#3 • 2011 The magazine for Ericsson employees

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ERICSSON


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com
A 6.5 BILLION
ONE ON ONE
WORLD
It's a wonderfully diverse world where everyone has the potential to make a contribution. We have more individuals on the ground in more places across the globe than any other information and communications technology organization. Because we believe big ideas begin with a single person.
ERICSSON

FRONT PAGE After their technology class at the St. Regis Mohawk Tribe's computer lab in New York State, in the US, (from left) Cody Jock, Alana Running Crane and Raienkonis Edwards check their smartphones for messages. Photo: Martin Adolfsson

Recycling

A new life for telecom equipment

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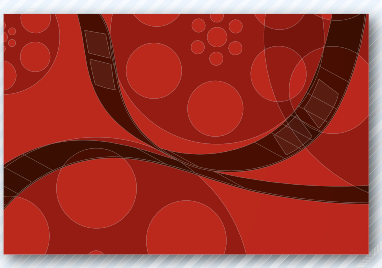

Contact

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A brand-new start

Right now we're building something unique, something brand new. We're building a new Ericsson. We're doing it by exploiting the strengths we already have, but also by understanding how the world is changing, how people want to communicate, and how companies and entire countries can benefit by using communication. We'll use these insights to create the right products and solutions, working together with both existing and future customers.

These are exciting times for Ericsson, and I'm proud and inspired to be taking on responsibility for our global communications right now.

I am convinced we need to be the best when it comes to communication – both within Ericsson and externally – if we're going to realize our strategies and achieve our targets. Good communication is quite simply essential for success these days.

Once upon a time, companies could work in isolation, and then simply present ideas that they thought customers or employees would accept. But with today's competitive climate, and the struggle to attract and keep the best and brightest employees, those days are long gone.

My aim is to make sure we're the best in the business when it comes to communications. The way we communicate should help drive our business strategies forward and build a strong brand. We should clearly show the world what we can do and how companies can benefit from working with us. To make this happen, every single one of us – not just our managers – has to act as an ambassador and highlight our strengths, every chance we get.

I urge you to use our internal communications channels – Contact, Contact Online, Contact Newsletter, and Contact Play – to learn more about the market, our strategy and other parts of our company, to learn more about how you as an individual member of the Ericsson team can help us achieve even greater success.

In this issue of Contact, we take a closer look at a few key areas where we want to lead the market. What challenges are ahead? Read and get inspired!

Helena Norrman,
Head of Group Function Communications

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

COMMENTS ON THE COLUMN

In his column on page three of the previous issue of Contact, Henry Sténson wrote: "But for the cloud to work well, we need world-class networks, pipes and uptime, and that's where Ericsson comes in."

I don't think this is an appropriate statement to make. Ericsson is working hard to present itself as the major software company that it is today. So Sténson should have put greater emphasis on the soft side of things, like the services he writes about. Thank you for an interesting magazine!

Pontus Karlsson, Sweden

Hello!
Thanks for your comment. When I wrote that statement in my column, I meant that we need both first-class hardware and first-class software to ensure that we have world-class networks, pipes and uptime. But perhaps I should have emphasized software even more, because it's certainly true that software is becoming an increasingly important part of our overall operations.

Henry Sténson

THE PEOPLE IN THE PICTURE

I contacted my former manager, Per-Olof Thorén, and we agree that the man on the right in the photo (page 30-31 in the last issue) is Bo Borgström. At that time, he was on loan to a division that I believe was called HF/ETX, from a unit then known as Svenska Radioaktiebolaget (SRA)/Cla. We don't have a name for the man on the left in the photo, however.

Rolf Persson, Sweden

DID YOU WIN?

The following people submitted the right answers to all of the questions in the readers' contest in the previous issue of Contact, and will each receive a copy of the Ericsson book Changing the World: *Dmitry Berger, Israel; Gary Driver, Canada; and Phenil Patadi, USA.*

Welcome ...

PHOTO: ERICSSON

... to Ericsson, Dennis Blankenship

... who worked for Cisco Systems, Broadband Technologies and Lockheed Martin Space Operations, among others, before joining the company. In his new role as Director of Software Engineering in Silicon Valley, he supports Business Unit Networks Development Unit IP and Broadband.

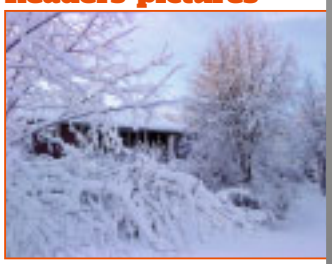
What did you learn from your experiences working as a Space Shuttle flight software engineer?

Working in the launch-control room for the US National Aeronautics and Space Administration (NASA) taught me how to handle pressure and stress. You don't want to be responsible for delaying a Space Shuttle launch and causing losses of hundreds of millions of dollars for sites around the world. I was just out of college when I began working there, so it was an exciting way to start off a career.

Is Ericsson well positioned to deal with the challenges of the market?

Networks are becoming more complex, but Ericsson is well positioned. Cisco and Juniper have not invested in services and solutions in the same way Ericsson has. Wrapping the power of Ericsson solutions and services around IP gateways and routing products is a unique differentiator.

Readers' pictures



A wintery photo taken with my W715 showing our cottage just outside Hälleforsnäs in Sörmland's deepest forests.

Marios Pettersson, Sweden

A picture of the team that won the Ericsson Telecomunicazioni Football Tournament on March 25 in Italy. All the players but one are Ericsson employees.

Pierluigi Salera, Italy

I took this picture using my W715 on a houseboat during my trip to the Kerala Backwaters in India.

Swapna Sharma, Sweden

Web poll

56.2

... percent of 203 Ericsson employees say they participated in Earth Hour on March 26.

Source: Intranet

Have you been asked ...

...ABOUT SMART GRIDS?

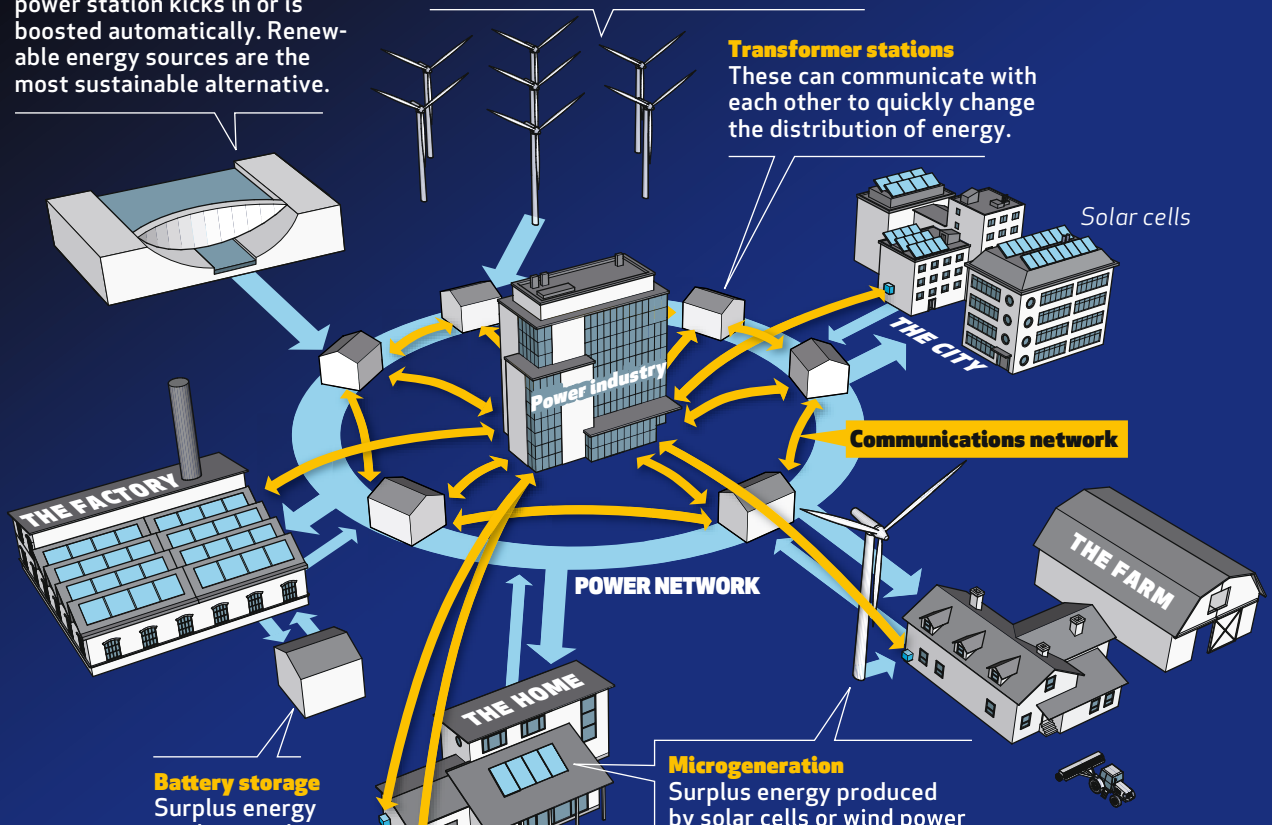
Smart grids

The smart grids of the future – smart power networks – will require considerably more communications paths than the networks of today. These networks will control both the production and consumption of energy, will receive energy from various sources and will be highly flexible. Here are some examples of areas in which smart grids can be beneficial:

Reserve power stations
During power outages or periods of reduced electricity production, output from the reserve power station kicks in or is boosted automatically. Renewable energy sources are the most sustainable alternative.

Renewable energy sources
In the future, the demand for reduced carbon-dioxide emissions will necessitate the use of several renewable energy sources, such as hydropower, solar cells and wind power.

Transformer stations
These can communicate with each other to quickly change the distribution of energy.



Battery storage
Surplus energy can be saved.

Microgeneration
Surplus energy produced by solar cells or wind power can be sold.

Smart energy meters
Proactive energy consumers can influence and control their energy consumption using smart energy meters.

Charge up your electric car
Recharging electric cars and paying for the power, either from home or at the charging station, requires communication with the power network.

New services will be available in the smart networks of the future.

Source: Smart Grid Information Clearinghouse (SGIC)

sgb.se

11am / August 20, 2010 / Runcorn, UK

Feeling light-headed

Looking straight down from a 30m-tall radio mast, you are likely to feel a bit dizzy. Ericsson engineer Paul Clark climbed the mast to install a light source that will be used to streamline the maintenance of radio masts – an innovation for which he and his Ericsson colleague Andrew Shepherd are responsible.

Read more about Clark and Shepherd's innovation in the latest issue of Contact Newsletter: *internal.ericsson.com/news and events/ericsson magazines/contact newsletter*

PHOTO: **ANDREW SHEPHERD**


CLARKY

PHOTO: HEIKE RUPPRICHT

Connecting rural Alaska

BROADBAND Many more Alaskans will soon have access to high-speed mobile broadband services as part of a recovery project funded in part by the US government. Ericsson was selected as sole microwave equipment supplier for the TERRA-Southwest project. The deal is Ericsson's largest ever long-haul transmission contract in North America.

Amazon music hits the cloud

MUSIC SERVICE In the first quarter of 2011, Amazon launched its cloud-based music service, Cloud Player, beating out competitors Apple and Google. For a monthly subscription fee, Amazon customers can use a cloud drive to access all the music they have purchased from Amazon, and they can upload personal content including music, photos, documents and even HD video.

Mobile market growing fast

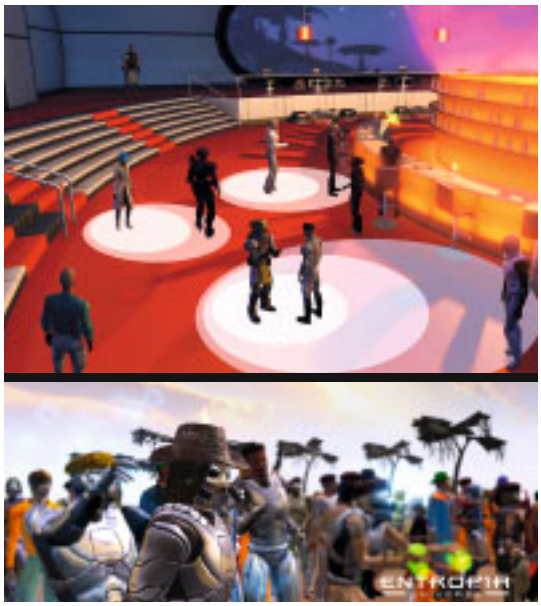
STATISTICS The mobile-phone market grew 19.8 percent year-on-year in the first quarter of 2011. Vendors shipped 371.8 million units in quarter one of 2011 compared with 310.5 million units in the same period during 2010.

Source: International Data Corporation

Connecting gamers

Ericsson has signed its first deal in the online gaming industry. It is a solution for voice services in the game Entropia Universe, created by the Swedish gaming company Mindark.

ILLUSTRATION: MINDARK



Players of Entropia Universe can now easily communicate with each other.

CONTRACT Players of Entropia can now speak to each other live with high-quality voice services while gaming, thanks to an IMS solution from Ericsson. Ericsson is deploying its existing voice technology based on IMS in a cloud service, called Ericsson In-Game Communication (EIGC), which makes it simple and cost-effective to introduce communication to games.

Entropia Universe is a 3D virtual world with a real cash economy. It is growing in popularity, with more than one million registered users.

"It was important to have a system that is integrated into our own platform, because then we could customize the functionality and have the security level required to deal with real money in our virtual world. The solution from Ericsson provided the best security and flexibility for us," says Christian Björkman, Chief Marketing Officer for Mindark.

With this service, gamers will be able to talk and listen to other gamers whose avatars are nearby, attend or give lectures to an interactive audience, and work in teams.

☒ Editorial Services

▶ *Read more at Ericsson.com/news*
▶ *Link to the game: www.entropiauniverse.com*

"The challenge for cloud services ... is how to appease the record labels and still have a consumer-friendly service that is financially viable." **Michael Robertson – Founder and former CEO, MP3.com. Source: TechCrunch, April 2011**

PHOTO: JIM DENNIS

In royal company

Håkan Eriksson, Ericsson Group CTO and head of Ericsson Silicon Valley, took the opportunity to show off Ericsson's operations in Silicon Valley to Princess Madeleine of Sweden when they were both in San Francisco to attend the Legal Services for Children luncheon on May 6.

PHOTO: PERNILLE TOFTE

Thanks to ippi, Karin Öhman (left) is able to receive messages from Anita Åkerman and other care home staff in Nyköping, Sweden.

Messaging made easy

Using just a mobile network and a TV, four people with mild-to-moderate mental retardation at a residential care home in Nyköping, Sweden, are able to test ippi, a device that enables them to receive messages on a TV from members of staff and relatives.

APPLICATIONS Karin Öhman welcomes us to her apartment in Nyköping. She switches on the TV and a menu appears on the screen showing a selection that includes an inbox, photo albums and games. She looks through her old messages in her inbox.

"Look, I've sent you this," says Anita Åkerman, who works at the care home, as she points to a picture of herself in a message that reads "Hi Karin! I'm working tonight".

Information on screen

Åkerman says that the residents benefit from being able to receive messages on the TV, because it is a familiar fixture in their homes. It is easier to see messages on a TV than on a mobile phone's small screen, and in terms of fine-motor skills, it is not difficult to use ippi.

"We send messages about what's on the menu for the weekend, who is working, visits from the doctor and social activities like dancing and bingo," says Åkerman as she switches on the staff computer to show us how it all works.

Getting involved

She logs into a website where users create new messages by adding headings, text and images. The staff members use images a great deal because not all of those at the care home are able to read. When someone receives a new message, they hear a signal and a yellow lamp flashes on the remote control.

"The residents feel more a part of things and because they can also receive messages from relatives, they can now get invitations to family parties directly, instead of them having to go via the staff," Åkerman says. "That means a lot to them."

☒ Anders Jinneklint

ippi

- The project is a part of a larger project being run by Research & Development in the Swedish province of Södermanland in and around Stockholm to allow the elderly and disabled to test new forms of ICT.
- The purpose is to evaluate and test new technology that can give users greater involvement in their communities, independence and a better quality of life.

Hello...

PHOTO: ARCHIVE

...Henry Sténson, who has been the company's Head of Communications since 2002. He will soon leave Ericsson to become a consultant and partner with communications agency Brunswick.

What experiences will you take with you from Ericsson?

Everything I learned during those difficult years at the start of the 21st century when there were redundancies and cost savings. That made me extremely humble, and since then I've taken nothing for granted. Things are always happening around a company like Ericsson, so I've also had a lot of practice in managing crises. I hope I can share that experience.

What will you miss the most?

All the extremely competent and pleasant people here, and working with a company whose products and services are actually changing the world.

What is your best memory from your time here?

I'm very proud that we got involved in Millennium Villages. When the project had been going for a couple of years, I went to Cape Town and met a guy who told me how mobile phone technology had changed people's lives in his village. By calling an SOS number, people were able to contact a midwife in time when there were complications during a birth. That's when I realized how important and essential our efforts are.

☒ Sofia Falk

Hello...

PHOTO: ANNA KALLBERG

...Marianne Larsson, Director of the Mobile Heights Business Center (MHBC) in Lund.

What can the MHBC do to help a startup?

"If the entrepreneur and the business concept meet the MHBC's criteria, we can open doors to trade and industry. This makes it possible to get customers quickly, to access technology and all kinds of expertise in the market. This is a source of innovation and future competence."

How does the process work?

"We ensure that members get to know players in trade and industry by having regular meetings (Power Hours), where their questions are discussed. Business advisers make sure that they come into contact with the right people. Those in trade and industry (Ericsson, Sony Ericsson, TeliaSonera, and others) think it's at least as rewarding and as much fun as the entrepreneurs do. Power Hours are always lively, and we see some incredible results."

What is the most difficult thing in your industry?

"The attitude towards business among those involved with innovation in Sweden. They often forget that entrepreneurship, business development and sales are vital for R&D to do any good in the world and result in growth at home.

⊠ Sofia Falk

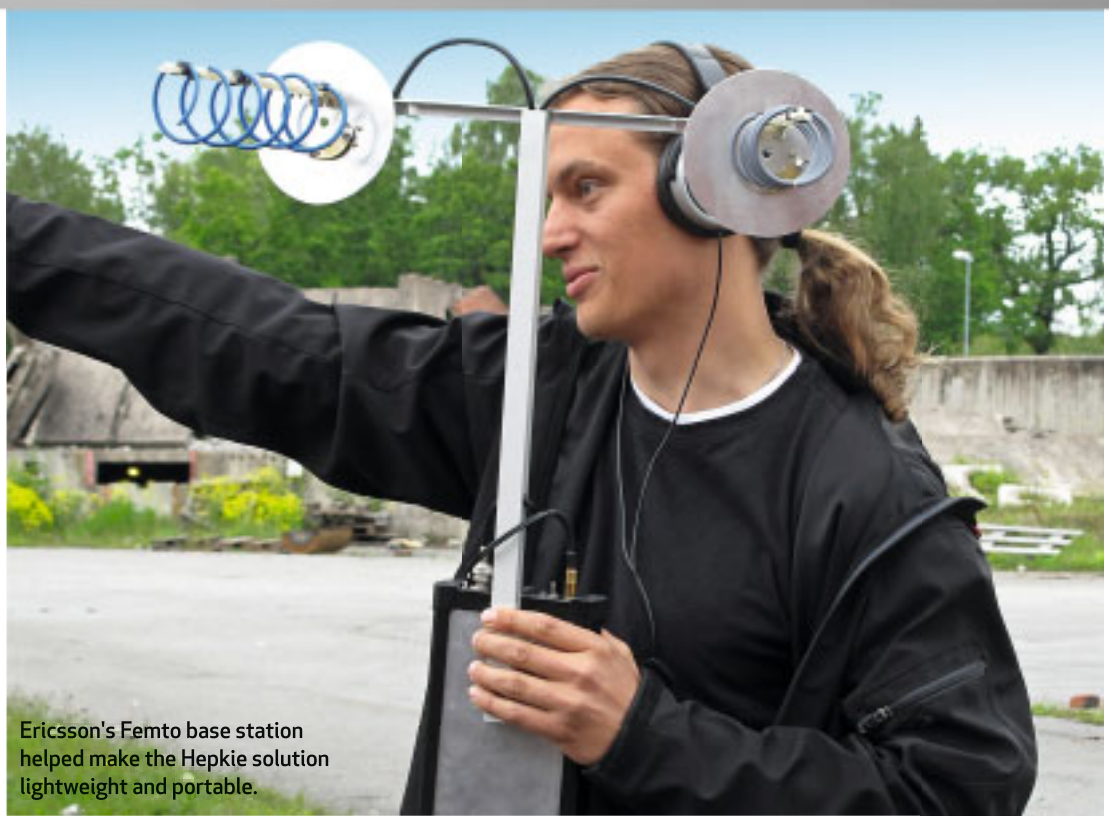


PHOTO: RESQU AB

Ericsson's Femto base station helped make the Hepkie solution lightweight and portable.

Eye in the sky

Swedish company ResQU is working with Ericsson to develop Hepkie, a solution that helps authorities locate the victims of natural disasters.

INNOVATIONS Hepkie can locate a GSM mobile phone – and by extension its owner – by tracking and honing in on the phone's International Mobile Subscriber Identity (IMSI) signal. Unique to every mobile phone, the IMSI signal acts like a beacon in the search, and a Femto base station acts like a virtual operator by helping to secure network coverage in disaster zones.

"Hepkie can help authorities find a victim who is carrying a mobile phone that is turned on and has a signal," says Andreas Ekengren, CEO of ResQU. "We have put the complete system through avalanche tests and managed to pinpoint the location of phones to an accuracy of around 30cm, even if they are buried under 2m of snow 21km away."

Andreas Ekengren

Cuts down search time

If the victim's details are known, the solution can search for specific phones in a designated area. If an unknown number of victims are spread throughout a disaster zone, as is often the case in the aftermath of an avalanche or earthquake, Hepkie can help determine the number of victims and their locations. This drastically cuts down on search time.

Ericsson patent

In 2009, ResQU was granted access to Ericsson, technology and advice through activities organized by the Mobile Heights Business Center (MHBC).

"The Femto base station supplied by Ericsson helped make the solution lightweight and portable – an essential part of Hepkie's design," Ekengren says. "We enjoy working with Ericsson and we aim to include Hepkie in the solutions Ericsson Response has access to."

Very effective

Hepkie has not been launched commercially yet, but the results of rigorous field tests suggest it could be very effective.

"The interest in Hepkie at mountain rescue conferences is huge," Ekengren says. "We're working with authorities in Sweden and are engaging in good discussions in Norway and Iceland too. They're waiting impatiently for us to release Hepkie."

⊠ Jonathan Rothwell

HEPKIE

- Hepkie finds people who are missing, on land or at sea, or trapped in avalanches, earthquakes and fires
- No additional programs are needed on the phone
- A Femto base station is used to connect the phones to the Hepkie system.

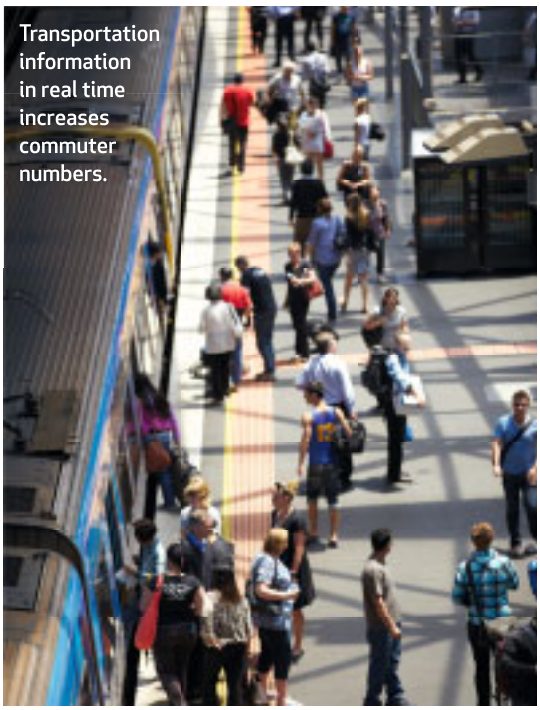
Apps help commuters get on board

Smartphone applications that report and predict traffic patterns could help to get commuters out of their cars and onto public transportation systems.

STUDY A recent study conducted by Latitude Research in Boston and San Francisco found that commuters were willing to use public transportation more often if they had greater access to real-time information about transportation schedules – for example, with the help of mobile applications. The Latitude study found that, in addition to providing greater flexibility, mobile technology can help to make the commuting experience more fulfilling by alerting riders to route-specific events, shops, promotions and resources.

Neela Sakaria, who is Senior Vice President at Latitude Research, says that mobile technology is a natural enabler, providing access to real-time information wherever you are.

Some agencies, like the Massachusetts Bay Transportation Authority (MBTA), are already providing open-source traffic data to developers so they can create new applications. The next step, however, says Sakaria, is for transit agencies to take a broader approach by offering services that can direct commuters to their best transportation option – even if it is operated by a competitor.



Transportation information in real time increases commuter numbers.

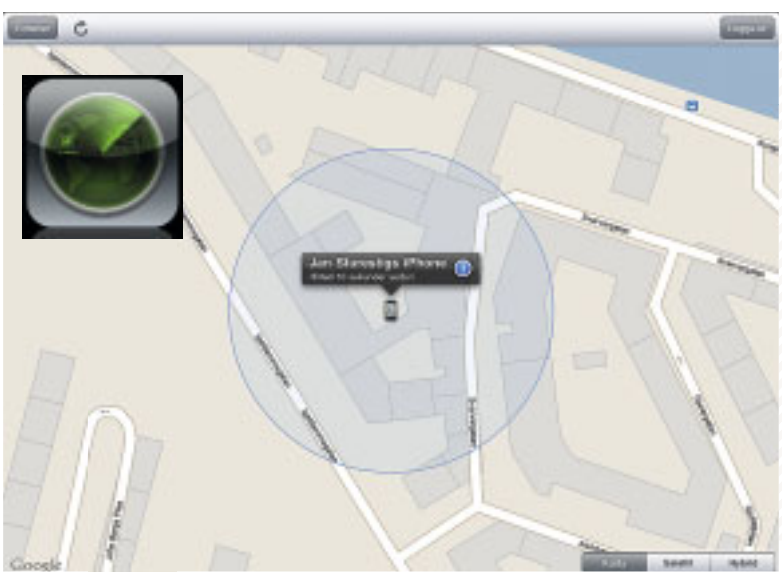
PHOTO: ERICSSON MEDIABANK

Smart choices

"It is not about either-or. With more information available, commuters can think about their options seamlessly and will be more likely to try modes of transportation that they otherwise would not have taken."

According to Sakaria, mobile technology is a democratizer of different modes of transportation – enabling commuters to make more informed decisions about how they travel. "People want to make good choices, be sustainable and save money, and mobile technology is one way to help them make those choices."

☒ David Francisco



Crime-fighting smartphones

MOBILE APPS Pickpockets may have to think again before snatching your new smartphone. Applications like Find My iPhone are helping owners and police recover stolen items with the help of GPS data and tracking software. According to the newspaper Metro, Swedish police even see a connection between location-enabled smartphones and a recent drop in petty theft.

Newspaper goes social

SOCIAL MEDIA The Washington Post recently launched a social news initiative called Trove. This free news-aggregation application uses individuals' Facebook profiles along with its own algorithms to present personalized news pages. Social news has become increasingly popular since the 2005 launch of The Huffington Post, a channel with more than 8 million unique users.

Android gains ground

SALES Swedish operator Telia has announced that more Android mobile phones than iPhones were sold in its stores in April. Apple's iPhone 4 is still number one in the top-10 list of best-selling mobile phones, though the other nine places are occupied by phones running the Android operating system. The newly launched Xperia arc is the top seller among Sony Ericsson's mobile phones.

Growth in telematics

FUTURE ABI Research forecasts that global shipments of commercial telematics equipment will increase from 1.94 million in 2011 to 6.43 million in 2016. Telematics is the integrated use of telecommunications and informatics from global positioning systems to fleet management.

20,000

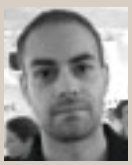
... ICT professionals are eventually expected to work at the new Skolkovo Innovation Center, also referred to as Russia's "Silicon Valley."

Source: Ericsson.com

3 HAVE THEIR SAY

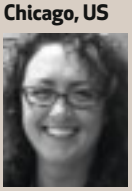
New software technology allows mobile-phone users to download their medical records, making them quickly accessible in case of emergency. Would you be comfortable with having your medical record stored in your phone?

▶ Thomas Stilling Ambus, Copenhagen, Denmark



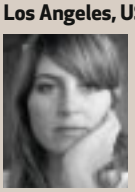
"I would need some kind of assurance that it's not going to be misused. For people to trust it, you have to have regulatory guidelines that are well communicated to the public. A government or an industry association could do that.

▶ Mary Jo Brown, Chicago, US



"No way! I'm afraid of putting very personal information, such as medical records and bank statements, on my phone. Maybe it's an antiquated way of thinking, but it just seems unsafe to me.

▶ Mimi Lear, Los Angeles, US



"No. I want to keep my medical history scattered, because I don't want any insurance companies to compile it all. If ever I have to pay in full for my own health coverage, the insurance company's lack of access to complete information could help keep my premium lower.

☒ David Callahan

TWITTER

The power of communication

During the political unrest in Egypt, Ericsson employee Ahmed Kellal used Twitter to communicate with protestors and friends across the country.

APPLICATIONS There had long been sporadic local protests against the 32-year old ruling system when on January 25, 2011 – a few weeks after similar incidents had shaken Tunisia – a crisis began to develop. During the days that followed, a succession of demonstrations and riots took place.

Internet blackout

The country's leadership tried in various ways to subdue the protests – for example, by severing communication channels such as the internet and mobile telephone networks. In addition, when large crowds gathered in public squares and on the streets, many people were brutally attacked by the police. Even before these events took place, alleged police brutality had been among the causes of widespread discontent.Others included allegations of corruption, the lack of freedom of expression and democratic elections, unemployment and inflation.

Kellal, who lives in the capital city Cairo, was among those who knew that something was brewing. More than a month before things came to a head he registered a Twitter account that served as an important channel of communication during the crisis – as did Facebook.

Coordination

"I had decided to participate in the uprising that I saw coming, and realized that a lot of important information could be circulated using Twitter, among other things. During the first few days, we used all channels to coordinate and organize our protest activities," Kellal says.

Growing protest group

The protest group that Kellal joined grew within a short period of time to include several thousand members. Twitter and Facebook played an important role in helping the group to communicate.

"We were also able to get information from outside," he says. "Other people around the world were following the developments, and were able to coordinate and send us information from channels we didn't have access to."

President Hosni Mubarak eventually stepped down and was replaced by an interim military command. Elections should take place before the end of the year.

☒ Johan Kvickström

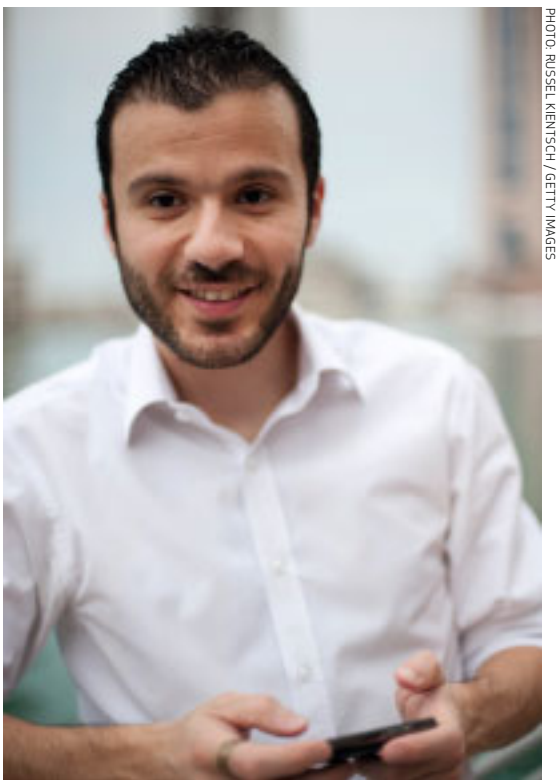


PHOTO: RUSSEL KIENTSCH / GETTY IMAGES

Ahmed Kellal and his protest group used Twitter and other social media as communication channels during the Egyptian uprising.

Twitter's role in the Egyptian uprising

EGYPTIAN authorities quickly realized the importance of Twitter and Facebook. The Egyptian Cabinet now has a Twitter profile and a Facebook page. The country's military forces also have a Facebook page.

One of those who posted tweets during the revolution was Nobel Peace Prize Laureate Mohamed ElBaradei, former Director General of the UN's International Atomic Energy Agency (IAEA). ElBaradei is often mentioned as a possible presidential candidate in the autumn elections in Egypt.

PHOTO: NATIONAL MUSEUM OF SCIENCE AND TECHNOLOGY, STOCKHOLM

The all-in-one phone that never quite made it

LOOKING BACK A phone with all its parts contained in a single unit – could it work? Telephone designers thought of the concept as long ago as the 1930s, and during the decade that followed, they developed this prototype – the Unifon. In 1944, this handheld micro-telephone, built by civil engineer Hans Kraepelien and designed by Ericsson's Ralph Lysell, was introduced. The Unifon was the first telephone in which all parts – the receiver, microphone and rotary dial – were contained in a single unit. It didn't take up much space, and it could be used as either a table-top or a wall-mounted phone.

At the same time, designers were sketching a free-standing, handheld micro-telephone – the Ericofon, better known as the Cobra. In the end, it was decided that the Cobra was the right model to produce, and the Unifon remained only a prototype.

Source: National Museum of Science and Technology, Stockholm

"The telephone is the devil's tool." Swedish priests didn't mince words during the late 1870s when telephony, which had just been introduced, was considered mysterious. Certain skeptics believed that telephone poles could summon evil spirits. Source: Ericssonhistory.com

The right answers

CONTEST Here are the correct answers to the questions about Ericsson's Group Targets for 2011. Turn to page four to find out who won a copy of the Ericsson book Changing the World.

1. Job satisfaction and job commitment.

2. Three of the following: *New industries, 50 billion connected devices, New business model, Software as a Service, IP solutions, Mobile Money.*

3. Three possible answers:
- *Take responsibility for my own motivation*
- *Speak up if I'm not happy*
- *Take the initiative for improvements.*

4. BrandTrack model.

5. Five of the following: *Customer first, Ericsson leadership, LTE leadership, Services leadership, Technology leadership, Deals in strategic areas, Grow faster than the market, Best-in-class margins, Strong cash conversion, Growth in joint-venture earnings, Employee motivation, Common core capabilities.*

Our contest will take a break during the summer and return in September.

Tips from Ericsson.com

Is everything becoming social? What would media and communication look like today if you could visualize them? FutureWorks' Conversation Prism, a smart way of explaining what the social world looks like on the internet, provides some clues. Read Mikael Eriksson Björling's post – Is Everything Becoming Social? – under Thinking Ahead and discuss:
http://www.ericsson.com/thinkingahead/ideas

Ericsson responds. What is Ericsson's position regarding network neutrality? Read Walter van der Weiden's post about the company's response to the possible revision of the Directive on the Enforcement of Intellectual Property Rights (IPRED) from 2004 on the Televisionary Blog. You can also read Ericsson's complete response to the European Commission on the issue. What do you think?
http://www.ericsson.com/campaign/televisionary/blog/regulation

TV when you want it . To what extent does TV on demand influence the way you watch TV? In his post – TV or not TV? That's the question – on Thinking Ahead, John Ambrose writes about how his habits have changed since he began watching the HBO series The Wire.
http://www.ericsson.com/thinkingahead/ideas

Do you have any good internal or external blogs or posts you would like to share with us? E-mail them to: *contact.comments@ericsson.com*

PHOTO: ANGELA GEORGE

Sheen's followers flock to Twitter feed

SOCIAL MEDIA The actor and party animal Charlie Sheen had more than 1 million followers after just over 24 hours as a user of Twitter, which qualified him for a Guinness world record as "the fastest person to gain a million Twitter followers." Sheen already holds the record as the "highest-paid TV actor per episode," with a salary of USD 1.25 million per episode of Two and a Half Men, according to Swedish fashion and beauty website Forme.se.

Orange gets charitable

APPS Operator Orange has launched an app for charity in the UK called Do Some Good. Rather than donating money, the user sets aside five minutes to support any of the 12 projects that are included in the initiative to date. They can choose how they want to help – either by taking part in surveys, or by providing tips about areas that may require brightening up at the hands of so-called "guerrilla gardeners." Read more at orange.co.uk.

Source: Mobilenewscwp.co.uk

100

... million plus professionals used the LinkedIn network in March.

Source: Socialnomics.com

INTERVIEW: MARTHA LANE FOX

Connecting the UK

With online hits such as Lastminute.com on her resume, Martha Lane Fox is almost the face of the internet in the UK. Named Digital Champion of 2010 by the government, her next challenge is to make Britain the first truly connected nation by 2012.

Why is it so important for everyone to be connected by 2012?

Every day I hear another story about what a powerful weapon technology can be in the fight against poverty. It also represents a major opportunity for government to reduce the cost of its transactions at a time when it clearly needs to make savings. For businesses, the internet represents a big incremental consumer market for goods and services. Fifty percent of our travel in the UK is now booked online, 23 million of us have a Facebook account and we already consume 40 percent of our news online.

As the vast majority of us become increasingly sophisticated in our use of technology, it's vitally important that we actively encourage and support the last nine million people in the UK without internet access, particularly the four million people who are also among our society's most vulnerable (because, for example, they are unemployed, disabled, elderly or from low-income households), to go online so that they can share in the same opportunities for consumer savings, employment and social contact.

Will you make it in time?

To set out to do this by 2012 is not a pipe dream. Our Race Online 2012 partnership program has already received commitments from 900 partners to bring nearly two million more people online. Meanwhile, the government is making a commitment to think "internet first" when it delivers services. I feel very strongly that we have a chance to create a truly digital nation by the time we stage the Olympics in 2012.

What does it mean for a democracy to achieve this goal?

The government is committed to transparency and accountability. This makes it even more important that everybody, especially in our most vulnerable groups, has access to the same tools to shape and take part in a democratic debate that is happening online.

What needs to happen with the existing infrastructure?

"The internet is the tool – it doesn't matter what device you use to access it."

We have a tremendous amount of technology in the UK; we just need to connect it all and make it more visible. We have a massive amount of infrastructure in our communities, in our schools, in doctors' clinics, in our UK Online centers and in the network of computer-training centers that the government has started. We worked out that we lock up half a billion pounds' worth of computer technology every night. This technology could also be used after business hours.

What have been the challenges so far?

It's been a challenge to try to make this a more mainstream interest for the government, rather than a niche or side interest. On a more personal level, the challenge has been to avoid losing sight of the original brief from the government – which was to keep our efforts single-mindedly focused on vulnerable people.

What will this mean to operators?

It potentially means nine million new customers.

How would you define the role of the mobile phone in achieving this goal?

The internet is the tool – it doesn't matter what device you use to access it. Smartphones are obviously quite a game-changer, as will be internet on TV, particularly for older age groups.

Where do you get your inspiration?

I'm inspired by all the amazing people I've met traveling up and down the country: by individuals like Warda Mohammed, who is running her own translation business and employing three other ladies from her home in Aston, Birmingham.

What experiences have you taken with you from the Lastminute start-up?

Being bold, having ambition and being optimistic were key.

Text: **Sofia Falk** Photo: **Amy Parton**

This is Race Online 2012

- A business-to-business campaign to encourage partner organizations to reserve resources to help as many Brits as possible go online by 2012
- The partners are government, industry, charities and individuals
- The goal is to make the UK the first nation in which everyone can use the web…
- … especially the nine million adults in the UK who are currently not using the internet at all
- The campaign is not funded by the government and is dependent on partnerships and sponsors
- Partners and sponsors are helping in various ways: they run events, donate money or equipment, give IT courses or just help by spreading the word

Find out more at Raceonline2012.org

MARTHA LANE FOX

- **Age:** 37
- **Lives:** Marylebone, London, UK
- **Family:** Lives with her partner, Chris Gorell Barnes
- **Business background:** E-commerce entrepreneur, co-founder of Lastminute.com, current UK Government Digital Champion
- **Hobbies:** Karaoke, swimming, Twitter
- **Favorite mobile app:** TweetDeck

Youngsters from the St. Regis Mohawk Reservation in New York state discuss web safety during an after-school technology class. The tribe is building its future on fiber broadband.

MARKET 360°

From **Native American** reservations in the US to taxi stands in Singapore, people are tapping into the **Networked Society**. Their needs create new market trends and challenges. This issue offers a panoramic scan of the global ICT market and its key opportunities.

Fixed on the future

FIXED BROADBAND & CONVERGENCE

In a computer room in Akwesasne, a rural community on the St. Regis Mohawk Tribe's reservation in New York state, the US, local children are learning the basics of online safety and behavior. They are taking the first steps of an ambitious distance-learning project that the tribe has begun.

"Our vision is to become a learning center," says Ron LaFrance, Director of the Akwesasne Boys and Girls Club. In 2010, with a grant of USD 10.5 million from the US government, the tribe laid about 110km of fiber-optic cable to bring high-speed broadband service to all residences on the reservation and to provide internet access at five new computer centers.

By laying fiber, the St. Regis Mohawks are laying the foundation for a different kind of future. Many in Akwesasne who were employed in local industries have lost their jobs due to the recession. "High-speed internet is opening the doors to everything from telemedicine to online college courses," LaFrance says.

The tribe is even considering plans to become a fixed-broadband operator and extend services around the region.

It wouldn't be the only operator building a future on fixed broadband. Fixed broadband is undergoing what Thomas Lubeskie, Head of Engagement Practice Fixed Broadband and Convergence with Region North America, calls "a resurgence," based not only on the need for high-speed internet but also, to a great extent, on the growing popularity of IP-based mobile video.

"Ten years ago it was widely believed that everyone would have wireless in the home, ▶

Alana Running Crane (left) and Kaitlynn Herne meet up before going to their technology class in Akwesasne.

Did you know...

that Japan, China, South Korea, the US and Taiwan combined have more than 90 percent of all FTTH subscribers in the world?

▶ but the stickiness with fixed networks is really the high-speed broadband," Lubeskie says. Video services such as Netflix and Hulu are driving fixed penetration today, while operators explore other ways to earn revenue from "the pipe," he says.

Many are also expanding into areas such as the networked home, cloud services, security and firewalls, Lubeskie says. "They're making more use of having all of that bandwidth in the house."

Massive fiber rollouts have been undertaken mainly in Asia. In China, for example, Ericsson has provided fiber-to-the-home (FTTH) to all three of the country's operators – China Mobile, China Unicom and China Telecom. But in mature markets, large-scale build-outs have been the exception more than the rule. In the US and Europe, there is a lucrative business in extending the service lifetimes of legacy copper networks, Lubeskie says. "There are some major operators that spent many decades putting copper in the ground and still consider it to be a useful asset."

The world of fixed-broadband suppliers is a small one. Large operators in need of fiber or DSL technology can choose from full-service vendors such as Ericsson, Alcatel-Lucent, Huawei or ZTE.

But beyond access technologies such as digital subscriber lines (DSL) and fiber, there is a growing business in convergence, as more operators see the benefits of joining their mobile and fixed networks in a common core with all-IP architecture, Lubeskie says.

Telecom vendors are not the only ones who see an opportunity in convergence. "Because of the transformation to all-IP networks, the traditional IP routing and networking players become more relevant, in both fixed and mobile networks," Lubeskie says. "With convergence, there is no longer just a telco domain – instead, it's becoming more of an ICT domain."

Ericsson can use quality of experience to differentiate from other players in this area.

"When you talk about the quality of experience, having the telco background helps because we can design and configure our networks with an end-to-end quality in mind," he says.

☒ Text: **David Callahan** Photo: **Martin Adolfsson**

COVERING THE MARKET

The seven key areas outlined in this report are related to Ericsson's Market Categories, which represent "current and future markets where Ericsson seeks expansion and leadership". To read more about these Market Categories, go to *http://internal.ericsson.com/page/hub_inside/sales/sales_marketing/key_business_initiatives/marketing_handbook/market_categories/index.jsp*

Outside the box

OPERATORS LOOKING FOR INNOVATIVE BUSINESS SOLUTIONS

Qin Han arrives early to work in Beijing, having avoided Monday morning traffic congestion by using a mobile application on his smartphone.

MOBILE BROADBAND

Each morning, Qin Han wakes up and reaches for his smartphone. Even before he gets out of bed, he checks the news and weather forecast for the day.

A 27-year-old native of Beijing, China, Qin stays connected as he commutes to his job at a video production company in his hometown. On the days when he drives to work, he uses an application to access information about traffic and alternate routes. When he takes public transportation, he reads or exchanges instant messages with his friends on China's popular QQ social media site.

"Riding the bus is boring, so I turn on QQ and chat," Qin says. "When I can get a seat and I'm not suffering from motion sickness, I'll play NBA Live," he says.

Social media, location-based services and video are all driving huge amounts of data on mobile broadband networks, and it's mainly because of smartphone users like Qin, who are continuously connected to the cloud.

Mobile broadband has not exactly turned out to be what operators had expected, says Soren Elsborg, Head of Engagement Practice Mobile Broadband at Region North America.

"User behavior has changed in a way that nobody had foreseen," Elsborg says. "The adoption of smartphones in Asia and North America, in particular, has been phenomenal, and most of the traffic is on social media sites, like YouTube and Facebook. It's not really business traffic."

Now mobile connectivity means that people are in constant motion, using the internet throughout the day and especially at night, he says. "The networks are more stressed. It's very hard to predict where the usage will be when the user is moving all the time."

The challenge of translating this data traffic into revenue has baffled operators, by and large. And yet, operators are faced with the expense of adding capacity to cater to a phenomenon in which they have no clear stake.

In such an atmosphere of uncertainty, he says, there is a need for Ericsson's expertise. Networks need to be dimensioned for the kind of high performance smartphones require; and operators need strategic partners to help them identify and pursue innovative business models for mobile data.

Applying Ericsson's scale, technology and service competence effectively demands listening to the customer and translating issues into business opportunities, Elsborg says. Although Ericsson is well established with operators, it must find a way to open up a dialog on business strategy with customers, he says. "In many cases, the relationship with Ericsson is owned by the chief technology officer (CTO), and now we strive to expand that relationship to marketing and finance officers."

The focus on consultative partnerships is one way Ericsson can differentiate itself from other telecom suppliers. "We cannot go down the track of competing on price," he says. "We should focus on value and provide business solutions to our customers."

Text: **David Callahan** Photo: **Per Myrehed**

Did you know...

that more than 300,000 mobile apps have been developed in the last three years? IDC predicts that global downloads will reach 76.9 billion in 2014 and will be worth USD 35 billion.

Strong foundation

VOICE AND TEXT ARE STILL KEY REVENUE DRIVERS

Did you know...

that global SMS revenues are expected to reach USD 67 billion in 2012, driven by 3.7 trillion messages?

Source: Portio Research

A 2G mobile phone has become Mabel Gargan's constant companion and connection to the outside world.

COMMUNICATION SERVICES

Mabel Gargan could be forgiven for seeming underwhelmed when her daughter presented her with her first mobile phone several years ago. "I didn't know what I was ever going to use it for," Gargan says.

That changed one cold morning when the 88-year-old got stuck in the elevator of her apartment building in Dublin, Ireland.

"The elevator didn't have a phone, so I rang the police on my mobile," she says. "They called an engineer; but it was an hour before he turned up. I was frozen with cold and caught pneumonia waiting in there.

"If I hadn't had my mobile I might not have survived at all."

Now, like many elderly people, Gargan keeps her mobile phone at hand constantly, even when she is at home.

For seniors such as Gargan, voice and text have become basic necessities; for mobile operators, they form the basis of a successful business.

Voice still accounts for about 75 percent of an operator's revenue, and Ericsson is focused on bringing down operators' costs, says Jo Lindstad, Head of Engagement Practice Communication Services for Region Latin America.

"When average revenue per user is flattening out or going down, Ericsson needs to help the operator bring down its production costs by optimizing and modernizing the network," he says.

New opportunities are also emerging in person-to-person services such as video calls, which enable operators to provide superior value and, as a result, keep revenue up, he says.

A consultative approach is key to winning business in radio and core networks, when it has become more difficult for vendors to differentiate themselves with technology roadmaps. Lindstad says that one effective approach is to encourage incremental network modernization rather than large-scale overhauls. "We work with operators in a more consultative way, focusing on where they can get most out of the modernization first and then extend later," he says.

Network expansions using the latest technology platforms are another way of discouraging operators from swapping out entire networks in favor of the lowest-priced equipment. With the latest technology and unused capacity in the expanded network, an operator can be convinced to stick with the Ericsson platform while phasing out the old equipment, he says.

In core networks Ericsson's leadership has been maintained through the quality of its technology, which Lindstad says is viewed as "extremely stable and reliable." But he cautions: "There are limits to how much price premium you can get with better product performance and the Ericsson name."

While market saturation and price pressure are two challenges facing operators' voice and text businesses, Lindstad points out that a valuable market is emerging for connected devices.

From fleet management to smart metering, machine-to-machine (M2M) communication could surpass phone-to-phone communication one day. The key is creating scale, he says. "The revenue from many types of devices is low. It would be hard for most operators to get the scale that we can by building it for all of them."

The market for device-to-device communications is in its infancy, but Ericsson is among the first to begin developing cloud-based software as a service (SaaS). The service can be offered to telecom operators on a white-label basis.

"We are trying to prepare operators to address these vertical markets in a low-cost, simple way," Lindstad says.

☒ Text: **David Callahan** Photo: **Per Myrehed**

Nicholas Berardo sets up his new Xperia smartphone in Rome's Piazza Madonna dei Moti. Within minutes, he was able to start using the device, thanks to backhand OSS services that Ericsson provides the operator.

Behind the scenes

BACK-END SYSTEMS TAKE A FRONT SEAT WITH OPERATORS

OPERATIONS & BUSINESS SUPPORT SYSTEMS

Nicholas Berardo got his first smartphone in May, and it worked immediately. "I bought it, followed the instructions, and the next thing you know – I was surfing the internet," the 25-year-old student says.

Like most end users, Berardo has no idea what goes on behind the scenes to make these mobile services work. But the key to a constantly-improving end-user experience – and to a service provider's network and service operations – is effective Operational Support Systems and Business Support Systems (OSS/BSS). OSS refers to telecom network systems, which includes supporting processes such as maintaining network inventory, configuring network components, managing faults and provisioning of services and devices such as Nicholas' new smartphone. BSS refers to business systems that deal with customer relation management and support procedures such as taking orders, processing bills and collecting payments.

Mario Agati, Head of Engagement Practice OSS & BSS with Region Mediterranean, says there is a need among operators for simplification and consolidation of the OSS/BSS and IT systems. "One problem for them is that the systems they have are so large and complex that, in order to improve certain parts, you need months of study just to understand what is needed," he says. "So they ask for prepackaged solutions that, as much as possible, are simplified and pre-integrated, not requiring so many hands-on customizations.

"Basically we are putting together competence in IT, OSS and BSS, which we combine with a deep knowledge of the customers' networks and their infrastructure," Agati says. "And this is crucial, since we know that end-to-end solutions are necessary in this area."

If Ericsson, for example, offers a customer a billing solution, they can also offer the way to integrate this billing solution in their network. And Ericsson can also provide ways to measure all the data in the system. "Our knowledge of telecommunications is an enormous asset for customers when it comes to integrating their systems. This is particularly valid for Operational Support Systems," Agati says.

The IT business is very different from the telecom business in that the former isn't dominated by a limited number of players. In fact, the total market share of the 15 biggest IT companies is only about 50 percent. "There are different companies leading different areas. But there is no doubt that Ericsson is very strong in many of these areas."

☒ Text: **Johan Kvickström** Photo: **Franco Origlia/Getty Images**

Vodafone UK has won three industry awards for network quality, but the real beneficiaries are the subscribers.

At their service

LEADERSHIP BUILDS ON HUGE CUSTOMER BASE

MANAGED SERVICES

Mobile-phone users expect a reliable operator – one that makes it possible to fully enjoy the latest handsets. To meet expectations, networks must expand as subscriber numbers increase; thereby ensuring end users have maximum connectivity with minimal service disruptions.

These are some of the key challenges that many operators are facing when they choose to outsource their network, says Justin Head, Head of Engagement Practice Managed Services with Region West Central Europe. While operators need to reduce their cost base, they also turn to managed services to cater to the growth in smartphones and devices, which are placing heavier demands on networks than originally foreseen. "The operator gets an increased set of capabilities, and their customers get a better tariff," he says.

After outsourcing its network to Ericsson in 2009, Vodafone UK has been able to differentiate itself on network quality. "The operator now advertises that if you sign an iPhone 4 contract, you get the best phone on 'a network you can depend on.'

"Network quality is now its strongest sales argument," Head says.

Head says that for Vodafone UK, a large-scale site rollout program was implemented to expand radio, transmission and switching infrastructure, as well as enhancing the 2G and 3G networks through EDGE and HSPA (high-speed downlink packet access) upgrades.

Head says that operators view outsourcing as a path to placing increased focus on their core business. "The transfer of the responsibility for running the network is almost as big a reason for outsourcing as the cost-reduction part."

While Ericsson leads the market in managed services, keeping this position and maintaining growth presents some challenges. "Ericsson's competitors see our success in managed services and want to replicate that themselves," Head says. This means that Ericsson must innovate and continue to develop its managed services solutions to stay ahead of the competition. Operators expect their managed services partners to bring them new ideas, innovative ways of working and shared risk/reward models – and Ericsson is ideally placed to do this.

"What we need to do now is to expand our offering to include billing services, or ICT services that have a significant impact on the telecoms infrastructure," Head says. Examples of this are OSS/BSS systems that provide operators with a clear view of their customers and the experience the customers receive, be it on a fixed network, a mobile one or both, he says. "Our aim is to grow even further within the coming years. What managed services contracts give Ericsson is a five, seven or even 10-year revenue stream. And our desired market position is to be the recognized managed services provider that gives the customers the most improved network quality on top of cost savings."

⊠ Text: **Johan Kvickström** Photo: **Amy Parton**

Did you know...

that Ericsson signed 54 managed services contracts in 2010 (26 of which were extensions and expansions)? In the first quarter of 2011, it signed nine managed services deals.

Widescreen view

DIVERSE DEMANDS AND TV PLATFORMS CREATE OPPORTUNITIES

TELEVISION & MEDIA MANAGEMENT

Anna Liljas does not always have time to watch her favorite programs. A mother of three children, she works full-time in an office in Uppsala, Sweden, while maintaining a side business as an exhibiting artist.

By the time she has tucked in her children and put away her paint and brushes, Liljas often misses something worth watching. That's when she picks up her laptop and watches "catch-up" programming on the web. "I use TV4 Play, for example," she says. "I'm also a big fan of some shows from the US that are not broadcast here, so I'll go to sites like HBO and Comedy Central.

"You don't have to make much of an effort to find the things you want to see – with the web and DVRs there's really no such thing as missing shows anymore."

Broadcasters' websites are one source of content for Anna Liljas, who like many viewers, has defined her own TV habits.

Viewers such as Liljas show just how much TV-consumption patterns have diversified. Linear broadcast on the big screen still dominates, but new forms of TV create endless opportunities for service providers and content owners to differentiate their offering: Over-the-top, cable, hybrid cable/IPTV and IPTV, to name a few, pose an array of opportunities and challenges for Ericsson.

Nevertheless, it is often assumed that Ericsson's TV offering is mainly IPTV, and that it focuses on telecom and cable customers. But opportunities such as managing playout for broadcasters – as Ericsson does for TV4's online viewers – are also a big part of the picture, says Joachim Bergman, Head of Engagement Practice TV and Media for Region Northern Europe and Central Asia.

"We need to view TV in its broader context," Bergman says. "Of the 1.2 billion TV subscriptions worldwide, 100 million are IPTV. There is great potential in TV services and software, not only for cable and telco operators, but for broadcasters too.

"We would basically be creating the market, as we did with managed services for telcos."

There is a notable difference between telecoms and broadcasters, Bergman says. "Broadcasters by contrast are business-to-business. Their focus is not technology – it's getting great content to their viewers."

Another opportunity lies in the interdependence between broadcasters and service providers. "Broadcasters' work is to distribute content to operators who sell it as part of a TV package," Bergman says. "We see a lot of opportunities in harmonizing and providing services around this, providing a common platform that both parties can tap into."

The TV business offers other possibilities for Ericsson. One of them is hybrid solutions, such as using a satellite, terrestrial or cable feed for linear content with an IP network for on-demand viewing. As the name suggests, hybrid IPTV is a diverse market where Ericsson's deep portfolio and ability to handle complexity are highly valued. "These are complex projects, and we have a good opportunity to take a big slice of the market because it's basically immature," Bergman says.

Further opportunities lie in building digital terrestrial TV networks, which Ericsson was recently contracted to do for Finnish operator DNA. The potential is enormous – nearly 100 countries have committed to building such networks by 2015.

"The more difficult it becomes for logistics and projects, the more value Ericsson can bring," says Bergman.

☒ Text and photo: **David Callahan**

Did you know...

that Catch-up TV, or video that broadcasters distribute via the internet, is viewed regularly by nearly 40 percent of the UK television audience?

Within minutes of ordering a taxi with her smartphone, beauty consultant Patricia Ng is on her way to meet a client in Singapore.

Reclaiming revenue

COMPETITION BREEDS CREATIVE SOLUTIONS

CONSUMER & BUSINESS APPLICATIONS

Getting a taxi in the city-state of Singapore can be a chore – or at least, it used to be. With the help of Ericsson, a local taxi company has developed a booking system that gets you a cab in a heartbeat.

"Ordering a taxi used to be the tricky part," says Patricia Ng, a professional model and beauty consultant. "I remember one time when I had to wait for an eternity before I was connected to an operator and could order a car."

Now, all you need to do is to text the zip code of your location or the name of the building you are in and a car is sent to the appropriate address.

Mobile internet services continue to grow in markets such as Singapore and Indonesia, so operators are looking to provide speed, reliability and security to their mobile subscribers. Indonesian operator Indosat, for example, has turned to Ericsson's Multi Services Proxy (MSP) to cater to the explosion in mobile usage.

"The Multi Services Proxy provides advanced optimization techniques and increased scalability, which is very important in a fast-growing market like Indonesia," says Amr Alsaid, Head of Engagement Practice Consumer and Business Applications in RASO. "The solution optimizes and reduces the amount of data carried through the network and as a result also enhances the user experience due to faster download."

Although smartphone penetration and higher data throughputs have generated greater revenues for operators, in many cases the cost of the network infrastructure needed to sustain such growth has risen even faster. Alsaid says the key problem is flat monthly subscription fees. The issue is compounded by over-the-top players, such as Skype and Facebook, which provide free or ad-funded services that cannabalize revenues from operators' voice and SMS services, even as they contribute to higher infrastructure costs.

Ericsson fills a number of other needs for operators in the market for value added services, such as facilitating tiered billing capabilities for differentiated pricing schemes, so that users pay for the quality they want. Ericsson also offers innovative cloud services, such as the Application Store and Payment Exchange, that lower investment barriers for operators, while applying Ericsson's global scale for efficiencies.

But solutions are not enough, Alsaid says.

"In this new market landscape customers need a trusted business advisor to help them navigate through the complexities," he says. "Our people, knowledge, and skills are what create long-term partnerships."

☒ Text: **Johan Kvickström** Photo: **Felix Hug/Getty Images**

The advantage of scale and presence

Sales and Marketing Head Jan Wäreby says tough competition comes up short against Ericsson's broad product portfolio and unrivaled services experience.

In what ways is Ericsson strongest against its competitors?

I would say in services and wireless infrastructure, which includes mobile broadband. Our wireless installed base and technology leadership strengthen us in moving toward mobile broadband, where we gain the advantage of being able to offer pretty much everything in the value chain – not just infrastructure. In services, scale is Ericsson's strength. Ericsson has the advantage of managing more than 800 million subscribers worldwide. Plus we continue to absorb competence and knowledge through our services engagements. Nearly half of the 45,000 service professionals who work at Ericsson came over from operators through managed services deals.

What are the biggest problems posed by Ericsson's competitors?

Our strongest competitor in the traditional telecom space, Huawei, invests a lot in research and development. They are aggressive with their time plans and are investing very broadly – aiming for a position like the one we have as a broad supplier.

In IT we meet new competition: both system integrators and IT companies such as Amdocs or Oracle. They come from more of a software culture. They are seen as faster-moving and less technology-heavy. Ericsson, on the other hand, is perceived as more Telco and less IT, even though we actually have enormous capabilities in managing IT transformation and delivering IT solutions. We're starting to change that perception. We are going through a Sales and Marketing Transformation that will help differentiate Ericsson more effectively in the IT area.

How do you address these challenges?

We have to lift our argumentation to a level that shows the unique benefits of Ericsson: combining technology and service leadership with best-in-class customer engagement. One important way is the Sales and Marketing Transformation that I mentioned. It integrates Marketing, Sales, Commercial Management and Engagement Practices, with the aim being that our customers will see us act as a more engaged, consultative partner; they'll experience our brand; and understand the value of our products and solutions more clearly; and our sales force will be more efficient and effective at closing deals.

How do customers experience this?

An extremely good key account manager is essential for customer satisfaction, and we are investing in training and development in this area. Also, customers are getting exposure to more of the expertise from our Engagement Practices, Research and Development and Product Management organizations around the world. Telefónica Group saw this recently with our IT transformation engagement, covering more than 20 countries. We engaged on a broad scale, combining a systems-integration and managed-services approach and moving into their IT environment, where we truly act as a trusted partner.

This is a big, positive change that gives a lot of people in our company the opportunity to grow and develop into new areas.

How is this different from what the competition is doing?

Of course they have the opportunity to do this as well – but there's an advantage in doing it early. Even so, our competitors can't even come close to our competence or the breadth of our portfolio. Our leadership in managed services also gives us a very strong edge.

It will be very hard for someone to catch up.

☒ Text: **David Callahan** Photo: **Peter Nordahl**

Jan Wäreby, Head of Group Function Sales & Marketing

Workers at Sims Recycling Solutions in Katrineholm open Ericsson radio base stations to dismantle and separate the contents.

SIMS RECYCLING SOLUTIONS

Eco heroes

In the past two years, Ericsson has taken care of about **15,000 tons** of electronic waste from its customers. Sims Recycling Solutions in Katrineholm, Sweden, is one of the global sites that **recycles** circuit boards, cables and other components.

KATRINEHOLM
SWEDEN, EUROPE

Going inside the Sims Recycling Solutions plant is rather like entering a graveyard for electronic equipment. A mountain of vacuum cleaners, toasters and other household equipment is piled up alongside a similarly large pile of crushed scrap iron. Some of the latter comes from Ericsson equipment, as most of what is recycled here is electronics equipment from companies.

There is heavy traffic around the plant, with forklifts, trucks and excavators.

Close by is the hall where the manual disassembling is done. Inside, eight Ericsson radio base stations, each weighing between 100kg and 600kg, are waiting to be taken apart. Operators with screw guns and pliers loosen and wrench apart the stations into separate pieces.

Markus Johansson, Business-to-Business Manager at Sims Recycling Solutions, says: "We start by opening the cabinet, cutting all the cables, and taking out the rack and components. Some cabinets contain cooling units that we have to disassemble and dispose separately."

Circuit boards, cables, batteries and metals are separated into different containers for further treatment.

Danny Pehrsson says: "The circuit boards are the most valuable part of a base station. The more precious the metal used in a circuit board, the better the quality. Circuit boards often contain gold, silver palladium and copper."

Markus Johansson

Danny Pehrsson

The recycling company is one of the approved recyclers Ericsson uses.

Susanna Rapp, Senior Process Manager at Ecology Management, the department within Ericsson responsible for recycling, says: "We offer the service of collecting used equipment from our customers and making sure that it goes to one of the recycling plants at no cost to them. We avoid the equipment being sold on the second-hand market or ending up with local recyclers that aren't covered by an agreement with us. An irresponsible recycler could sell the material second hand or perform illegal recycling in developing countries."

Susanna Rapp

The recycling is part of Ericsson's sustainability work and corporate ▶

"The circuit boards are the most valuable part of a base station. The more precious the metal used in a circuit board, the better the quality"

Danny Pehrsson

Did you know...

that the total weight of electronic waste has fallen in recent years, while the number of products and users has increased? The reason for this is that electronic equipment tends to be smaller and lighter today.

▶ social responsibility, and Rapp says there are three principal reasons why Ericsson recycles.

"The first is the environment," she says. "It's our responsibility to recover our end-of-life products.

"Then we have the economic aspect. There will be a lack of raw materials and a price increase in the future, so we want to get the material back into the production process. And last but not least, there is the social aspect. By utilizing our carefully selected recyclers, we avoid our material being dumped at landfill sites, while we help developing countries to recycle appropriately."

In addition, Ericsson must comply with various laws, especially the Waste Electrical and Electronic Equipment (WEEE) Directive, which applies throughout the EU. The directive states that manufacturers must offer to take back electronic equipment from their customers within the EU free of charge when it has reached end of life and must take responsibility for ensuring that the waste is disposed of in the best way possible.

Other parts of the world have yet to introduce similar directives, although several countries are about to do so. However, Ericsson has chosen to work according to its own global directive, which means that the company deals with its waste in the same way regardless of where in the world it is collected. Ericsson's own global directive also exceeds the WEEE directive, since 98 percent of the material used in Ericsson's electronic products can be recovered, compared to the 75 percent stated in the directive.

Back at the plant in Katrineholm, the contents of the base-station cabinets have been removed. The copper cables will be sold and the empty cabinets sent to plants with larger crushers. The circuit boards will remain at the plant to be taken through the next stage of the process, in which a crusher chops the boards into smaller pieces and separates all the iron and aluminum with the help of magnets. After the plastic has also been removed, the resulting mass containing copper and other noble metals is sent to a smelting plant for further sorting and recycling.

Ericsson recycles not only base stations, but also scrap metal, packaging, electronic components and, in particular, parts that are no longer manufactured but have been in storage to be used as spares.

Rapp says that customers are making more extensive demands when it comes to recycling. And Ericsson is constantly receiving more questions regarding how to deal with servers and computers that contain sensitive data.

"We're ready to receive that kind of material at the same recycling plants that we already use," she says. "Our plants already have a high level of security."

☒ Text: **Anders Jinneklint** Photo: **Gunnar Ask**

RBS 3106

CONTENTS OF AN RBS 3000

(TOTAL WEIGHT ABOUT 200KG)

Cables	9.4kg
Steel and casing	131.4kg
Aluminum, silicon, copper and iron	2.4kg
Printed circuit boards	17.2kg
Contaminated aluminum	13.4kg
Mixed IT equipment	15kg
Contaminated aluminum, silicon, copper and iron	5kg
Clean aluminum	7.2kg

The cables contain:

Plastic and rubber	7.99kg
Copper	1.41kg

The printed circuit boards contain:

Gold	0.00345kg
Silver	0.010854kg
Palladium	0.0087216kg
Copper	2.8843kg
Other metals, plastic and other waste	10.9kg

Source: Ericsson

"WE HAVE CONFIDENCE IN ERICSSON ECOLOGY MANAGEMENT"

Rajesh Singh

Rajesh Singh, Senior Vice President of Network Services at Idea Cellular in India, is an Ericsson Ecology Management customer.

How significant is it for you that Ericsson takes back and recycles used products?

"Climate change and the environment together have become one of our corporate-level focus areas, and it is very important that all our suppliers, vendors and partners support us in this. By taking full responsibility for ensuring that their products are handled in an environmentally responsible manner, from design to end of life."

Why is this important to you?

"By utilizing Ericsson's Ecology Management services, we feel confident that end-of-life equipment is handled and treated in compliance with local and international environmental legislation and directives. We know that these products are not going to get into the wrong hands and/or be disposed of in a manner that has a negative environmental impact."

☒ **Anders Jinneklint**

Jesper Nyberg, Technical Manager at Sims Recycling Solutions in Katrineholm, looks out over a shipment of base stations that has just been delivered for recycling.

Thailand, 1976. Photo: Centre for Business History

Jumbo-sized job. In the 1960s, a sales office was established by Ericsson in Thailand. Until then, the company had been represented by an agent. From the 1970s, and especially in the 1980s, business really took off. At the beginning of the 1980s, the first AXE telephone exchange was installed in Thailand. The networks expanded and more jobs were created – including some for elephants.

Source: ericssonhistory.com

Hollywood calling

There's a lot of talk about movies on phones these days. But what about **phones in the movies**? Contact takes a look at how the phone has been portrayed on the silver screen over time.

The year is 1912, and the film is Amour et Science (Love and Science). Here's the scenario: the lead character is an inventor, and his wife is unhappy that he's spending more time working on his inventions than he is with her. So she begins an affair with another man. What she does not know is that one of her husband's inventions is a special type of phone (at a time when even the ordinary phone is still a fairly new invention). The man has produced nothing less than a video phone – one capable of making secret recordings. Having installed a hidden camera in both his and his wife's phones, he listens in on her calls, and even witnesses her meeting with her "secret" lover. At the time the film was made, it must have seemed like a crazy fantasy.

Jan Olsson, Professor of Film Studies at Stockholm University in Sweden, is enthusiastic about innovation films like this gem. One of his books, co-edited with his colleague, Professor John Fullerton, is called Allegories of Communication: Intermedial Concerns from Cinema to the Digital. It focuses on communication and telecommunications – particularly in the medium of film. He chose to focus on Amour et Science because of its interesting treatment of the phone.

Jan Olsson

Film and the telephone are roughly as old as each other, and phones appeared in early movies. "Perhaps the earliest surviving example I have come across is the film Are You There? from 1901," Olsson says. "There we see a young man calling his girlfriend. There is also some short footage of (the inventor) Thomas Edison which may be from as early as 1897. It doesn't quite show telephone conversations on camera, although a telephone handset appears in the picture. We should also remember that most of the earliest movies have been lost or destroyed, simply through carelessness."

Thanks to features such as speakerphones, several people can participate in a single call, but we now think of voice calling primarily as a means of communication between two people. However, for a long time, there was an element that is no longer part of the picture: all phone calls were made via a third party. You had to call an operator, who would connect you to the person you wanted to talk to.

"That was used in many movies to create drama," Olsson says. The operator who violates their professional code of conduct and tells others what has been discussed in people's telephone conversations was a common dramatic element.

Nowadays, the operator as alibi has been replaced by location-based services and other features that can reveal a person's whereabouts. This device is also widely used in movies.

"Take the very popular movie Enemy of the State from 1998, starring Will Smith and Gene Hackman," Olsson says. "In the movie, the US military can accurately identify where the main character is and keep track of his movements with the help of location-based services. Once he gets rid of all the tracking paraphernalia that his enemies have surrounded him with, he makes one mistake: he uses a pay phone in a gas station to call his wife. The call is recorded, of course, and his position is revealed right away. He can't hide!"

Other examples of films in which the latest telecom technology plays a crucial role include the four action movies about the ▶

1912. Still from the making of the film Amour et Science (Love and Science). In the foreground, we see the betrayed husband with his invention, a video phone.

1987. Michael Douglas as stockbroker Gordon Gekko in the film Wall Street. The movie turned the stockbroker into an unexpected idol, surrounded by luxury items such as expensive cars, a summer house in the Hamptons, and of course a mobile phone – a large one that was always at hand.

2008. James Bond actor Daniel Craig with Sony Ericsson's latest mobile phone from that year, in the film Quantum of Solace.

▶ agent Jason Bourne (2002-2012) and, on TV, the US police series The Wire (2002-2008).

"The phone has gone from being a tool you can use to make contact – but which one should be cautious with because calls can be intercepted – to an enemy that makes it absolutely impossible to remain anonymous."

In general, modern technology is often part of a movie villain's arsenal. The classic Wall Street from 1987 is one of the first films in which a mobile phone – the size of a brick – is an integral part of the plot as it is used by the ruthless white-collar criminal Gordon Gekko. But as early as the 1920s, Olsson says, similar scenarios were featured in many films.

"From that time onwards, we have seen many villains whose starting point is that they have endless financial resources and therefore access to the latest technology," Olsson says. "In James Bond movies, the main villain is often a wealthy madman who, with the help of the latest technology, hopes to achieve world domination. In another example, Doctor Mabuse (a character in three films by director Fritz Lang) is a villain with his own communication center."

Throughout the history of film, the most advanced technology has existed on the border between reality and fantasy; it has been available – but not to everyone. This applies to everything from early film villains' fantastic innovations to Gordon Gekko's mobile phone.

"One person's reality is someone else's utopia," Olsson says. "The mobile phone is a kind of status symbol in many contexts."

What's more, the phone is often a means of intimidation in movies. Threatening calls to vulnerable people have always been a popular theme, Olsson says. "With your phone, you could reach people in a new way – without being physically present."

The timing of a phone call has often played an important dramatic role. If the phone rings after a certain hour, the viewer immediately knows that it's probably not good news.

When mobile phones became available, the role of the phone in film changed. George Leon, Vice President of Sony Pictures Entertainment, one of the world's major studios, has witnessed this development first-hand. "You can't overestimate the dramatic importance of how a person ended the call by hanging up," Leon says. "Hanging up forcefully was an extremely effective way of showing strength or determination. It was a clear way to move the action forward. Today this plot device no longer exists."

Olsson says that, as the mobile phone is evolving, so is the way it is used in films. Who knows how the trend will develop?

"An important development with the mobile phone is that it has become such an integral part of our lives. It is a means of communication that has become an extension of us. It's exciting to follow this trend."

☒ Text: **Johan Kvickström** Illustration: **Ebba Berggren**

Movies, mobiles and motorcars

Two types of products appear most often in movies today – cars and mobile phones.

PRODUCT PLACEMENT has always featured in the world of film, according to George Leon, Vice President of Sony Pictures.

"We need product placement, because the actual products give films authenticity," he says.

In addition, product placement is a source of finance – one that has become increasingly important for many filmmakers.

Leon emphasizes that it's important that the products placed in films are easily recognizable and do not look out of place. "It's about things that are obvious in our lives."

Two products that frequently turn up in films are mobile phones and cars. "Communicating by phone is so commonplace that it is only natural to include it in a movie," Leon says. "Cars have long been one of the most obvious products to be highlighted."

Leon cites the James Bond franchise as an example of a series of films in which product placement is a natural fit. "James Bond is a great brand to use to promote new-technology products. The newest technology has always played a major role in the Bond films. And to use this context to show off the latest in mobile telephony is perfect."

Facts: According to George Leon, there are two classic examples of product placement in the industry. One is James Bond's Aston Martin car. The second is peanut butter candy called Reese's Pieces, sales of which reached unprecedented heights after the product appeared in Steven Spielberg's E.T.

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IT'S A BIG SMALL WORLD

Away from home you're not alone. It's about making two people on two different continents feel like they are in the same room. And that begins with the people who connect almost half the population on this planet of ours.

ERICSSON

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
Technology Which technology?	John Tyndall performed the earliest experiments with this technology in the 1870s.	The "last mile" for this technology allows video on demand to become a reality.	In 1979, AT&T revolutionized the telecommunications industry by producing this.	Three types of this cable are commonly used: single mode, multimode and plastic.	Early success came during the 1950s, with the development of the fiberscope.
Industry Which company?	Operates in more than 150 countries and has about 60,000 employees.	It officially launched at the 3GSM World Congress in Barcelona in February 2007.	Rajeev Suri is the current Chief Executive Officer.	It has its headquarters in Espoo, Finland.	In 2010 it acquired the wireless-network equipment division of Motorola.
Geography Which country?	It achieved independence from France in 1957.	In 2009 it ranked as the most competitive economy in Africa.	It is situated on the Mediterranean coast of North Africa.	Ericsson was recently forced to close its offices here temporarily for reasons of employee safety.	It is the northernmost country in Africa.
Culture Which writer?	In August 2005, author Lewis Perdue unsuccessfully sued him for plagiarism.	He hangs upside down to shift his perspective and solve plot challenges.	His novels are treasure hunts set in a 24-hour time period.	Region head North America's first name is part of the title of one his bestsellers.	Tom Hanks played his lead character, Robert Langdon, in a feature film.
Business Which entrepreneur?	He was Time's Person of the Year in 1999.	He worked as a financial analyst for D. E. Shaw & Co. before founding this company in 1994.	In 2004, he founded a human spaceflight startup company called Blue Origin.	In 2008, he was selected by U.S. News & World Report as one of America's Best Leaders.	He founded Amazon.com in 1994.
History Which year?	Sony introduces the Sony Walkman, priced at $200.	On February 18, it snows in the Sahara Desert for 30 minutes.	Mother Theresa is awarded the Nobel Peace Prize.	The One Child Policy is implemented in China.	Michael Jackson releases his first breakthrough album, Off the Wall.

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

PHOTO ERICSSON ARCHIVE

TURN THE PAGE FOR THE RIGHT ANSWER.

Technology: Fiber Optics. **Industry:** Nokia Siemens Networks. **Geography:** Tunisia. **Culture:** Dan Brown. **Business:** Jeff Bezos. **History:** 1979. **Which year (photog):** 1986. Ericsson's President and CEO Björn Svedberg outside the headquarter at Telefonplan, Stockholm.