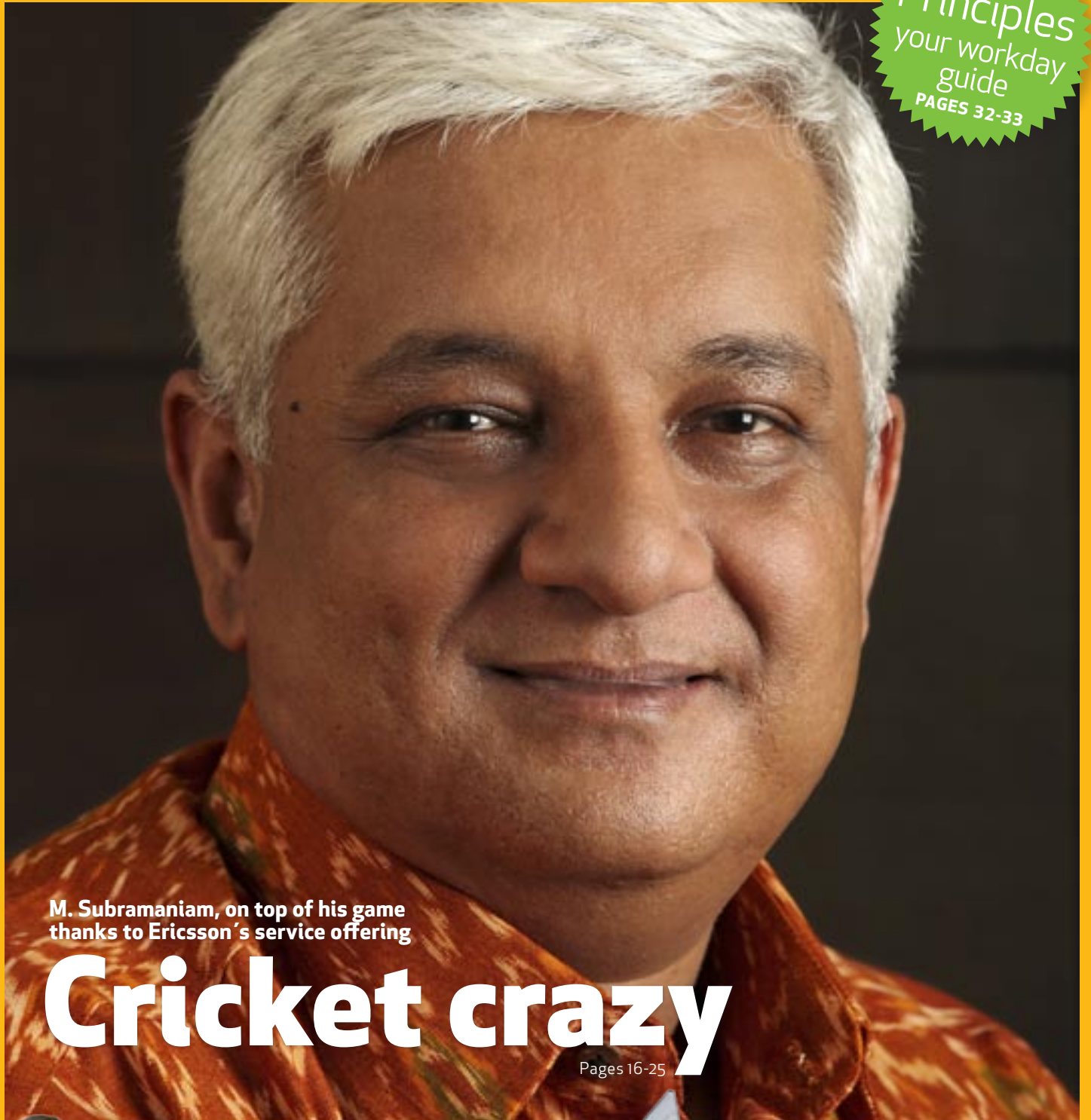


Contact

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your workday
guide
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Cricket crazy

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**HANS VESTBERG, ERICSSON
CEO AND VICE PRESIDENT:**
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the platform to
build on Pages 26-34



MAKE CALLS GROW COUNTRIES

One quarter of the world's
population is making calls
thanks to Ericsson.



ST-Ericsson

Platform builders

Pages 26-30



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Contact

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A growing business

Not long ago, telecom-network support was included when most operators chose Ericsson equipment. Our services business now brings in billions of Swedish kronor for Ericsson and it is a part of the company that is constantly growing. Network Rollout still represent the largest share of income for Business Unit Global Services. But as the market develops, customers are discovering that we can also help them with Managed Services, Consulting and Systems Integration. And the traditional operators are no longer our only partners – these can also include the emergency services, authorities and local governments.

The Estonian Government appointed Ericsson to help with the analysis and technical planning of a national broadband network some time ago. Ericsson had a purely consultative role, and six weeks later the company presented a comprehensive pre-study, which now forms the basis of the government's work. This is an excellent example of us being fully capable of acting as advisors in close cooperation with our customers. We also have our large managed services deals in various parts of the world, which help us build trust with our customers and which often act as catalysts for sales of other offerings. One example is our large-scale cooperation with Bharti Airtel in India, which you can read more about in this issue of Contact. Much of this issue centers on giving you an in-depth view of how Ericsson is helping various customers become more successful through its service offerings.

I have recently returned from a highly inspiring global management meeting in Stockholm. It was Hans Vestberg's first as CEO, and he said how important it was for the company to continue along the road that we have mapped out in recent years, and also that we are a flexible company with the ability to quickly adapt to changes in the market.

You can now access some of the content from this meeting through our other information channels. Also, the next issue of Contact will include a supplement, where we will summarize the basic strategy for our way forward.



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

WHERE CAN I READ MORE?

In issue 1/2010 of Contact, there is an interview with Ericsson CEO and President Hans Vestberg, where he talks about five focus areas. Where can I read more about these areas? I've been looking but I haven't found anything.
Karin Öborn, Sverige

ANSWER In this issue we write more about these focus areas. Read the interview with Hans Vestberg on pages 14-15, and look at pages 32-33 where we present the Five Principles in more detail.

Editorial

MMS YOUR PICTURES

As well as the usual e-mail address, you can also MMS your reader's picture to us at the Contact editorial desk. You can reach us by calling +46705 865030. Don't forget to include your name, country and some brief information about

where and when the photo was taken.

Editorial

CORRECTION

In the "Top marks for Ericsson" article on page 10 of the last issue of Contact, we referred to civil engineers and civil economists. This should have read people with a Master of Science in Engineering and Master of Science in Business respectively. In the "I see a similarity.." article on page 30, the name in the caption should have read Eva Idesjö.

Editorial

Readers' pictures



Every year commercial mgt team India/Sri Lanka go on out bound trip to some adventure place. This picture was taken in August last year near Pongkong Lake at Leh in India, on the border to China.

R. Jananathan, Sri Lanka



Here is a picture taken during our family's vacation to Nova Scotia(Canada)last summer. This photo is of a lighthouse at Margaretsville. Nova Scotia (and Prince Edward Island) are simply amazing, beautiful sights like this can be found easily. We want to return soon.

Derek Iverson, USA



A picture of my cat Sotis taken with a w810i in my apartment in Kungsängen, Stockholm late last year. In this photo, Sotis is a year and a half old.

Anne-Christine Lärkerud, Sweden

Web poll

41

... percent of 576 Ericsson Employees say the TV would be the first appliance they would connect in their digital home.

Source: Global intranet portal

Welcome ...

PHOTO: MARTIN ADOLFSSON



... to Ericsson, Veronique Farrell

... who is one of more than 2500 former Nortel employees who were transferred earlier this year to Ericsson. She is responsible for the delivery of CDMA products and R&D engineering services with BU CDMA Mobile Systems.

How has the transition to Ericsson worked out for you?

Nortel had been failing despite

our best efforts. Nevertheless, we have had some exciting achievements in CDMA and LTE engineering; and the transfer to Ericsson means we can carry this work into a successful future.

It has been enriching to meet new people, adopt new ways of working and to build on this – the best of both worlds.

It's interesting to discover how each culture influences our ways of working. I have had the chance to live and work in England, France and North America, and to work closely with colleagues in China. Now I'm looking forward to learning from my Swedish colleagues.

Have you been asked ...

...ABOUT COCAR INTELLIGENT TRAFFIC?


CoCar Intelligent Traffic

CoCar Intelligent Traffic is a system that allows vehicles to communicate wirelessly using a central traffic information server. Some data is automatically transmitted to the server, such as when a driver brakes suddenly. Drivers send some information manually, for example, by activating their hazard warning lights. The server analyzes and prioritizes the collected data, and ensures that important information reaches drivers.



Traffic information server


This processes data from vehicles connected to the system. It analyzes and prioritizes the data to give drivers correct information.


-  Automatic signal
-  Manual signal
-  Warning


 **Slow vehicle**
This announces vehicles' speed and position.


Mast
The system uses existing 2G/3G/4G technologies.

  **Accident**
Vehicles in the vicinity are warned and data is sent to the server from the vehicle's computer or by the emergency vehicle.

 **Sudden braking**
Any vehicles behind are warned and drivers are informed about the vehicle's position, direction and braking speed.

 **Emergency vehicles**
Vehicles in the vicinity receive information about the position, direction and speed of the fire engine. Data is sent to the server, which warns drivers further down the road.

 **Weather warning**
Data from several cars indicates bad weather. A warning is issued to drivers in the area.

 **Hazard warning lights**
A vehicle behind an affected one is warned, and information about the vehicle's position, direction and braking speed is given to the driver.





Big meeting about new ways of working

About 7000 Ericsson employees were at the Ericsson Globe Arena in Stockholm to find out about what could be described as “the new Ericsson.” CEO and President Hans Vestberg related what he and the leadership team believe is necessary for the company to maintain its leading position within the telecoms industry. He presented Ericsson’s new Ways of Working, It Begins With Us, and the Five Principles which every employee should aim to live up to. Vestberg also underlined the importance of putting the customer first and of Ericsson’s managers acting like leaders to a greater extent. The meeting also featured Håkan Dahlström, head of Mobility Services at TeliaSonera, who talked about the expectations his company will have of Ericsson in the future. Two of Ericsson’s newest and youngest employees shared their views of the company, and the managers of the four business units each presented their strategies. PHOTO: JESPER FRISK

Footnote: Don’t miss the interview with Hans Vestberg on pages 14 and 15 and an in-depth article on the Five Principles on pages 32-33.



Sony Ericsson and Nokia greenest

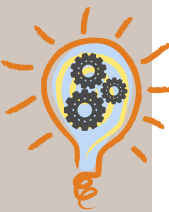
ENVIRONMENT NyTeknik has reported that Sony Ericsson and Nokia ranked highest out of 18 of the world's biggest electronics manufacturers in the latest Greenpeace Guide to Greener Electronics. Greenpeace carries out these assessments four times a year. Sony Ericsson's high ranking is a result of it having stopped using several toxic chemicals and made its energy usage more efficient.

Swedes favor mobiles

MOBILE The mobile phone has now become bigger than fixed telephony in Sweden. In the first quarter of 2010, the number of call minutes registered in mobile phone networks surpassed the number of call minutes in fixed telephone networks, writes Metro, with reference to calculations presented in the magazine Computer Sweden.

Bad inventions

SOCIAL MEDIA Location-based service Foursquare, and Facebook game Farmville are among **TIME** Magazine's 50 Worst Inventions, together with the Segway, spam e-mail and tanning beds. Read more at Time.com.



ONE shows its worth

The ONE system is one step closer to becoming the common business solution for Ericsson. Its advantages were clearly shown regarding integration on the IT platform in the transformation from market units into regions.

NEW TOOL "Establishing regions was a smoother process than expected, as ways of working in the companies were already aligned in the ONE system," says Nunzio Mirtillo, head of the Mediterranean region. The move into regions was further helped by the fact that regional hubs within finance, supply and sourcing already existed on the ONE platform.

One platform

"We built our company control hubs on ONE, as well as the global centers for shared services and finance competence," says Roland Hagman,



Implementation of the ONE system is progressing. Before the end of the year, the system will handle finance, order flow, logistics, invoicing, accounting, supply and project management.

Group Controller. "The strong combination of a common IT platform and the centers provides both scale and skills, but also makes our operations much less affected by changes."

Other advantages of using the ONE business

solution were also proven recently when 6000 Sprint employees were integrated into Ericsson through a managed services contract, as well as when production in Sweden was rapidly transferred to Estonia in May.

The ONE solution

will, by the end of 2010, be the most common business solution for Ericsson and used globally for tasks within finance, order flow, logistics, invoicing, accounting, supply and project management.

Editorial Services

"Getting information off the internet is like taking a drink from a fire hydrant." Mitchell Kapor, founder of Lotus Software, feeling overwhelmed with information, apparently. Source: Thinkexist.com.

By the way...

NOTED ... **Ericsson** is sponsoring the press headquarters during Love Stockholm 2010, Stockholm City's event June 6 to 19 connected to the Swedish royal wedding. ... **Ericsson** has received an award from InfoWorld Green 15 for having made its delivery chain greener. ... **Ericsson** has won an award at the Informa LTE

Awards for its contribution to the development of LTE standards. ... **you can now** find all published news material at the News Center. Go to: Ericsson.com/news ... **you can now** post a tribute to your favorite team in World Cup 2010 on Internal.ericsson.com. Search for *Big Cheer*.

NEW CONTRACTS

► **Brazil.** Ericsson will manage Telefónica's network operations center in São Paulo. About 14 million users will benefit from the operator's new focus on products and services. The contract is for three years and includes core, transmission and ADSL.

► **Canada.** Ericsson will manage Canadian telecom provider Mobilicity's 3G network. This is the first contract for managed services for Ericsson in

Canada, and the second biggest in North America. Ericsson will be responsible for administration and maintenance of Mobilicity's network.

► **Austria.** Ericsson has won a contract for network modernization and the establishment of the new RBS6000 generation in Orange Austria's 3G network. The contract is for three years and covers all major cities in Austria.

SMS helped them home

The volcanic eruption in Iceland meant that Liza Bcheri and her sister Suzi got stuck in Egypt on their way home to Sweden. But thanks to a text messaging service from Swedish travel operator Fritidsresor, which is based on Swedish IT company Cypoint's and Ericsson IPX' platforms, they knew what to do the whole time.

SERVICE The sisters were preparing to return home after a great vacation in Hurg-hada. But then Egyptian authorities canceled all flights as a result of the volcanic eruption, and travelers were stranded in the country.

200 persons "The first text message came from Fritidsresor half an hour before the flight was due to leave," Bcheri says. "It said that we should wait for further information and that they would arrange a hotel for us. It took a few hours because there were about 200 of us, but we got text messages with information from time to time."

Connections The messaging service that TUI Nordic/Fritidsresor uses is Guide Online, which is a communication solution from Cypoint. Guide Online is based on a platform developed by Cypoint. It uses Ericsson IPX technology to gather connections from mobile operators all over the world. The platform makes it easy to reach many people with



PHOTO: STEFAN BORGJUS

When Liza and Suzi Bcheri got stranded in Egypt due to the ash cloud they got help from Fritidsresor's SMS service, based on a platform developed by Cypoint and Ericsson IPX.

two-way communication quickly, both individual travelers and whole groups, via text and multimedia messages.



Anders Ekblom

Anders Ekblom, business developer at Cypoint, says: "The service can be also used for marketing purposes and for real-time updates, for example, but it's particularly useful within the travel industry. A platform such as Ericsson IPX' enables us to offer our solution effectively and reach mobile phones globally."

To receive text messages, you have to

give prior approval to the travel operator. The exception to this is the emergency text messages with information that are sent in emergency situations. All travelers receive these. This way of operating was developed after the 2004 Asian tsunami disaster.

Indispensible Fritidsresor says that about 75 to 80 percent of its customers are interested in the service. Travelers, and also the travel company's on-site staff, subscribe to the text-messaging service before and during their trips. The messages usually contain general

information, such as travel destinations and departure times. At destinations where Fritidsresor does not have offices, travelers say that the service is indispensable.

"There has been huge interest in our services since the ash cloud period," Ekblom says. "We're really going to have a hectic summer."

Bcheri says: "It took us over one week to get home, by bus and boat across Europe. But we received information constantly in Egypt and everything went well in the end."

☒ Sofia Falk



PHOTO: JUSTIN SULLIVAN

Uddenfeldt new CTO at Sony Ericsson

INTERNAL Jan Uddenfeldt has been appointed as the new Chief Technology Officer for Sony Ericsson, as well as head of the mobile phone manufacturer's development unit in Silicon Valley, US. However, he will continue to act as the management team's technical adviser on a part-time basis. Uddenfeldt will take up his new position on July 1.



Jan Uddenfeldt

Check your focus

WEB SERVICE If you cannot sit down to work without checking your e-mail, updating your Facebook status, looking at Twitter, Googling former partners or getting stuck in Wikipedia, StayFocusd is something for you. The service is an extension of the Google Chrome web browser, and works by blocking distracting websites after a while. Read more at transfusionmedia.com



4
... times more internet traffic by 2014 than today, as predicted by Cisco in its annual Visual Networking Index survey.

Hello...



PHOTO: ERICSSON

...**Marlene Williams-son**, head of Customer Marketing within Product Area IP & Broadband (PAIB) in Silicon Valley, and one of the winners of the 2010 Women of Influence Award. Each year, the Silicon Valley Business Journal hands out the award to 100 women whose work has made a difference within business, politics and non-profit organizations in Silicon Valley.

Name one quality you think every manager should have.

“Emotional intelligence (EI). Talking about EI is one of the most important things that has happened within the world of business in recent years. Treating your team members as unique individuals and having an understanding of what motivates them also makes them perform better.”

What is the biggest challenge for managers today?

“Maintaining a positive spirit despite financial setbacks. As a manager, it is important to create an environment where your team members even feel comfortable talking about things that are not positive. A good manager is someone who takes their job seriously, but themselves not as seriously.”

What advice would you give to someone who is new in a managerial role?

“Even the smallest thing could have a consequence for the team. Be aware about what affects your team and remember that it is part of your job to do what you can to simplify things for them.”

☒ Sofia Falk



PHOTO: STEFAN BORGJUS

“We wanted to show that when Ericsson talks about 50 billion connections, even trees are included,” says Jan Hederén, the man behind Connected Tree.

Tree man's idea takes root

The Connected Tree has created lots of excitement since its debut at this year's Mobile World Congress in Barcelona, sparking numerous comments online and in other media. Meet Jan Hederén, the father of the tree.

TECHNOLOGY Two weeks before the 2010 Mobile World Congress (MWC), Hederén met Pia Sörensen at Business Unit Network Marketing and Communications. She said that the steering group for the event was pleased with the MWC content but wanted to add something that really stood out.



“I remembered having seen a capacity sensor technology a couple of years ago. It could be hooked up to flowers that felt the presence of a person,” says Hederén, who works with technology management, strategy and innovation at DU Radio.

Coming to life

“As a response to Pia's question the idea came to me that we should make a tree ‘come alive’ and start communicating.”

Less than two weeks later, the Connected Tree (initially nicknamed the Twittering Tree) had materialized, developed by DU Radio engineers Michael Lundkvist and

Christian Kark (at PDU RTH) in Linköping, Sweden. The sensor was designed by Jan L Johansson (at FU HW) in Kista, Sweden.

The concept behind the tree is simple, Hederén says. “We wanted it to be sensitive to people touching it, to feel the presence of people near to it, and to be able to communicate by sending text messages and tweets.”

“We brought the hardware, software and sensors to Barcelona, where we got the actual orange tree. We worked hard during the week-end before the event to get the tree up and running in time, and all went well.”

“Wow” factor

Hederén, who together with “Tree system designer” Lundkvist spent

his days at the MWC presenting the tree, says it really made people react and received a lot of feedback, ranging from “Congratulations,” “Wow,” “You really blow me away,” “Awesome” and “Incredible,” to “This has broadened my way of thinking.”

The tree also featured at the technology event CTIA Wireless 2010 in Las Vegas a few weeks later, and the reactions were very similar. It was also highlighted in an article in the Huffington Post by Jonathan Spalter, chairman of Mobile Future and a former speech writer for Al Gore.

Hederén says that he also has more ideas for “wild” applications, demonstrating the possibilities of connectivity.

☒ Benny Ritzén

Job shadowing pays

Flavour Days is the initiative of one employee and concerns competence development. The project is based on following a person in a position you would like to know more about.

COMPETENCE Annu Dispenza works as a line manager within Managed Services in Reading, UK, and she got the idea after reading an article that said: "Picture a successful person you admire. How different are they from you?"



Annu Dispenza

Opportunities

"In the article, it said

that the person could be anyone from your boss to a celebrity," she says. "We often view these people as extremely special, but they're not so different from you. When you break it down, more often than not these people's success isn't down to luck but is about grabbing opportunities."

Try out

"The purpose of Flavour Days is to facilitate mobility within the organization, giving employees the chance to follow someone in a different role through shadowing and trying it out before applying for another position, for example," Dispenza says.

The project is now



PHOTO: ISTOCK

Follow a colleague you admire and develop yourself.

being tested within Region West and Central Europe and at several units within the company.

To find out more about Flavour Days, contact Annu Dispenza at: annu.dispenza@ericsson.com.
☒ Sofia Falk

Mobile trade increasing

FORECAST It is estimated that consumers around the world will buy goods and services via their mobile phones for about USD 119 billion in 2015. This would represent 8 percent of the total e-commerce sector, according to a new forecast by ABI Research.



Read my lips

MOBILE TECHNOLOGY At the CeBIT expo in Hanover, Germany, researchers from the Karlsruhe Institute of Technology displayed a mobile phone prototype that can understand what users are saying without them having to talk out loud. All you have to do is to move your lips as though you are talking, and a series of electrodes recognize the movements of the facial muscles and turn them into words after the movements have been analyzed by a computer. The words reach the receiver either in the form of a text on a screen or through a synthetic voice that reads what has been "said." The current version of the technology, however, requires you to have nine electrodes stuck to your face.

Source: mobisoft.se

PHOTO: STEFAN BÖLKE



Jaana Norén, Cecilia Renefeldt, Ulrika Vakili, Lovisa Eriksson, Lena Almgren, Helen Andersson, Kirsten Johansson and Gunilla Bergfeldt-Eriksson, head of IASS, all work within the unit.

Celebrating 50 years of IASS

CELEBRATION International Assignment Sweden Support (IASS) in Stockholm has turned 50 this year. The unit is perhaps better known by its previous name: Guest Support.

IASS helps overseas workers on contracts in Sweden and supports Swedes on overseas assignments with all the practical problems involved in moving to a new country. At present, about 600 people are under the IASS wing in various places around the world.

Staff at the unit celebrated the 50th anniversary on May 28.

65

... percent of people regard their mobile broadband connection as personal, according to a ConsumerLab report. A decreasing number of people are sharing their connection as they want to be able to use their connection on the go.

3 HAVE THEIR SAY

What do you particularly react to when it comes to Ericsson's ways of working, "It begins with us" and the five principles?

▶ **Åsa Grundstedt, Competence Manager, Service Delivery & Operations**



It's inspiring to see that we're focusing more on what Ericsson

wants to achieve as a "world citizen" and not just on financial aspects. I really think that if we follow this route, we'll continue to be a profitable company. I also like that Hans Vestberg spoke about leadership, teamwork and courage in a way that seemed deeply rooted in him.

▶ **Barbro Hessling, Assistant, Global Master Data Management**



I think it's good that we've started talking about teamwork and that

we're going to work across the boundaries. We're not effective if we don't talk more to our colleagues. We need improved systems; there are problems with accessibility. It's hugely important that we have a "we" feeling and we cooperate throughout the entire company.

▶ **Kirsten Johansson, works with International Assignment Sweden Support**



If Ericsson is going to compete effectively, we must become

better at delivering on time and what we deliver must be of the highest quality and fully meet the customer's needs.

☒ Staffan J Thorsell

ONE DAY WITH MIHO MOROZUMI



PHOTO: KENTARO SUZUKI



Project manager Miho Morozumi (in the middle, wearing a pink cardigan) hangs out with her team members during a break at the Shin-Yokohama office.

Feedback means everything

Miho Morozumi is a project manager and course administrator at Ericsson Education in Japan (NRJ). The unit is part of Global Services and offers training within the product portfolio for customers as well as employees. This is her typical working day.

06:30 I wake up and eat breakfast, usually a traditional Japanese breakfast with rice, salad, egg and miso soup to wake up properly.

08:00 I walk to the train station and take the train to Tokyo. Today, I'm going to the customer's office to have a Final Customer Acceptance meeting, which is to confirm the ending of the project.

10:00 The customer and I have the Final Customer Acceptance meeting for one hour. We talk about educational reports, the participants' progress, and evaluation results. Feedback is hugely important to me as manager of the customer project. I then report the customer's requirements and wishes to my team.

11:00 With the Shinkansen bullet train it takes just 40 to 50 minutes to get back to the office in Shin-Yokohama from Tokyo.

12:00 Back at the office I check my e-mails.

12:30 Lunch at a sushi bar.

13:30 At the weekly meeting with my team, I check how the

preparations are going for future training sessions. We agree on what needs to be done.

14:30 I talk to my manager about tomorrow's customer meeting.

15:00 Break. We sit and talk, and sometimes eat candy.

15:30 I e-mail the Global Service Delivery Center (GSDC) to book a course teacher and prepare some documents for the meeting tomorrow. I adjust the outline of

the course following comments from the GSDC.

16:30 Telephone meeting with the course teacher from the GSDC about the course layout. I pass on any requests and expectations from the customer.

18:00 I leave the office and go to a gym close to my home. I try to work out once per week for my health.

22:00 I get home and unwind.

☒ As told to Sofia Falk

This is Miho Morozumi

- ▶ Age: 31
- ▶ Years at Ericsson: 3.5
- ▶ Family: Father, mother and sister
- ▶ Interests: Travelling, watching movies

Miho prefers:

- ✓ City
- ✓ Book
- ✓ Sport
- ✓ Evening at home
- ✓ Individual sport
- Countryside
- Morning paper
- ✓ Culture
- Evening out
- Team sport

PHOTO: RUINE TAPPER, PC-MUSEUM.COM



Ericsson step/one

LOOKING BACK In the early 1980s, the PC market was booming. Ericsson developed its own model, the Ericsson step/one, which was manufactured by Panasonic and went on sale in 1983. Its operating system was a special version of MS DOS and it was supposed to be compatible with IBM PCs. However, there was a problem with the compatibility, and this was thought to be the reason why step/one never became a success. Most DOS programs had to be adapted to work with step/one. The computer had a low frame without disc drives; these were placed alongside or, as in the picture, on top of the frame instead. The accompanying instructions warned that placing the disc drive on the left of the screen could lead to a substitution error. It had to be placed on the right side.

Source: Pc-museum.com

“We could not have predicted the annoyance that people have when the phone rings at the opera, but it doesn’t take a cellular phone to make people be rude.”

Martin Cooper, vice president and division manager for the Motorola team that developed the first handheld mobile phone 1973, in an interview with BBC.
Source: Metro Teknik

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 are Ericsson’s five principles?
2. What is the name of the telecom system that allows vehicles to wirelessly communicate?
3. Who is the person behind the Connected Tree?

Write your answer after each question, put “competition” in the

subject field and send your answers to comments@ericsson.com no later than August 2. The winner will receive a luxury Ericsson Racing Team beach towel. If more than one person answers all the questions correctly, the name of the winner will be drawn from a hat.

The winner of the last competition was Francisco Junior, Brazil.

Answers to last month’s quiz:

1. HTE – a method or tool that places the team at the center
2. One
3. Rima Qureshi

What was happening this time...

...25 years ago

1985 Joint venture Anaconda-Ericsson became a wholly owned subsidiary and was given the name Ericsson Inc. The company’s headquarters are in Richardson, Texas.

...10 years ago

2000 Ericsson raised its forecast after strong sales growth and a record-breaking number of orders for the first quarter of 2000, according to its interim report. The pre-tax profit quadrupled to SEK 6.1 billion. That was up 366 percent compared to the first quarter of 1999.

...5 years ago

2005 Swedish record label Absolute Music signed a deal with Ericsson for a service that made it possible for fans to listen to songs from the Absolute Music compilation albums on mobile phones.

Sony Ericsson released Sony’s old brand Walkman for mobile phones during the summer. These mobiles had improved mp3-players, better sound quality and most often a larger memory than earlier models.

Technical mistakes on the big screen

GEEKINESS X-Men Origins, Wolverine (2009) Wolverine has electric lighting in his home, and it’s only 1845. However, it was not until 1879 when the first house in the world had electric lighting installed. **Public Enemies (2009)** The sound that comes from an early Zenith radio should have had a delay of about five seconds. The film is set in the 1930s, but it was not until the 1960s that technology made it possible for the sound from a radio to be heard immediately.

The Net (1995) This is full of errors. One of them concerns the main character, played by Sandra Bullock, surfing to IP addresses above 255 and trying to connect to Telnet with an e-mail address.

Swordfish (2002) One of the characters ends their call with the power button on a Nokia 5510 and the FBI agents’ cameras have detached live-view screens that even work when the cable has been removed.

Hackers (1995) One of the main characters claims that her Mac Powerbook has both a P6 processor and a PCI bus “for speed.” P6 processors (later Pentium 2) were not included in Macs.

Source: Digitalahemmet

134

...eur was the average price that consumers paid globally for a mobile phone from Sony Ericsson in the first quarter of 2010. The company sold a total of 10.5 million mobile phones during the same period.

Source: Sony Ericsson

It's one thing to be a manager... it's another thing to be a leader

The unveiling of **"It Begins With Us"** sets forth new ways of working at all levels of Ericsson. CEO Hans Vestberg says management needs to introduce **a more "open-minded"** leadership in order to engage everyone in implementing these changes.

You often say that "we need to change our attitude." What exactly would you like to see more of in the daily work?

I don't mean to suggest that we should now look back unfavorably upon things that we've done well. But this industry is evolving quite rapidly. Ericsson's business is changing, and so is our customers'. We need to put the customer first, to understand what drives their decision making. And we need to be best in the competition for competence and make sure that our employees are the most motivated. That calls for leadership.

You have said you want managers to become leaders to an extent. What do you mean?

It's one thing to be a manager in this company, and to manage people. It's another thing to be a leader. Leaders take responsibility to lead their people, to involve them, and see to it that people understand where we are going – and why we are going there. A leader doesn't tell you what to do – a leader sets the direction and inspires people to be part of making it real.

That should lead to highly-motivated employees; people coming to work feeling this is a great place to be and we do great things together.

Does it require a change in thinking for a manager to become more of a leader?

They must have more of an open mind. You need to be curious, to understand the people you are working with: where they are coming from and what expertise and competence they have; then not be afraid to involve more people, regardless of function,

in developing the work group's direction. A leader in this company must also be able to see beyond the reach of their own organization and draw on the full power of Ericsson. They need to dare, to investigate and challenge the reality, develop new, innovative ways to create value for us and for our customers.

Leaders play a vital role but no one should sit and wait for someone else to do everything. We must be proactive, and come with the mindset to strive for a better Ericsson every day.

You have said you hate losing. Is it a reasonable demand that every employee should have the same winning mentality as you?

The more people who have the mentality of wanting to be the best all the time, the better this company will be. We cannot be complacent. We should celebrate our successes and take pride in them – but always strive for improvement. Sometimes losing is unavoidable. But there's no comfort to be taken in the inevitability of a loss. When we don't win a sale, even though there may be tons of rational logic for not being selected, I believe that we should still feel that loss.

What must happen now so that this does not just become words on a PowerPoint slide?

The idea behind "It Begins With Us" is to give all people in the company the chance to embrace and understand what this means for them. Starting in June we will run workshops that everyone globally will be part of so we are taking a systematic approach to making it happen. "It Begins

With Us" builds on our vision, mission and core values and also outlines five key principles (*read more on page 32-33*) that will be common to all of us irrespective of our different roles and challenges. It will be a guiding star – something for us to gather around and strive for.

Text: David Callahan Photo: Stefan Borgius

HOW ERICSSON'S STRENGTH IS BUILT FROM WITHIN

Vision

"The prime driver in an all communicating world"

Mission

"Innovating to empower people, business and society"

Three core values that define how to treat colleagues, customers and business partners:

- ▶ Professionalism
- ▶ Respect
- ▶ Perseverance

Five Principles that all Ericsson employees should adopt in their daily work:

- ▶ Customer. First
- ▶ Innovate. Every day
- ▶ Speed. Quality
- ▶ Empower. Action
- ▶ Perform. Team

**“We cannot be
complacent.”**





Big Screen Entertainment Multimedia Projectors

Subra (center) watches the England cricket team take on Australia in the World Twenty20 at a Bangalore pub with friends, Yadunandan (left) and Neha. When TV isn't an option, Subra follows the matches on his mobile handset – sometimes checking scores six times a day.

SERVICES

With Ericsson as its leading services provider, India's **Bharti Airtel** lowers its cost and can focus more on their customers. For **cricket-obsessed** M. Subramaniam, his improved Bharti subscription has made all the difference: now he can keep closer tabs on his favorite sport.

India's dream team



BANGALORE
INDIA, ASIA

The view from M. Subramaniam's fourth-floor apartment on the outskirts of Bangalore is nothing out of the ordinary. But in its own, sublime way, this vista tells a story of India's remarkable growth over the past decade.

Subra, as he is known among friends and colleagues, looks out over brightly colored residential buildings, blue rooftop water tanks and expansive palm trees, and counts 27 cell towers that have risen since 2000.

"It's amazing. New ones spring up

virtually overnight, like mushrooms," he says of the towers, some of which are managed by Ericsson through Managed Services agreements with operators such as Idea Cellular and Bharti Airtel. "This is just the outskirts . . . Can you imagine how many there must be in central Bangalore?"

A Bharti Airtel subscriber since the operator expanded to the state of Karnataka in 2000, Subra is grateful for the growth in telecom services in India for at least one simple reason: the 44-year-old executive with communications company Hanmer MS&L is ►

SERVICES



During a recent get-together at his home, Subra (center) checks scores on the terrace with friends Poojitha (left) and Teresa.

“I’ll definitely stay with Bharti Airtel”

M. Subramaniam

Did you know...

... that in 2009, Ericsson completed the replacement of more than 10,500 GSM radio sites in the Vodafone Essar network in India, reaching a peak rate of one site every minute. Ericsson delivered more than 16,000 base station cabinets over a period of just 13 months.

▶ a self-described “cricket fanatic,” and he says mobile connectivity has enabled a more intense, complete enjoyment of his favorite sport than he could have imagined before India’s digital revolution took hold.

Subra’s usage has increased and expanded in tandem with Bharti’s own dramatic growth – a continuing success story in which Ericsson’s services organization has been playing a key role.

Bharti executives speak enthusiastically about their partnership with Ericsson when discussing the company’s rise from humble startup in the mid-1990s to one of the world’s largest telecoms, covering 5000 cities and nearly half a million villages. “This is a very strong partnership,” says Manoj Kohli, CEO of Bharti Airtel International. “We started at

ground zero in 1995, with no capital, no technology, and no brand; but with the help of partners like Ericsson, we have created huge value, and grown enormously.

“Ericsson had faith in us from the beginning, they trusted in our entrepreneurial ability, and we broke new ground together,” he says.

Today, Bharti Airtel is the largest mobile operator in India. And Kohli says the operator has its sights set on becoming the leading telecom operator in Africa too. Central to Bharti’s success with Ericsson is the unique and innovative business model that the two companies established as they pioneered the concept of telecom managed services in India in 2003. Bharti eventually entrusted the operation of its mobile network to Ericsson in 15 of India’s 22 telecom service areas,

or “circles,” having created a model whereby Ericsson is paid for the capacity it deploys in a given month.

Bharti pays for the total capacity created in the network, not for individual nodes. So, the operator reduces its capital costs significantly, while Ericsson provides services for the network planning, design, optimization, roll out and management to keep pace with subscriber demand.

Then, of course, there are the considerable savings on operating costs and service quality improvements. Under its managed services agreement, Bharti transferred about 1000 engineers to Ericsson, freeing up resources for revenue-generating activities that are closer to the customer end of the service-delivery chain.

The expansion of mobile telephony in India has been rapid and massive,

A center for global growth

A new Global Services Center, which opened this year in India, draws on local talent to boost Ericsson's global capabilities in not just Managed Services but Consulting and Systems Integration (C&SI) as well.

Housed in three sites, Gurgaon, Noida and Bangalore, the center supports Ericsson's global growth strategy with overall processes

and "one of the greatest talent pools in the world," says Mats Agervi, head of the center. Agervi speaks from experience. Prior to joining Ericsson in 2007, he led IBM's Global Delivery organization in India.

The Global Services Center also houses IP and Broadband Research and Development (R&D).

"In Managed Services, our success depends on building scale

centers such as this. Yet, this center is also part of Ericsson's strategy to meet operators' need for a single end-to-end partner that combines IT and telecom."

Agervi says that increased focus on C&SI, Managed Services and IP and Broadband R&D enables Ericsson to take on large, complex transformation projects and partnerships with customers worldwide.

within a market defined by fierce competition. The average revenues per user (less than USD 2 for GSM and up to USD 4 for CDMA) are among the lowest in the world. Girish Kadam, head of Global Services sales in Region India (RINA), says that these factors, along with a huge potential subscriber base (Informa Research Services in the US estimates mobile penetration to be just 28 percent), make outsourcing an attractive prospect for Indian operators.

"There is more pressure to reduce costs and optimize operations in India than in the rest of the world," Kadam says. "Services enable the operator to extract

more benefit per unit investment. The competence requirement becomes the vendor's challenge; rolling out the network becomes the vendor's challenge; managing the network from planning to design, optimization and managed services becomes the vendor's challenge; and the operator focuses mainly on the marketing and consumer side of things."

This is where global scale and end-to-end capability comes in. Kohli estimates that at one point in 2008, "we were rolling out 3000 new towers a month, or 35,000 a year, which actually involved a lot of help from Ericsson's deployment team and network optimization team."

Kohli adds that Ericsson also believes the operator of deploying and maintaining sites in India's most rural areas. "It's very tough to go into these areas, to maintain those sites, because in some villages there is no power and you have generators running round the clock," he says. "Ericsson staff are so dedicated and committed; and they help us run those village sites and maintain a high-quality service."

Bharti is proving that offloading such challenges onto a vendor can reap significant rewards. The operator has reduced its capex- and opex-to-revenue ratios significantly in recent years, and has expanded its base to 137 million subscribers. It recently added 27 million subscribers with the acquisition of Kuwaiti operator Zain's Africa assets.

Kohli points to the company's position in Africa as a major stepping stone toward its climb to the top of the telecom world. And he says that Ericsson is going to help them get there. "We believe Ericsson and Bharti together will do the same magic in Africa as we did in India. Our objective is to capture continent leadership of Africa as soon as possible," Kohli says. "GDP in India is growing at 9 percent per person, and in Africa at 8 percent per person. We see a lower middle ▶

"OUR BIGGEST SUCCESSES LIE AHEAD"



Magnus Mandersson

Magnus Mandersson, head of Business Unit Global Services, says that business innovation and becoming closer to the customer will become increasingly important in the years ahead.

What are your top priorities in your first year as head of Global Services?

Ericsson is the global leader in telecom services, but our biggest successes lie ahead. We will introduce new business models to meet customer needs, and focus on growth through innovation and competence. As always in a services organization with cost control in mind, scale is crucial. Ours will evolve from an installation-based business to an integration-based one, and Consulting

and Systems Integration will continue to grow in importance. Reaching 50 billion connected devices requires even more focus on our capabilities to integrate, manage, support, monitor and drive networks from an operational standpoint."

What demands does this put on Ericsson as a services leader?

"We need to work faster and more simply to take the business and do what the customer asks of us. 'Customer. First' applies to more than just sales. It applies to processes, methods and tools, product management, delivery and all other parts of our global organization. We will grow locally, close to the customers. In the customer's environment we can pick up more information and upsell."

What can we expect further down the road?

"On our way to 50 billion connected devices, we will be faced with more complexity. This is an opportunity for business innovation, which will become a significant part of the services revenue. Our role will be to simplify the complexity for our customers. We will have open access models, shared networks and a lot of focus on business support systems. We will also build capacity for offshoring to secure competitive prices and to keep growing profitably. We will also continue with nearshoring and onshoring. Some elements will always be run locally, close to the customers, so it's a matter of finding the right mix – and having true scale."

Jonathan Rothwell

SERVICES

“Ericsson had faith in us from the beginning, they trusted in our entrepreneurial ability, and we broke new ground together”

Manoj Kohli



PHOTO: THE PHOTOSSESSION

Bharti Airtel started at ground zero in the mid 1990s, but has grown enormously and are today one of the worlds biggest operators. Manoj Kohli, CEO of Bharti Airtel International, says that Ericsson has contributed significantly to Bharti Airtel's success.

► class that is growing in India and Africa, and all of those people are the customers of 2G and 3G.”

Back in Bangalore, Subra is preparing to meet up with friends to catch the final match of the Twenty20 World Cup. With his Bharti Airtel GPRS data service and a 3G handset, Subra has been following the cricket tournament only a little less closely since India's elimination earlier in the month.

“On my mobile, I was accessing cricket scores at least five or six times a day while India was in the tournament,” Subra says.

Cricket is by far India's most popular sport, and every operator offers some cricket-related service. Bharti, for example, offers its subscribers a high-speed connection for Indian Premier League (IPL) broadcasts on YouTube as well as a mobile handset-based fantasy cricket tournament. A look at the browser history on Subra's mobile phone reveals

perhaps 90 percent of his activity takes place on the Entertainment Sports Programming Network's (ESPN) fan site, cricinfo.com, which offers exhaustive coverage of the sport, including articles, games, cricket history archives and live ball-by-ball coverage of all the world's matches.

“Before the introduction of GPRS, I wasn't able to follow cricket that closely because I wouldn't be able to,” Subra says. “If possible, I'd listen to matches on the radio. When I first signed up for Bharti in 2000, it was only voice service. After GPRS came in, things really changed for me. I got a BlackBerry subscription and learned I could tether my phone to my laptop. That made it even more indispensable – not just for cricket, but for work too.

“Now, on my mobile I get speeds up to 250-300 kbps, which isn't bad considering it's 2G,” he says. “I use it to follow the matches, to settle disputes – basically anything having to do with cricket.”

The connection offers him a discreet way of following matches while attending social events and other functions away from home. “If you're at a social gathering, it's sort of improper to just sneak out and watch TV,” he says. “But now that you have it on your phone, it's socially acceptable.”

It also comes in handy when no TV is available. Subra recalls a work event in Goa two years ago when he and a group of “cricket crazy” colleagues realized they couldn't watch an evening match between Chennai and Delhi. “There was a whole group of us gathered around my mobile phone and I read aloud the ball-by-ball commentary,” he says. “It's just like the text of what the announcers would be saying on the radio. It was really fun because there were people there from around the country and a rivalry was in progress between Chennai fans and Delhi fans.”

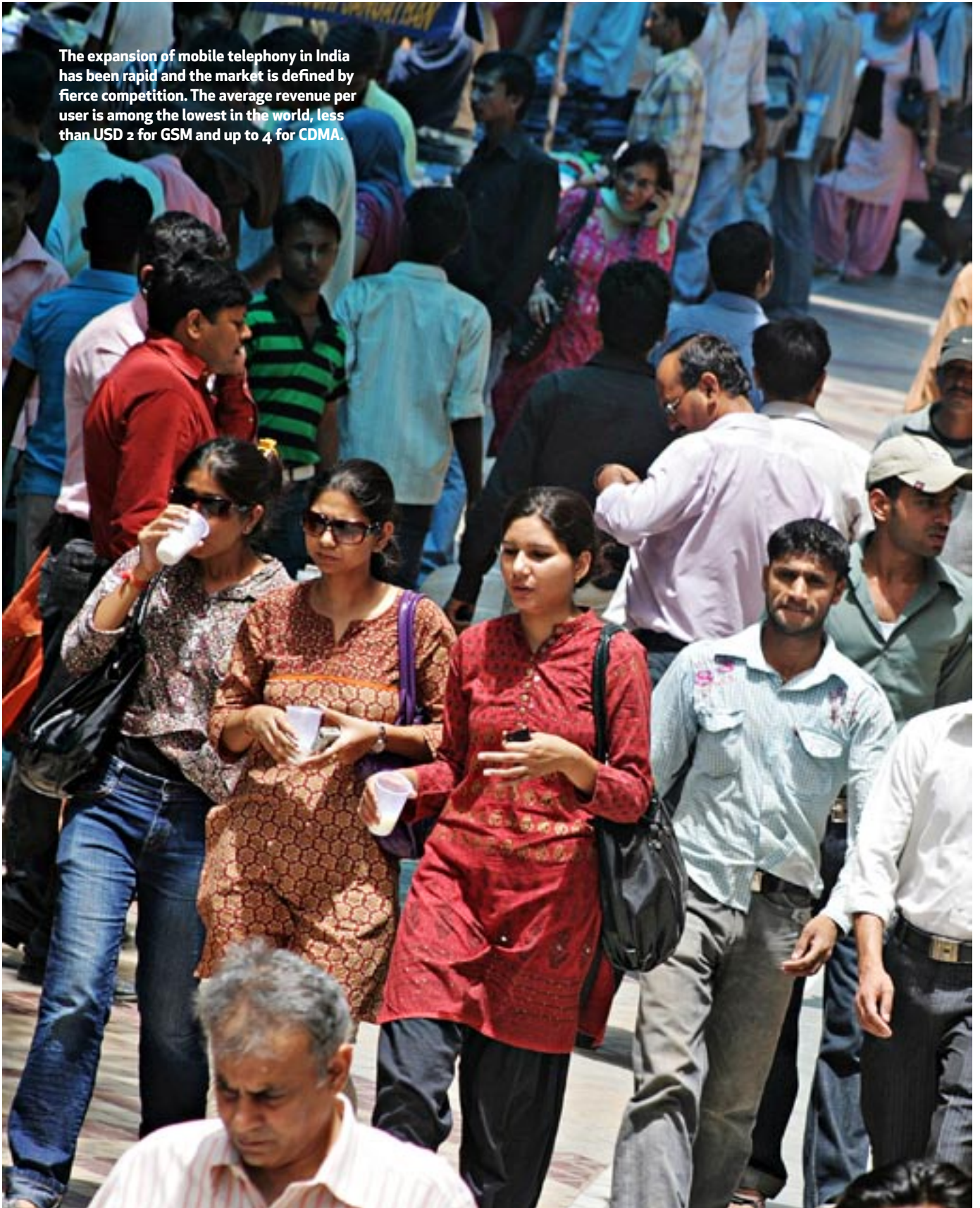
At the rate of change India is experiencing, such scenarios could soon be considered quaint. The launch of 3G in India is just months away, and Bharti and India's other top operators are preparing to address the mobile value-added services market. Urban Indians like Subra are expected to use their mobile phones increasingly to access multimedia services, such as video streaming, and in rural areas, utility-type mobile value-added services, including mobile payments and banking, could see the strongest growth.

Meanwhile, Subra is weighing the choice of an iPhone or an iPad, and contemplating the fact that he will be able to watch cricket matches streamed live over the Bharti Airtel network on the IPL YouTube channel.

“I'll definitely stay with Bharti Airtel,” he says. “As far as service providers go, there is no one beating them.”


Text: David Callahan Photo: Getty Images

The expansion of mobile telephony in India has been rapid and the market is defined by fierce competition. The average revenue per user is among the lowest in the world, less than USD 2 for GSM and up to 4 for CDMA.



»» **Ericsson realized Estonia's broadband dreams** »»

SERVICES



"We needed a company with experience of projects like this to do some technical mapping of the situation in Estonia. Ericsson has very good local knowledge and its people are well known in Estonia," says Olav Harjo, CEO of the Estonian Broadband Development Foundation, Elasa (left), seen here with Veiko Sepp, Ericsson's country manager for Estonia.

The government's adviser



When the Estonian Government was putting together a national broadband strategy, it turned to Ericsson consulting for the large-scale strategic, technical planning and market analysis. During six intensive weeks, Ericsson produced a pre-study that is helping the government realize its broadband dream.

Virtually all of Estonia's inhabitants have an internet connection, but the quality varies considerably. Broadband access is available in the cities, but in the thinly populated rural areas, the connection is nowhere near the standard required in a modern society.

Olav Harjo, CEO of the Estonian Broadband Development Foundation (Elasa), says: "In rural areas, only mobile connections are available. It isn't even 3G, it's GSM. The connection speed is very bad, and doing any work at this speed is impossible. This has led to people leaving the countryside."



Olav Harjo



Juhan Parts

Estonia is one of Europe's most sparsely populated countries and there are few potential customers in the rural areas. As a result, the operators have no financial interest in expanding the network. In 2008, the Estonian Government therefore decided to implement a national broadband reform, which means that all households, companies and authorities in the country will have access to broadband with speeds of up to 100Mbps by no later than 2015.

Juhan Parts, Estonia's Minister of

Economic Affairs and Communications, says: "It's not fair for people when high-speed services are only available in cities, and it's absolutely necessary for a modern economy that up-to-date connection facilities are available throughout the country."

In December 2008, the government therefore gave the Estonian Association of IT & Telecom (ITL) the task of producing the new strategy. The ITL, an organization for operators and vendors, of which Ericsson is a member, decided that a project of this scale required help from a professional consultant. Ericsson beat competitor companies in both IT and telecom sectors to be awarded the assignment.

Harjo, who also has a central role within the ITL, says: "We needed a company with experience of projects like this to do some technical mapping of the situation in Estonia. Ericsson has very good local knowledge and its people are well known in Estonia."

There was no time to lose. Ericsson had only six weeks to put together a plan for the ITL.

Veiko Sepp, country manager for Estonia, who together with sales director Seth Lackman is responsible for Ericsson's side of the project, says: "After six weeks of intensive work, we presented the solution, with the technical design of the network and the economic aspects of the impact the new broadband network would have on society."

Sepp and Lackman both say that the planning stage involved several challenges, especially in getting competitors in the industry to pull in the same direction, but also in finding the right people and making tangible plans in such a short time.

THE ESTONIAN BROADBAND VISION

- ▶ All residential buildings, companies and authorities should be able to be connected to the next generation broadband network by 2015. And 98 percent of these should be less than 1.5km from the basic network.
- ▶ More than 6000km of fiber optic cable will be laid and the transfer speed will be up to 100Mbps.
- ▶ Estonia has 1.3 million inhabitants and has an area of 45,000 sq km. The population density is 31 people per sq km.
- ▶ About 70 percent of the inhabitants live in cities.

Source: Elasa and the Estonian Embassy in Sweden

"We really saw an opportunity for Ericsson to come in as an adviser with a consultative approach and to help fulfil the government's task," Lackman says.

Both the ITL and the minister were pleased with Ericsson's pre-study, and in June 2009 the government made the official decision to make its broadband vision a reality.

"Ericsson's plan was very detailed, including the exact length of cables in kilometers, and the exact number of connections," Harjo says. "It gave us a very clear view of what we needed to do, and Ericsson's name carried weight when I presented the project to the government."

With the vision in place, the work could begin. Elasa was formed in ▶

SERVICES

“Ericsson definitely has the expertise, experience, products and services we’re looking for” Juhan Parts

Did you know...

... that Ericsson’s support organization is number one in telecom support services, provides 24/7 support for networks that serve more than two billion subscribers worldwide, and its staff speaks more than 100 languages?



Kalle Veedla, Tõnis Tamm, Andres Vilu and Eveli Kalmberg at Ericsson Estonia are planning for the country’s new broadband network. Ericsson helped out with the technical planning and market analysis for the project’s pre-study.

► August 2009 with Harjo as its chairman and with all Estonian operators represented. Ericsson was also awarded a place on the board.

The next step is to determine which company or companies will do the expansion of the first stages. In mid-2010, the first spade of earth will be turned for the 6000km of cables to be laid by 2015.

The focus of the expansion is on rural areas and small towns, where the need is greatest.

“Quality of life will improve,” Harjo says. “Many companies in rural areas are closing their businesses, but with a good internet connection citizens can use services such as e-banking and watching films through the network. We hope that this will make people return to the rural areas.”

The government is pleased with the project so far and Parts, the minister responsible, says the door is open to continued cooperation with Ericsson.

“The project’s preparation phase has been a good example of cooperation between the public and private sectors, as well as within the private sector, where different – and often competing – companies have been working together toward long-term targets,” he says. “Ericsson has been active in this cooperation and definitely has great potential to participate in the future implementation of this project. We’re open to companies in the market, but Ericsson definitely has the expertise, experience, products and services we’re looking for.”

Ericsson’s advisory and consultative

role to the Estonian Government can hopefully also open doors to similar projects in other countries.

“I think there are major opportunities for cooperation with other governments because every country is looking at IT as a tool to improve society,” Sepp says.

“We’re trying to make this project work as a best practice situation by being the government’s strategic consultant, participating in the expansion of the networks and combining it with the applications such as online tax declarations, e-health and politicians communicating digitally with the public. If we can package all this and present it to other governments, we’ll be in the right spot and there will be the opportunity for more business.”

Text: Anders Jinneklint Photo: Getty Images



A matter of Pride

In December 2009, Ericsson acquired Italian IT and telecom consulting and systems integration company Pride, and about 1000 employees have transferred to Ericsson. With the acquisition Ericsson now benefits from about 10,000 consulting and systems integration experts around the world.

One of the new Ericsson employees is Lucia Niosi, who is sales and delivery manager for the two Italian operators, Telecom Italia and Tiscali.

What do you think were Pride's main strengths?

"In the 20 years it has existed, Pride has consolidated its position within information and communication technology. Its consolidated experience, flexibility and accuracy in managing complex situations are the main strengths that have made Pride a well-known Italian company within system integration for telecommunications and energy and utilities. We have a deep knowledge of customer processes, which helps us

define consistent guidelines and user-friendly applications. Our strategy of active partnership has always allowed us to stay close to our customers."

How do you feel about being part of a larger group?

"I feel proud. Joining a multinational company like Ericsson is a way to build up a global vision and brings the opportunity to meet and cooperate in international contexts."

How do you perceive Ericsson so far?

"It is, without doubt, a challenging reality. Ericsson asks a lot of you, but offers many opportunities to grow professionally and personally. I am really looking forward to being involved in Ericsson's projects and to discover the company's technology."

What do you hope will happen now that you and your colleagues are a part of Ericsson?

"We hope to be supported by clear expectations and goals, to use our specialist knowledge with the customer base that Ericsson has, and to succeed in an evolving business environment."

"The increased opportunities also provide a way for us to get exposed to dynamic international markets. I've also noticed that Ericsson has a significant number of women in managerial positions."

In terms of your own background and knowledge, what do you hope to offer?

"I think that I can add value with my sales experience and very good customer relations. Putting together Pride's system integration knowledge with Ericsson's will allow us to become one of the biggest consulting and system integration companies in Italy as well as the region, creating synergies and reusing both competence and capabilities in the global organization."

ERICSSON + PRIDE

Ericsson made the acquisition to further strengthen its position in the areas of consulting and systems integration within telecom services.

Consulting and systems integration are key areas in a more complex

telecom environment. Ericsson's customers are focusing on operational efficiency and providing excellent end-user service experiences while these services become more advanced, and fixed and mobile networks converge.

Text: Anders Jinneklint Photo: Getty Images



Pernilla Lundström, Maria Larsson and Åsa Sandahl show the automated testing environment for software at ST-Ericsson in Lund. Continual software testing is done here to ensure product quality.



ST-ERICSSON

New platform brings fresh optimism

Joint venture company ST-Ericsson has had a tough first year. A weak economic climate, cutbacks and redundancies have occurred at the same time as a major **technological revolution**. But the U8500 is soon to arrive: the platform that will be its **flagship** and make employees dare to believe in the future.



LUND, SWEDEN
EUROPE

It is a normal working day at ST-Ericsson in Lund. The software department looks just like any other open-plan office, with normal computers and desks. Apart from a few small flashing devices and an abundance of black and red cables, little suggests that we are in an environment that deals with development. But this is where ST-Ericsson is working hard to integrate and test the software for the U8500, the new platform for smartphones, which is expected to take the market by storm and reaffirm ST-Ericsson's world-leading position as a platform vendor once and for all.

"We've automated this test environment so we can have continual testing to secure the quality in our products,"

says Pernilla Lundström, technical manager at Linux Software Engineering and line manager for a team that optimizes, integrates and tests the software for the U8500. "You can start the tests from your own PC via a web interface. The intention is for the developers to spend time on analyses when they find an error, but avoid having to do the monotonous testing."

It is just over one year since Ericsson Mobile Platforms merged with ST-NXP Wireless (owned by ST Microelectronics) to form the joint risk company ST-Ericsson. It has been a revolutionary period. While corporate cultures were welded together in the middle of a difficult economic period, the entire roadmap for the company's

“We’re not afraid of any competitors”

Jörgen Lantto



Old hardware testing equipment that has ended up in the “cemetery” at ST-Ericsson’s multimedia lab in Lund.

Did you know...

... that more than half of all the world’s mobile phones contain ST-Ericsson products. The company sells to Nokia, Samsung, Sony Ericsson, LG and Sharp, among others?

► software area has been redrawn. Google’s Android operating system has arrived from out of nowhere and radically changed the game plan.

“We’ve gone from working with proprietary (closed to external developers) OS platforms to Linux-based products,” Lundström says. “Android is being developed in an open community, which means that we pick up components and integrate – rather than develop – all the software ourselves. This really is a new world that has opened up.”

The merger of the companies has been demanding, and the employees have experienced the difficulty of dealing with cultural differences and the two IT systems that have to be integra-

ted. ST-Ericsson is a global company, with the majority of its operations in France, Sweden and India, as well as a strong presence in the rest of Asia. This results in extensive international cooperation, which facilitates contact with customers who are spread throughout different countries.

“It’s important to bear in mind cultural differences when you’re working with the various sites,” Lundström says. “For example, employees in India have previously developed stand-alone components, which will now be included in a platform. In the beginning, they didn’t understand that their changes had an effect on the platforms that are made in Lund.”

One of the employees in Lund who is fully focused on the U8500 is software developer Stefan Ekenberg, who corrects sound faults.

“I receive reports about errors that I recreate and solve,” he says. “At the moment, I’m trying to remove a clicking sound that sometimes occurs when you start other applications while the MP3 player is in use. I’ve spent half of the day on that so far.”

The first part deliveries of the U8500 have already reached customers and the first telephones to be launched with the new platform are expected to come onto the market in the first quarter of 2011. ST-Ericsson has been working on the software since mid-2009, and started working on the hardware two years before that. Jörgen Lantto, ST-Ericsson’s CTO, is one of the many people who believe the

platform will be a success. “We expect the U8500 to be our flagship for smartphones, and after that there will be a series of products that will give us a very strong smartphone portfolio,” he says. “We’re not afraid of any competitors and we feel very confident about the future. Now we only have to get there.”



Stefan Ekenberg



Jörgen Lantto

This last year has been characterized by the weak market that brought with it cut-backs and redundancies. “It will take time before we see the financial effects of our new platforms – they won’t have any effect on our earnings until the products reach the consumers,” Lantto says.

Above all, the unique thing about the U8500 is that it is equipped with a dual core processor, full 1080p (progressive scanning) HD quality for video recording and playback, as well as a powerful 3D graphic accelerator. For consumers, this means that you can connect the telephone to your HDTV and get excellent 3D graphics, which gives an experience comparable to today’s most popular games consoles. The telephones will have very high performance and also use little power.

The arrival of the U8500 is a significant step forward because so far, ST-Ericsson has been weak in the smartphone segment. It is also a standard platform that will be much imitated, first by the 5500 model, which is also the first product that has been developed by ST-Ericsson from the start. (ST Microelectronics had begun the work on the U8500 even before the company merger.)

“The 5500 is the first platform we’re releasing that includes obvious technological contributions from both Ericsson and ST-NXP Wireless,” Lantto says. “Now that we’re defining and developing future products, it’s clear that the businesses that have merged are contributing substantially with key technologies, which means we can create products that none of us could have produced before the merger.”

Text: Anders Jinnelint Photo: Jesper Frisk


MORE ABOUT THE FLAGSHIP



The U8500 is a new platform for smartphones that is expected to come onto the market in the first quarter of 2011. It is the first integrated platform that contains the latest SMP dual core technology. This is the U8500 in brief:

► Full HD 1080p (p stands for progressive scanning, which means full-frame update. 1080p equates to a resolution of 1920x1080 pixels) camcorder, multiple codecs supported

- High-resolution touchscreen display
- Simultaneous dual-display support
- High-performance 3D graphics
- Dual camera support with integrated ISP 18Mpixel and 5Mpixel
- WiFi, Bluetooth and GPS-enabled platform
- Built-in USB 2.0, HDMI out



Pernilla Lundström, technical manager at Linux software engineering, has helped to restore belief in the future, largely thanks to the U8500 platform, which will hit the market in 2011.

WORLD LEADER WITHIN MOBILE PLATFORMS

ST-Ericsson is a joint venture company that is owned 50/50 by Ericsson and STMicroelectronics. ST-Ericsson is a world leader in semiconductors and mobile platforms. The company was formed in February 2009 and has about 7700 employees. Represented all over the world, ST-Ericsson has its head office in Geneva, Switzerland. The company's pro-forma sales in 2009 amounted to about USD 2.7 billion. This is a calculation of what the annual turnover for the full year would have been; the company was formed in February.

“Two owners of the same size force themselves into active ownership, where both have to agree and be clear on what they want” Lennart Nilsson

ST-Ericsson “broadens Ericsson’s offering”

Did you know...

...that Ericsson has been part owner in several joint venture companies in China with a local partner? The reason for this is that this was previously the only opportunity to start a new business in the country.

Thanks to its cooperation with ST Microelectronics, Ericsson has quickly gained new competence within semiconductors. At the same time, the companies are benefiting from each other’s strengths, spreading risks and expanding their customer bases.

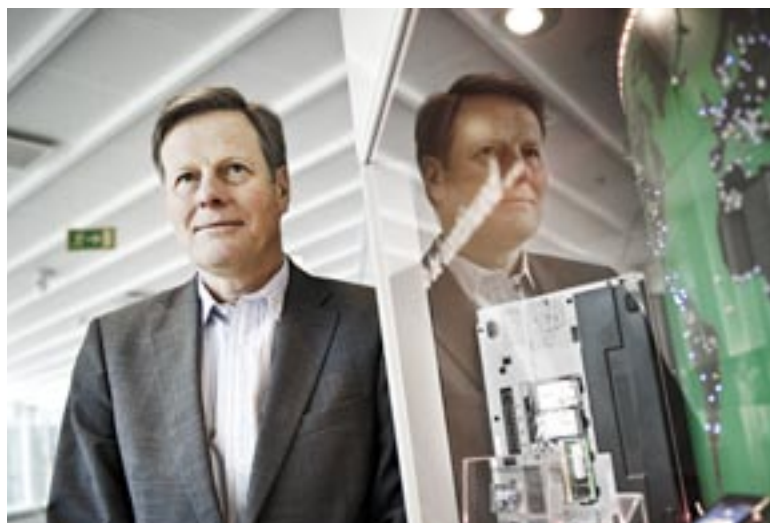
Ericsson’s part in ST-Ericsson goes back to when the company had its own telephone service. When Sony Ericsson was founded in 2001, the Ericsson Mobile Platforms unit was kept, mainly to provide Sony Ericsson with platforms. This is the unit that has now been merged with ST-NXP Wireless.

Lennart Nilsson, who is responsible for strategic alliances within Ericsson, says: “We wanted to broaden our business to offer both hardware and software and now we have an opportunity to gain more customers. The business model needed to be complemented. After having looked at various solutions, we decided to form a joint venture company with ST Microelectronics.”

Ericsson was attracted to ST Microelectronics because of its competence within semiconductors, radiofrequency (RF) and multimedia, while Ericsson added its platform competence within 3G and LTE, as well as its comprehensive Intellectual Property Rights (IPR) portfolio, which covers patent, trademark, industrial design and authors’ rights. At the same time,

Ericsson’s three biggest joint venture companies

Ericsson’s three largest joint venture companies are Sony Ericsson, ST-Ericsson and LG Ericsson. In the first two companies, ownership is divided exactly between the two owners, and Ericsson has more than a 50 percent majority shareholding in the new LG Ericsson. A joint venture company usually has just two shareholders, but the ownership can be divided in various ways.



ST-Ericsson has given Ericsson new competence within semiconductors, radio frequency and multimedia, says Lennart Nilsson, who is responsible for strategic alliances within Ericsson.

Ericsson gained access to ST Microelectronics customers.

“As well as gaining access to their existing customer base, we also benefit from our customers now having an additional part alongside Ericsson,” Nilsson says. “This also makes it easier when we want to bring in new customers.”

Other advantages of being part of a joint venture company include sharing costs and risks. Ericsson has also gained time by bringing competence into the company right from the start. The joint business will probably also increase the likelihood of future cooperation between the parent companies ST Microelectronics and Ericsson. Last but not least, it is important for the telecom sector to have an active market that can develop new standards, and ST-Ericsson is expected to play an important role in that respect.

At the same time, joint venture companies have a particular form of ownership that places tough demands on both parties.

“Two owners of the same size force themselves into active ownership,

where both have to agree and be clear on what they want,” Nilsson says. “You form a joint venture company because you have something to contribute to it; both companies have a strength that they want to combine. But you also have to be aware that it can be hard to deal with issues such as brands, patents and licenses. If you’re on the board, you’re wearing two hats and you have to make decisions based on what is best for the joint venture company, while you also represent the owner.”

Nilsson is convinced that ST-Ericsson will strongly contribute to Ericsson’s targets for a long time. The company is still in a transition phase, just over one year since its formation, compared with Ericsson’s biggest joint venture company Sony Ericsson, which has existed for nine years.

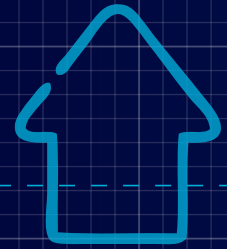
“ST-Ericsson’s work with components and standards is very important strategically,” he says. “The company is also helping Ericsson as we move more towards communicating with devices other than telephones.”

Text: Anders Jinnekliint Photo: Jesper Frisk

SWEAT YOUR ASSETS LOVE YOUR CUSTOMERS

Ericsson helps operators save 25% on network costs by managing its network outsourcing and enables it to focus in its customers lives and experiences.





Five guiding principles

You want to contribute to the good of the company – but what can you do? Let these Five Principles be your guide. They serve as a **compass for thought and action** toward realizing Ericsson's ways of working and securing the company's future.

With the right competence and the right attitude, Ericsson employees are unbeatable. However, individual employees can be uncertain in many situations where they must decide the course of action that is best for

Ericsson. This is why there are now Five Principles that highlight what is unique about Ericsson and how the company wins customers' hearts and minds. These principles are common to all in Ericsson, regardless of your

role or challenges. Starting in June, each employee will take part in workshops where they will discuss the Five Principles with managers and colleagues to decide how best to live by them in their daily work.

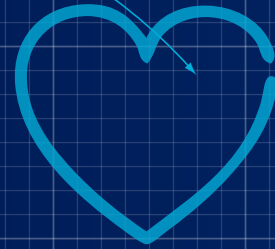
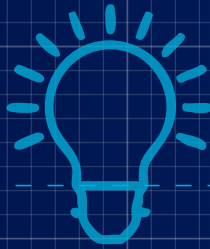
CUSTOMER. FIRST

It's not about us, it's about them. We are here to meet our customers' challenges with business solutions perfectly tailored to their needs. We give our all to solve their problems. Because their business is our business.

The connecting of 50 billion devices by 2020 means tremendous opportunity – and challenges – for Ericsson's customers. Networks will be used as never before by a variety of industries and users, including power utilities, transportation systems, financial services and healthcare providers. A surge in new applications and user patterns will compel customers

to expand the variety of business models they need to serve new customer segments. Next generation networks will require upgrading to keep pace with demand, resulting in more software and less hardware. Services will become increasingly important in cutting operation costs, and the telecom industry will see more consolidation.

By understanding what is happening in the world and taking on customers' challenges as its own, Ericsson will continue its leadership well into the future.



SPEED. QUALITY

Things happen quickly. And when they do, you have to act fast and get it right. We are in tune with our customers. We move faster than the market, so we keep our customers ahead of the game. When we combine our speed with our quality, we are unbeatable.

Telecom technology, like the rest of the world, is changing quickly – which opens doors to new business possibilities and new competitors. Ericsson will need to uphold its reputation as a trustworthy partner, especially by customers transferring to IP networks. Intensifying competition and tougher demands also means that Ericsson will need to be sensitive to change and be able to adapt to market conditions.

INNOVATE. EVERY DAY

The world doesn't stand still for a single day, and neither do we. Our innovation is redefining possibilities for people, business and society. Our ideas are at the heart of our business, and of our customers'. So, it's up to all of us to innovate. Every one of us. Every single day.

Ericsson's vision is to be "the prime driver in an all communicating world," where everything that can benefit from being connected will be. Innovation is essential to achieving this vision. Through innovation Ericsson shows its customers – and society – that what the company does is important and makes a difference.

EMPOWER. ACTION

It's only when people have the power to decide and act that they attain their true potential. Our people are our biggest asset. We all have the freedom to take the initiative, to seize and create opportunities, and to turn ideas into reality. By empowering our own people, we empower people, businesses and society.

Ericsson wants to create an environment where competent employees take responsibility and take the initiative – and feel that they are getting the right support when they do. As CEO Hans Vestberg has said, empowerment and action depend not just on leadership, but on self-motivation and a sense of excitement about rising to the challenges that face those at every level of Ericsson.

PERFORM. TEAM

Teamwork. It's about inspiration. And it's about bringing out the best in each of us. Whether it's one person or many, what matters most is excellence. We build on each other's strengths, and exceed our own expectations.

Individual performance raises the bar for others in the company, contributing to a "high-performance culture." Ericsson is a team and wants to draw on its inner strengths to provide the customer with the best solutions. There's an old saying in sports, "Talent wins games, but teamwork wins championships." With the tremendous talent Ericsson employees bring to their game, there is no limit to what they can accomplish as a team.

Read the related interview with CEO Hans Vestberg on page 14-15.

Text: David Callahan Illustration: Ebba Berggren

FAT PIPES MAKE BIG IDEAS

A country's investment in broadband is proven to boost entrepreneurialism and innovation, making life richer in every way.

ericsson.com

Stockholm, Sweden, 1958

Kontakten



There was a long hot summer in Sweden when the country hosted the FIFA World Cup in 1958. To show appreciation of the Brazilians' good sportsmanship, Ericsson sent each member of the world champions team an Ericofon and on the cover of Contact issue 4 from that year, Pelé was pictured with one of them. In the final, Brazil beat Sweden 5-2, with Pelé scoring two of the goals.

Photo: The Centre for Business History

Ericsson
LM

NR 4 1958

LM-ARNAS TID

Point to Point Communication

Instructions: Read the subject category and question. Start with the five-point question and continue to the right until you have an answer. When you have gone through all six categories and guessed a year for the picture below, calculate your total score and compare it with the maximum tally, which is 35.

Subject / Points	5 points	4 points	3 points	2 points	1 point
Communication What company?	In 1912, it had a monopoly on telephone services via the General Post Office.	Today, it operates in more than 170 countries.	Its telecom-focused name from 1981 has since been abbreviated to two letters.	With Ericsson, it once entered the largest installation of AXE in the world.	In 2005, it chose Ericsson to help with its 21st Century Network deployment.
Geography Which country?	The main telecom provider serves 193 million customers in 32 countries.	It is the most visited country in the world, with 82 million tourists annually.	It launched one of the world's most successful pre-internet online services.	At 549,970 sq km, it is the largest Western European nation.	Its Latin name literally means "land of the Franks," or "Frankland."
Technology Which technology?	Applications include architecture, agriculture and telecom.	This technology is usually generated through photovoltaics or CSP.	Ericsson has used this technology in the Millennium Villages Project.	The technology took off during the 1973 oil embargo and 1979 energy crisis.	On sunny days, lights, heaters or radio base stations can be powered.
Culture Which band?	This American pop-country rock band was formed in 1969.	Original members: George Cummings, Dennis Locorriere, Ray Sawyer, Billy Francis.	In 1973 they made the cover of Rolling Stone, just as their second single had predicted.	They sang: "Sylvia's mother says, 'Sylvia's busy. Too busy to come to the phone.'"	There was no doctor or medicine show in their act.
Sport Which sport?	As an Olympic sport, there are two-man and four-man events.	The idea of this sport dates back about 150 years, from British tourists in the Alps.	A Swiss team once recorded a top speed of 189.9 km/h.	In 1988, the same year as ETSI was established, a Jamaican team in this sport made their debut.	Originally wooden, competitive models are now made of fiberglass with steel runners.
History Which year?	Hewlett-Packard acquired Compaq in a USD 25 billion deal.	Harvey Ball, the inventor of the smiley, died.	America Online and Time Warner merged to form AOL Time Warner.	12,000 die in an earthquake in Gujarat, India. Ericsson Response is there.	Stanley Kubrick directed a science-fiction film about this year.

The picture

Which year was this photo taken?

- 5 points for the right year
- 4 points for the year +/- 1 year
- 3 points for the year +/- 2 years
- 2 points for the year +/- 3 years
- 1 point for the year +/- 5 years

TURN THE PAGE FOR THE RIGHT ANSWER.

Communication: BT. **Geography:** France. **Technology:** Solar power. **Culture:** Dr. Hook & The Medicine Show. **Sport:** Bobsled. **History:** 2001. **Which year (photo):** Ericsson's President and CEO Lars Ramqvist demonstrates an old telephone for the Deputy Prime Minister of China, Zhu Rongji, at Ericsson's head office in Stockholm.



PHOTO ARCHIVE