

never before, the speed and almost ubiquitous availability of Next G wireless broadband means customers make better use of their time and cut travel costs involved in commuting to and from the office. It also saves the greenhouse gas emissions associated with all that travel.

What types of customers achieve the best sustainability benefits from Next G?

Next G customers include individual consumers, small business, large enterprises and government agencies. Any of them can take advantage of this capability. So the telecommunications industry can enable solutions that will reduce carbon emissions right across society and the economy.

Do you have any interesting figures

that support this, that you can share?

Our research shows that climate change is the issue most nominated by Australians as their main environmental concern. Almost one in four Australians reported climate change as their main concern, with four in 10 nominating it as an issue of concern overall.

Do you have other plans to drive the sustainability agenda by leveraging your networks?

Opportunities for Australians to reduce their carbon emissions are already possible through Telstra's investment in its Next G™ and Next IP™ networks. For example, Telstra's own experience has demonstrated that savings can be achieved through use of video-conferencing and a GPS-enabled fleet management system.

“We have the same end-to-end perspective here as when Ericsson works with understanding the consumer”

Karin Svingby

Did you know ...

... that Ericsson's Lifecycle Assessment (LCA) shows that the yearly carbon-dioxide emission per GSM subscriber has fallen from 180kg in 1985 to 25kg today, which equates to driving a car for one hour or lighting a 5W light bulb for one year?

► helps the customer to optimize energy efficiency across its entire network offering,” Svingby says.



Karin Svingby

And this is where the overall approach becomes apparent. The first thing that many people within Ericsson think about when sustainability is discussed is an individual product or site solution, such as Ericsson's Main-Remote GSM base station, RBS2111, which can be used where there is no electricity and where solar panels, biofuel or wind power are sustainable alternatives. But a product itself is just the innermost dimension. Here, Susanne Lundberg and Ericsson Environmental Product Management have responsibility for green products. There are site solutions with combinations of products that in turn lead to a complete, environmentally sustainable site.

This leads to an optimal network, which results in the realization of the overall vision – a dimension in which the telecommunication industry contributes to an energy-optimal planet with low carbon-dioxide levels.

So what is the value of Efficient Energy Solutions, both to customers and to Ericsson?

Svingby says: “We have the same end-to-end-perspective here as when Ericsson works with understanding

the consumer. We now want to show the customer that Ericsson has complete, cost-effective energy competence and delivery – the full dimension. Ericsson is profitable because we can do broader business. That is the value argumentation for Efficient Energy Solutions.”

The business solution is based on cutting operators' energy-related costs and reducing their impact on the environment. It is used for both new networks and to upgrade existing ones. It is used both for poor areas – where there is no electricity and where sky-high fuel costs are putting a stop to optimal networks – and for mature markets where operators are looking for new ways to cut carbon-dioxide emissions and must follow new environmental regulations.

Tom Linusson explains:

“We work with the customer from the start, where Ericsson utilizes its expertise in the design of networks and sites when it comes to energy optimization. We guide them through the entire process to determine which products, services or concepts suit them best.”



Tom Linusson

To create this added value, Ericsson has a new service, NEO, or Network Energy Optimization.

Then comes the implementation

phase, where Ericsson's innovative – and sustainable – products and services are put to use.

“One challenge is to commit the customer at an earlier stage, to get the complete business and not just parts of it. But we're seeing more and more that they understand that we can help them end-to-end,” Linusson says.

Svingby adds: “The efforts of Ericsson's sales staff within energy optimization and their help with Project Sales are vital to our continued success. The business solution complements product and system sales with the untapped competitive advantage of being an energy partner.”

In arguing for the business solution, Svingby mentions Lifecycle Assessment (LCA). This work, done by Ericsson Research, provides a complete picture of the impact that a product or a service has on the environment – from raw material and the manufacture of both components and the final product, to the product's usage to recycling and waste management. Ericsson has been using this method for more than 10 years, and it has led to a thorough understanding of Ericsson's carbon footprint. Global Services is interested in using this information to help customers understand the environmental impact on their networks of choosing Ericsson equipment.

One example of how Ericsson has been working with customers and sustainable solutions end-to-end is Australia's Telstra (*read more on page 19*).

Sachs says that when Ericsson connects people, in poor or rich countries, and does so with technologies, products and services that minimize carbon-dioxide emissions, it creates sustainability on a large scale.

“This is laying the foundation for the global sustainability that the planet needs. And that is good business,” he says.

Read more about the business solution on Ericsson's intranet. Search for “Efficient Energy.”

☒ Staffan J Thorsell

MILLENNIUM GOALS

The purpose of the eight Millennium Goals is to bring into effect the world's first, international, common agenda for global development, the Millennium Declaration, which was signed in 2000. The declaration states that development demands a holistic approach – that efforts within the areas of the environment, fighting poverty, education and health go together.

The eighth goal calls for a global partnership for development, and the ICT sector is the only business sector which is highlighted as critical to success. The goals are measurable and set to a 2015 deadline. The UN is driving the work, under the direction of Secretary General Ban Ki-moon. The goals are:

- **Eradicate** Extreme Hunger and Poverty
- **Achieve** Universal Primary Education
- **Promote** Gender Equality
- and Empower Women
- **Reduce** Child Mortality
- **Improve** Maternal Health
- **Combat** HIV/AIDS, Malaria and Other Diseases
- **Ensure** Environmental Sustainability
- **Develop** a Global Partnership for Development

Alternative energy sources, such as solar cells powering telecom sites, are just one of the many ways that Ericsson can contribute towards having a positive effect on the global environment.





Joakim Palm supervises the loading of Ericsson equipment onto the Maersk Nassau in Gothenburg Port.

Coast is clear for sustainable shipping



GOTHENBURG
SWEDEN, EUROPE

As far out on the docks as you can come in Sweden's Gothenburg Port, an icy wind whips around the 220m-long Maersk freighter Nassau. Against the clear, blue November sky, the sun shines on the 20-metric ton containers, partly filled with Ericsson equipment, that are loaded onboard about every 20 seconds. During the freighter's 24 hours in port, it will be loaded with 2500 such containers – an increasingly common sight now that Ericsson is using more sea freight.

It is an obvious trend in all industries, says Joakim Palm, director of Ocean Freight at DHL, one of Ericsson's transport providers. With almost 300,000 employees in 220 countries, DHL is the world's largest transport company, the market leader in international express transport, logistics, road transport, and sea and air freight.

"We are seeing more companies using sea freight more often," Palm says. "It is both a matter of cost-effectiveness and environmental awareness. Ericsson has a clear strategy here, and it has moved quickly."

Johan Jemdahl, head of Ericsson Distribution Logistics (EDL), says the objective is crystal clear.

"I want Ericsson's transport, the entire delivery chain, to be a competitive advantage. We must have the best products, at the lowest price, and with the smallest environmental impact, in the whole industry," he says.

EDL is more a network of people within Ericsson than a unit, but it is represented by Ericsson's Central Distribution Logistics (CDL) unit in Kista, Sweden. EDL's task is to optimize the company's distribution spending and minimize the environmental impact of logistics, to design and run world-class global distribution

and warehousing processes, to select subcontractors and develop end-to-end distribution solutions for all the company's customers.

"Over the past year, we have been working intensively on increasing awareness about our different modes of transport, and now it is up with top-level management as it holds its steering meetings with the MU heads," Jemdahl says. "Of course the starting point for these efforts is to improve cost-effectiveness but the environmental aspect is constantly playing a larger role."

And the figures speak for themselves. Freightling a unit by air means emitting 40 times the carbon dioxide of shipping it by sea. A plane releases 639g of carbon dioxide per metric ton and kilometer. Sea freight emits 15g per metric ton and kilometer, road freight 30g and rail 15g.

Ericsson transports 120 million kilograms every year – 60 percent by air, 26 percent by sea, 15 percent by road and the rest by rail.

"We have been amazingly successful over the past 18 months," Jemdahl says. "At the end of 2006, 9 percent of our freight went by sea; today, that figure is 26 percent. In money terms, we reduced our transport costs by nearly SEK 500 million. Air freight costs nearly six times what sea freight does."

For Jemdahl, it is all about Ericsson accepting its responsibility for the environment and helping reduce climate change. The company is the largest purchaser of air freight in Sweden, and the fifth-largest in Europe.

"We are making a big difference for the environment," he says. "For example, in 2006 EDL didn't have any form of scorecard for environmental issues. In 2008, we have one in place, and we will develop it further during 2009. We are measuring our CO₂ emis- ▶



Anna Kramers

SUSTAINABLE MULTIMEDIA

Multimedia is an important area for Ericsson. But how does it fit in with environmental sustainability?

"Multimedia applications can help reduce carbon-dioxide emissions by about 20 percent with, for example, 'smart' roads, 'smart' energy, tele-conference solutions and e-infrastructure, as well as m-financial services, m-healthcare and m-education," says Anna Kramers, portfolio manager for consumer applications at Business Unit Multimedia.

Smart roads can give information about how to drive as energy-efficiently as possible, and can accept payment at tollbooths and other freeway payment sites. Such services can be based on Ericsson's payment and positioning solutions.

Kramers says m-financial services such as mobile banking help reduce travel and remove the need for local bank branches.

So is there a future in sustainability for Business Unit Multimedia?

"Yes. Many operators are interested in which 'green' services we can provide, and there will be a strong focus on this area during 2009 when Sweden has the rotating EU presidency and the UN Climate Change Conference is held in Copenhagen (in neighboring Denmark)."

“The salespeople of course have to be much more environmentally aware” Johan Jemdahl



A container filled with Ericsson cables is lifted onboard for transport from Gothenburg to Jaipur in India.

► sions and will refine our measurements further during 2009. And we have also created a full-time position working with environmental issues within transport.”

Jemdahl says the environment has started to creep on to some of the bigger operators’ agendas when it comes to shipping, and some of them require Ericsson to report CO₂ data related to shipping and transport. And although it is not yet firmly established on all operators’ agendas, it is just a matter of time before they place specific environmental requirements on Ericsson’s shipments. And, says Jemdahl, Ericsson wants to be ahead of the game.

“We need to be able to tell the customer, ‘You are buying the world’s best products from the world’s most efficient supply chain. And that the delivery of it also has a low environmental impact.’”

But salespeople at market units want to sell as much as possible, as quickly as possible. For them, won’t environmental issues and ships mean that everything just takes longer?

Jemdahl says it could be a challenge to get the Ericsson sales team to adopt the new way of thinking.

“The salespeople of course have to be much more environmentally aware. Our transport strategy will increase profitability for everyone within Ericsson. When we sell a product, we should always consider how we can re-

duce lead times by, for example, using local sourcing.”

He does not want to talk about a paradigm shift, but says that Ericsson simply is changing when it comes to transport. As an example, he says Ericsson was a production company in 1995 with everything coming from the company’s own factories. Today it has great success with third-party products (3PP) and local subcontractors. Now, Ericsson is becoming more centered on optimizing transport, and doing more locally. Shortening lead times means thinking from the outside in. And this demands careful planning.

“But we have to take responsibility for environmental issues, it is that simple,” Jemdahl says. “Why should we ship a battery from China to Sweden and then to Indonesia, when we could have shipped it straight there, or bought it locally?”

It works. Of course, there is variation between markets, but key account managers in many market units have realized how this approach works.

“For example, we have gone from having 20 percent of freight in the Caribbean going by ship to more than 60 percent, while maintaining profitability. And it is also a difficult area in geographic terms,” he says.

As a further step in its environmental efforts in transport, Ericsson is going to demand greener ships, planes and trucks. Air freight companies, for

example, often use older models of the Boeing 747 jumbo jet, which use 30–40 percent more fuel than newer models. Ericsson will also ensure that it works with subcontractors and partners who think along the same lines.

DHL, for example, aims to reduce carbon-dioxide emissions by 30 percent before 2020.

Ericsson has also joined Clean Shipping, a project in which some of Sweden’s largest importers and exporters have got behind a common goal: to minimize the environmental impact of sea freight.

“It is a way of placing demands on industry together,” says Jemdahl. “We are showing our intentions to everyone working with us: We will push the environmental agenda.”

“Until now, we have always selected air freight automatically when we organize freight, no matter the market. If you wanted sea freight, you had to go into the computer system and select it manually. We have now changed all our systems so the opposite is the case.”

Jemdahl believes that, in five years, it will be common for Ericsson customers to demand that the company makes an environmental declaration to the customer: that Ericsson will need to account for its carbon-dioxide emissions for each specific delivery.

“And we need to start now, not when it has already happened. We quite simply have to take responsibility and control for the environment. This will be a competitive advantage.”

Down in Gothenburg Harbor, it is already getting dark, even though it is only 2.30pm. In a few hours, the freighter Nassau will head for Denmark. There, Ericsson’s cables will be delivered to a larger ship that will take them to Jaipur in India.

On the docks, Joakim Palm looks up at the tall, dark-red cranes lifting the containers.

“It is fantastic to see how much is happening in all industries,” he says.

“And the fact that huge companies like Ericsson are shouldering their responsibilities so vigorously makes it obvious that we can help the environment.”

Text: Staffan J Thorsell Photo: Bodil Bergqvist

The end of the line

A European Union directive on the handling of electronic waste requires producers to take back material that has exceeded its best-before date. Ericsson has complied with this directive since 2005, but is now taking this EU approach global to become a leader in this area too.

The Waste of Electrical and Electronic Equipment Directive (WEEE) was created to obtain control over the fast-growing amount of waste from electrical equipment. The main purpose is simply to reduce the volume of material that ends up as landfill. Producers must offer their customers the opportunity to return products when they no longer have a use for them. The directive demands reporting on both the amount of electronic goods on the market, called “put on the market,” and the amount of material returned, called “take-back.”

Stephen Rodgers is head of Ericsson’s Ecology Affairs.

In practical terms, what does Ericsson do when it comes to take-back?

A request to collect a used product, or “pick-up,” comes from the customer to the market unit. This could be, for example, an operator in Nigeria asking us to collect 30 base stations. The market unit confirms this with the customer and then sends the request to the Ecology Management Control Tower, located in Kuala Lumpur, Malaysia. The Control Tower contacts one of Ericsson’s five global recycling suppliers, who will arrange pick-up of the used products. The recycler creates an inventory list, separates the reusable

components and recycles the remainder. The process ends with a WEEE report, which is sent to the country authorities when applicable, for example in the EU.

How much is being recycled and how much can be reused?

The EU WEEE directive states that 75 percent should be recycled or reused and that less than 25 percent should end up as landfill. Ericsson significantly exceeds these targets. During 2008, Ecology Management has collected more than 800 tons, of which more than 98 percent was recycled or reused, so less than 2 percent ended up as landfill.

Employing subcontractors, such as recycling, transport and administration companies, sounds expensive. Does Ericsson earn any money from this?

The aim is to keep the Ecology Management process cost-neutral while at the same time complying with or exceeding environmental legislation. We’re working on making processes such as transport more efficient. We only select recycling companies that enable us to work globally – through the market units we can now offer this service to any customers, anywhere. The recyclers must also be able to deal with local variations in regulations and to offer add-on services, such as product tear-down. There is no alternative – Ericsson must be an en-

vironmentally sustainable company. Our take-back is designed to be simple, quality-focused, green and cost-efficient, which customers demand.

What about mobile phones? With more than 3 billion out there, what happens to them?

Sony Ericsson has announced a global take-back program for phones, and is using many of the same suppliers and processes as Ericsson. Together with the global take-back program, Sony Ericsson also recently launched a “green concept phone.”

Text: Staffan J Thorsell Photo: Stefan Borgius



Stephen Rodgers, responsible for Ericsson Ecology Affairs.



“As I see it, we can accept an almost unlimited supply of material”

Alexander Husebye



PRESERVING THE PAST

1800 meters of Ericsson history

Welcome to a nostalgia buff's dreamland: the Centre for Business History. Here you can find an early "pocket model" of Ericsson's first mobile phone, which is **almost 30cm long**. Then there are Lars Magnus Ericsson's own notes in the company ledger, which between 1876 and 1881 consisted of a small notebook. Contact has visited the archives, which contain 50km of cataloged documents.

STOCKHOLM
SWEDEN, EUROPE

The Centre for Business History's impressive 4500 sq m of archives is hidden behind a modest steel door in an old press room in Alvik, Stockholm.

Display cases in the entrance hall contain dairy memorabilia: pyramid-shaped milk cartons from the 1960s, yoghurt packets from the 1970s and ice-cream packaging dating back to 1935.

Another case contains an Ericsson telephone from the 1920s.

Alexander Husebye, CEO of the Centre for Business History, says: "We want to ensure the historic value of

products that have characterized people's daily lives for so long."

A spiral staircase leads down to research rooms and the archives, which smell of books, ink, leather binders and paper – like a library.

"This is an old printing house and copes well with heavy storage," Husebye says, adding that every square meter of documents weighs several tonnes.

Of the 50km of shelving in the archives, 1800m are taken up by ▶



Alexander Husebye

“Last time someone exclaimed: We were dealing with the same strategic issues then as we are now”

Alexander Husebye



A handwritten letter by Lars Magnus Ericsson.

► Ericsson material. One of the collection’s treasures is Ericsson’s very first ledger, from 1876. Krister Hillerud, deputy CEO of the Centre for Business History, shows us the small ledger, written in by Lars Magnus Ericsson himself, containing five years worth of notes about sales and staff wages. In 1881, this modest notebook was replaced by a larger and more formal accounting book.



Krister Hillerud

Husebye says Swedish companies have not been as good at recording their history as those elsewhere, which often place great importance on their past. One German saying, for example, is that “a company’s history is its genes.”

“They’re good at documenting and analyzing their setbacks and successes in Germany,” he says. “BMW recently rebuilt its museum at a cost of EUR 180 million.”

But Husebye believes the trend is changing and that more Swedish companies are now realizing the value of preserving their history.

“Interest and knowledge is starting to grow, and Ericsson is a good example of this,” he says. “Now, every week we handle questions from Ericsson employees from all over the world.

These could be about research, pictures or factual information.”

Ericsson began cooperating with the Centre for Business History 20 years ago, and in 2002 a major exhibition was created at Ericsson’s headquarters using archive material.

“When I give lectures to management teams, people who are a little boisterous to begin with often go quiet when they read old board documents written perhaps 50 years ago,” Husebye says. “Last time someone exclaimed: ‘We were dealing with the same strategic issues then as we are now.’”

Krister Hillerud says that history teaches us that corporate social responsibility is not a new phenomenon; it is something that has existed within Ericsson’s operations for more than 100 years.

“In the 19th century, Lars Magnus Ericsson started a fund to help company employees cover the cost of funerals or being sick,” he says. “In Naples, Italy, in the 1930s, there was a predecessor to today’s Ericsson Response, which was about the company responding quickly to earthquakes.”

Hillerud says that the oldest photo in the center’s archives is from the 1880s. “Several pictures are scanned because old negatives are often glass plates or acetate material that fades and gets damaged over time,” he says. “We also register old drawings. Today our archives contain 600,000 of them.”

Husebye says there is still room for more material on the premises. “We can expand. In fact, as I see it, we can accept an almost unlimited supply of material.”

Sweden’s National Museum of Science and Technology has the largest collection of bulky technical Ericsson apparatus, but drawers at the Centre for Business History contain items such as antique switchboards and mobile phones.

Elegant chairs from Ericsson’s former headquarters at Telefonplan in ►

HOW DO YOU USE THE CENTRE FOR BUSINESS HISTORY?



► Charlotta Mantell, Ericsson Experience Center:

“The Centre for Business History has a fantastic archive, a treasure chest of memories. It is perfect to use for storytelling. For us at the Ericsson Experience Center, the archives have been a source of inspiration and we often use Ericsson’s history in customer contexts. It is important for us to explain the time we are in now and our future by linking our operations to our history.”



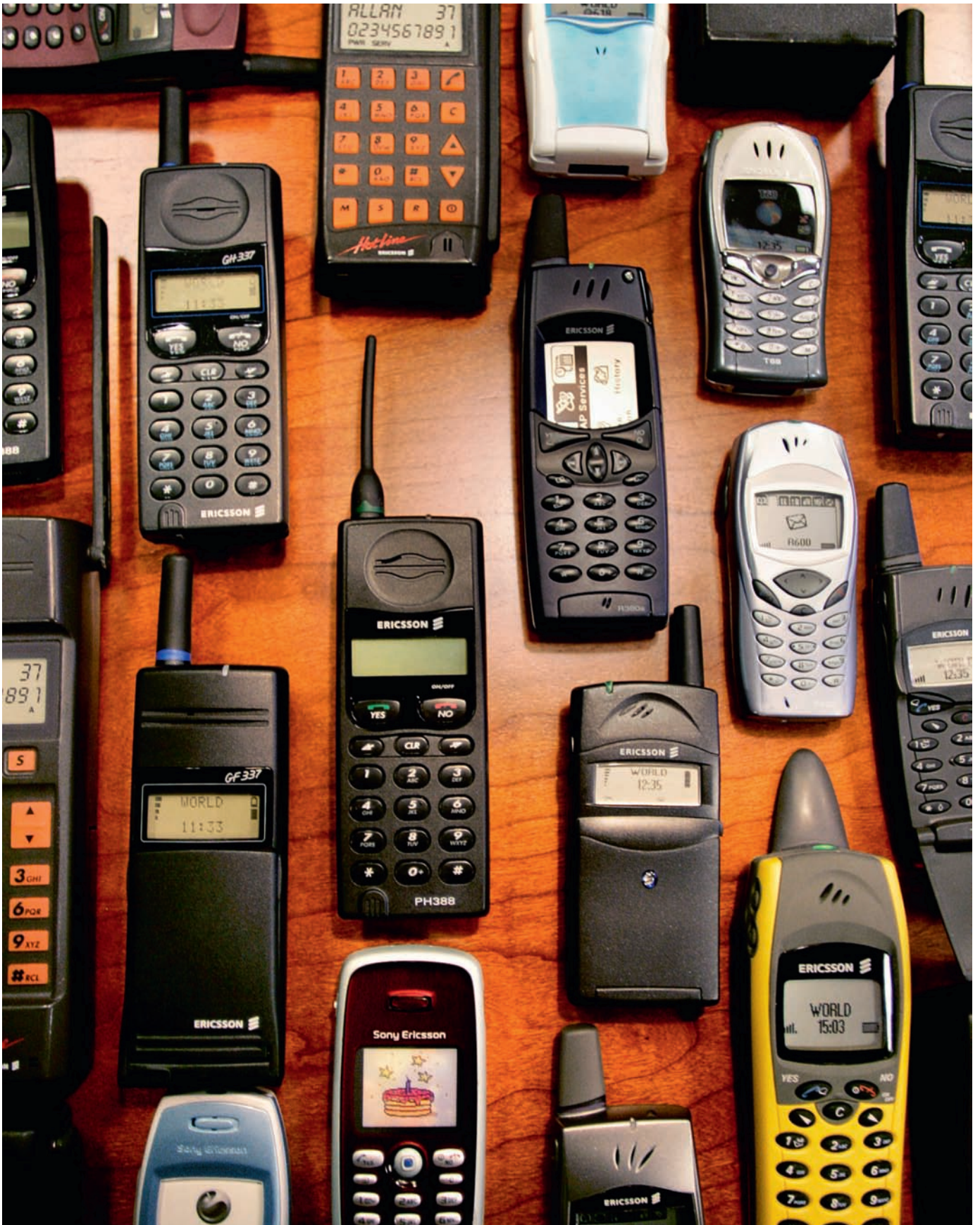
► Hans Oskar, Group Function Communications:

“We’re using the Centre for Business History’s archives actively and more often. Our history proves that we live and learn when it comes to solutions, innovation and leadership, which over time have been built on the same original basic values. We’ve recently been using archive material for a presentation at the Volvo Ocean Race. We’ve been able to give an account of Ericsson’s business at the different stopovers in the competition. Our history enhances our trustworthiness.”



► Kjell-Åke Rydén, Group Function Communications:

“I began Ericsson’s cooperation with the Centre for Business History 20 years ago. I usually say that there is nothing new under the sun, and through our history we can benefit from our previous experiences when facing today’s challenges. I hope that every employee is involved in building on the history that we’re creating daily by following the company’s archive routines. The archive today is systematized, searchable and completely open for all those who are interested in the material, such as journalists, researchers, students and, of course, all of us within Ericsson.”



Remember any of these mobile phones? Owned one of them yourself? The Centre for Business History has an impressive collection of old Ericsson handsets.

“The most recent addition to the archive of Ericsson artifacts is a tent, which was discovered not long ago” **Krister Hillerud**

Did you know ...

... that the Centre for Business History has a total of 27 million Ericsson pictures, including documents that have been transferred to microfilm?
... that by 1912 Ericsson had sold its first million telephones?
... that Ericsson and the Centre for Business History have been in co-operation since 1988?

► Stockholm stand around the table in the conference room at the centre, and the classic Kobra and Dialog telephones are displayed on the shelves.

“The most recent addition to the archive of Ericsson artifacts is a tent, which was discovered not long ago in a house outside Stockholm, that belonged to an former Ericsson production manager” Hillerud says.

The tent was made to provide shade for workers connecting wires to telephone poles in Mexico at the start of the 20th century.

“In today’s more global society, a company’s history is what makes the biggest difference,” Hillerud says. “In addition, product names, patterns and designs are sometimes copied, and historical documents can help to win copyright disputes.”

He points out that one document turned out to be worth SEK 200 million for a company in a dispute about copyright.

The Centre for Business History also took over a large number of documents from the former Telecommunications Museum. And historians have scanned about 800 letters written by Lars Magnus Ericsson while abroad on business trips, and by his wife.

“Lars Magnus writes about his impressions and experiences, and Hilda writes back from Sweden about how things are going at the factory,” Hillerud says, showing one of the originals.



The collection ranges from an old tent to hat badges and insignia from the early 20th century.

On www.ericssonhistory.com you can find English translations of a selection of the letters, and you can see the scanned-in, handwritten letters in PDF format.

Today’s digital media are more of a challenge to archive because digital design successes are often “untraceable” or “deleted.”

“One challenge for us in the future will be to decide how we should store websites in the long term,” Husebye says.

“It’s also high time to continue documenting Ericsson’s history after the 1980s, especially Sony Ericsson’s design history.”

Text: Katarina Ahlfort Photo: Bodil Bergqvist



THE CENTRE FOR BUSINESS HISTORY

- The centre is a non-profit association.
- It has about 7000 corporate members.
- It was started in 1974.
- It has 23 employees, most of whom are archivists, historians or journalists.
- The archives contain material from the 18th century up to today.
- Company history is exhibited through archive material in the form of books, displays and webpages.
- The center welcomes visits from groups and individuals, though advance booking is necessary.

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TAKING YOU FORWARD

०:०१ ०:०२ ०:०३ ०:०४ ०:०५ ०:०६

The Minute Factory

Mobile phones have become a common sight in Indian cities. Leading mobile operator Bharti Airtel now **aims to conquer rural India** too – and launch 3G. Ericsson is there to help.

The Minute Factory – that is what Bharti Airtel CEO Manoj Kohli and mobile-services chief Sanjay Kapoor call the business model behind the operator's monumental success.

When Bharti Airtel was launched in 1995, industry experts said a high-ARPU, post-paid customer was good, while a low-ARPU, pre-paid customer was bad. But they misunderstood India. With its huge population – above 1.1 billion, the second largest in the world – largely consisting of people without big wallets or fixed telephones, it could not be compared to Western countries. Bharti found its own way after a few years.

Kapoor says: "Ultimately we run a minutes factory. We produce and sell minutes. Every minute is good as long as we can sell it for more than the cost of production. Then what does it matter if the ARPU is high or low?"

The Minute Factory resulted in a simple idea that shocked the telecoms world: low-price voice calls. That would get people to talk more and flood the network with traffic. Bharti also decided to outsource as much as possible to keep costs and prices low.

It was proved right and Bharti is now the most successful mobile operator in the world's fastest-growing market. Its leadership is clear: over 24 percent market share, the highest profitability and more than 80 million customers, rising by close to 3 million a month. Its customers are calling for a total of 1.25 billion minutes every day, at what is probably the world's lowest price: 1.5 US cents per minute.

"We talk a lot in India, more than 500 minutes a month. I think we are the most talkative people in the world after the Americans, who speak for 800 minutes, and the Puerto Ricans, who speak for 1250 minutes. I can't understand what on Earth they are talking about," Kapoor says with a smile.

The talkative ones are living in India's big cities. In the light of that, plus the fact that only every fourth Indian has a mobile phone, the country could be on the verge of a second mobile revolution, only this time the 70 percent of the population living in rural India will go mobile. Bharti wants to move now – ahead of the competition.

"Mobile penetration in rural India is less than

10 percent," Kapoor says. "More than half of our new customers come from rural India today, and that will increase dramatically from now on."

It will take time, but the rural population looks set to become Minute Factory customers. The biggest factor is the Indian economy, which has been doing well for years and is reducing poverty and creating a gigantic middle class.

Another factor is the lack of telephony and internet services in rural India. The cheapest way to spread those services is over wireless networks. "The government has understood the importance of mobile communication and wants to make it available for more people as a step towards increasing living standards," Kapoor says.

3G is unsurprisingly the hottest topic within Indian telecoms today. Licenses are expected to be released in 2009, and Bharti expects to get one. CEO Kohli says Bharti will go directly for HSPA. Even if rollout starts in the big ▶



Manoj Kohli



Sanjay Kapoor

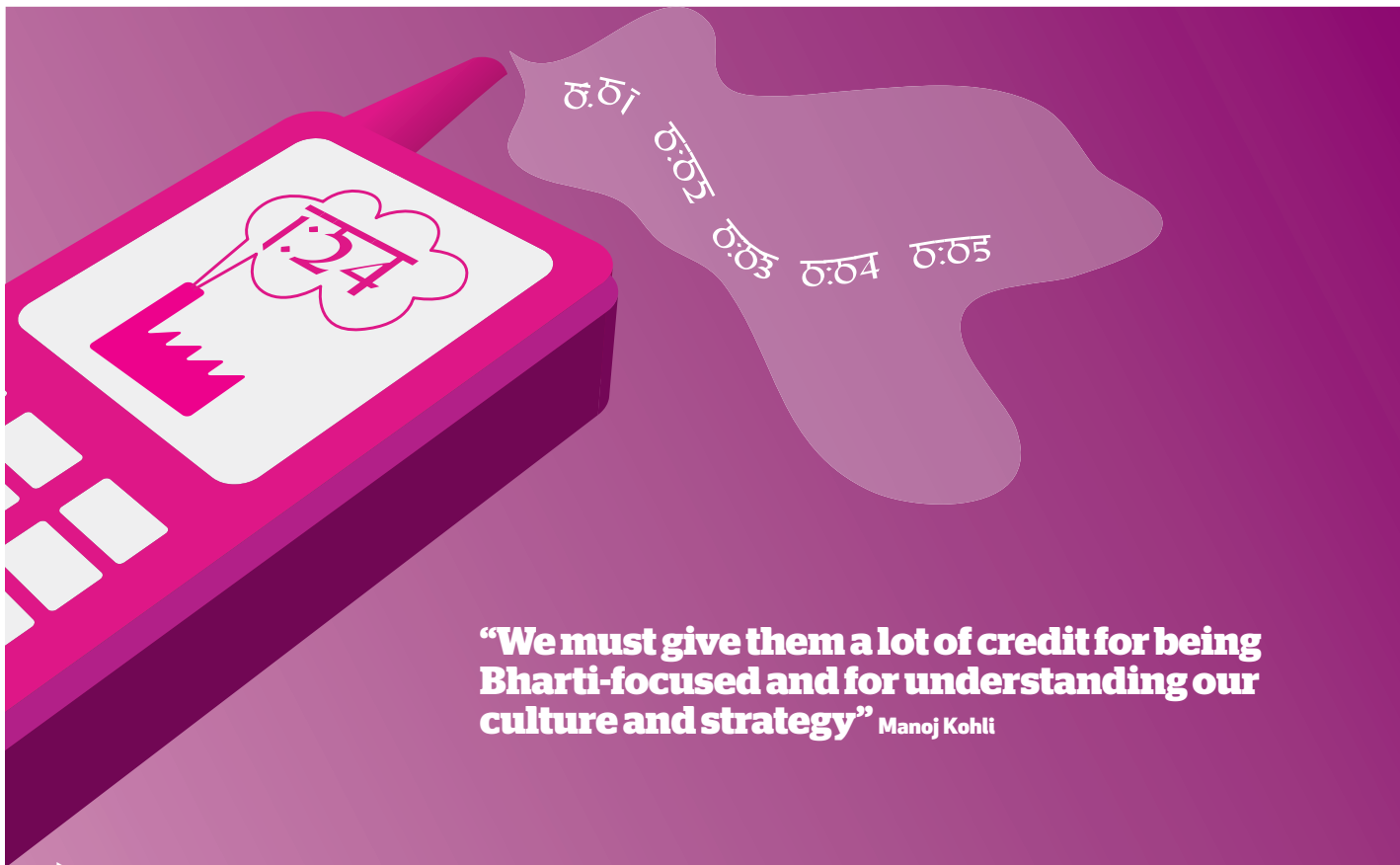
Bharti's Kohli and Kapoor on ...

▶ **... Competition:** "India is probably the hottest market in the world. Today there are about 10 mobile operators. We think consolidation will bring the number down to five or six. Competition affects prices and our bottom line, but we are gaining market share."

▶ **... Subscribers:** "Everybody in the industry believes India will have at least 500 million users by 2010. But whether we reach 800 million depends on the middle class continuing to grow. India is at 25 percent; our neighbors have 40 percent. India will reach that too."

▶ **... Coverage:** "We have 75,000 base stations, but still cover only 77 percent of the population. We would need 250,000 to cover it all, but that is not realistic. We will probably go up to 95 percent in some areas, 90 in others, 80 in some..."





“We must give them a lot of credit for being Bharti-focused and for understanding our culture and strategy” Manoj Kohli

► cities, 3G will also play a role in Bharti’s rural strategy.

“There is a digital divide between urban and rural India, and 3G is the only way to bridge it,” he says.

But rural India will have to settle initially for GSM while the metropolitan areas get HSPA. Although Indians love talking, and the Minute Factory is running like clockwork, Bharti hopes that customers will start using other services too. That may become important as networks are built, expanded and upgraded, because nobody knows for sure if the new networks will be filled with voice traffic or if 3G services will be the crowd-pleasers.

One thing that is certain, however, is that 90 percent of Bharti’s mobile-service revenues today come from voice. Most of the remaining 10 percent is from SMS. Bharti also says it is selling more music than any other company in India, and Kapoor believes other services could also flourish.

“We believe in payment and banking services because most Indians don’t have access to those kinds of services and the only way to get them is on a wireless device,” he says. “We

believe in mobile gaming because we have such a large youth population; in mobile advertising; and – when 3G happens – in mobile broadband. Wireless internet revenues will be significant for us.”

Ericsson looks set for a speedy journey. Bharti has not decided how much of its investment will go to Ericsson, but Kohli says continuous cooperation will be important.

This means a lot to Ericsson. India is in the top three on the list of its largest markets and Bharti is one of Ericsson’s most important customers. The partnership between the two started when Bharti entered the mobile world, and Ericsson has delivered, and now manages, two-thirds of the operator’s GSM network.

“We would not be the market leader without Ericsson’s support,” Kohli says. “We must give them a lot of credit for being Bharti-focused and for understanding our culture and strategy.”

He lists three things he expects from his main supplier. The first is that Ericsson will be able to roll out networks rapidly enough for Bharti to be first in rural India. There is some justified concern here.

“Ericsson’s supply chain could be a bit more reliable. Delays have slowed down our program,” Kohli says.

Number two is that Ericsson delivers high-quality networks. There must be a good 3G-2G handover in cities; in rural areas, sites must be effective to cover large areas if the network is to be profitable, energy-efficient and maintenance-free, because they are often hard to reach.

“We believe the Ericsson network itself will have a billion minutes a day in six months,” Kohli says. “That would make it one of the largest in the world. Service quality, planning and processes become important with that much traffic.”

The third expectation is that Ericsson can bring the two companies’ managed services partnership to the next level, a task that could soon involve solutions from many vendors, as well as traffic from several operators.

“If Ericsson can handle these three things, it will put them even further ahead of our other vendors,” Kohli concludes.

✉ Text: Jonas Blomqvist Illustration: Ebba Berggren

► **... Its toughest challenge:** “It’s the enormous growth we see. Few operators in the world have seen this kind of growth and handled so much traffic, so we need to learn from ourselves. We must create our own processes and systems.”

► **... 3G spectrum:** “It is a big topic. Everybody knows how Western operators have bled from buying 3G spectrum, and we don’t want to go down that route. So it is important for us to get the right spectrum at the right commercial terms.”

► **... Voice pricing:** “We have already hit the bottom, even if competitors can take down the price a little in the short term. But our business model can manage 1 US cent per minute. All industries must cater to inflation and in the long run, prices may go up a little.”

Saudi Arabia, 1978



A representative of the Saudi Ministry of Communications examines the latest technology, a computer-based AXE system that was known for being both easy to install and virtually service-free. **The deal with the Saudi Ministry of Communications was the biggest Ericsson had at that time.**

The contract was worth about SEK 10 billion when it was signed in 1978. But during the project period, the work was gradually expanded, and the deal, including currency fluctuations, was revalued at about SEK 30 billion when the work was completed in 1984. It was a welcome deal for Ericsson because vast amounts had been spent improving the AXE system.

Photo: Centre for Business History

Mobile Adventures

by Jola Cederschiöld

ERIC@, MOBY AND SONY ARE OFF FOR THREE MONTHS OF BACKPACKING ALL AROUND THE WORLD.

