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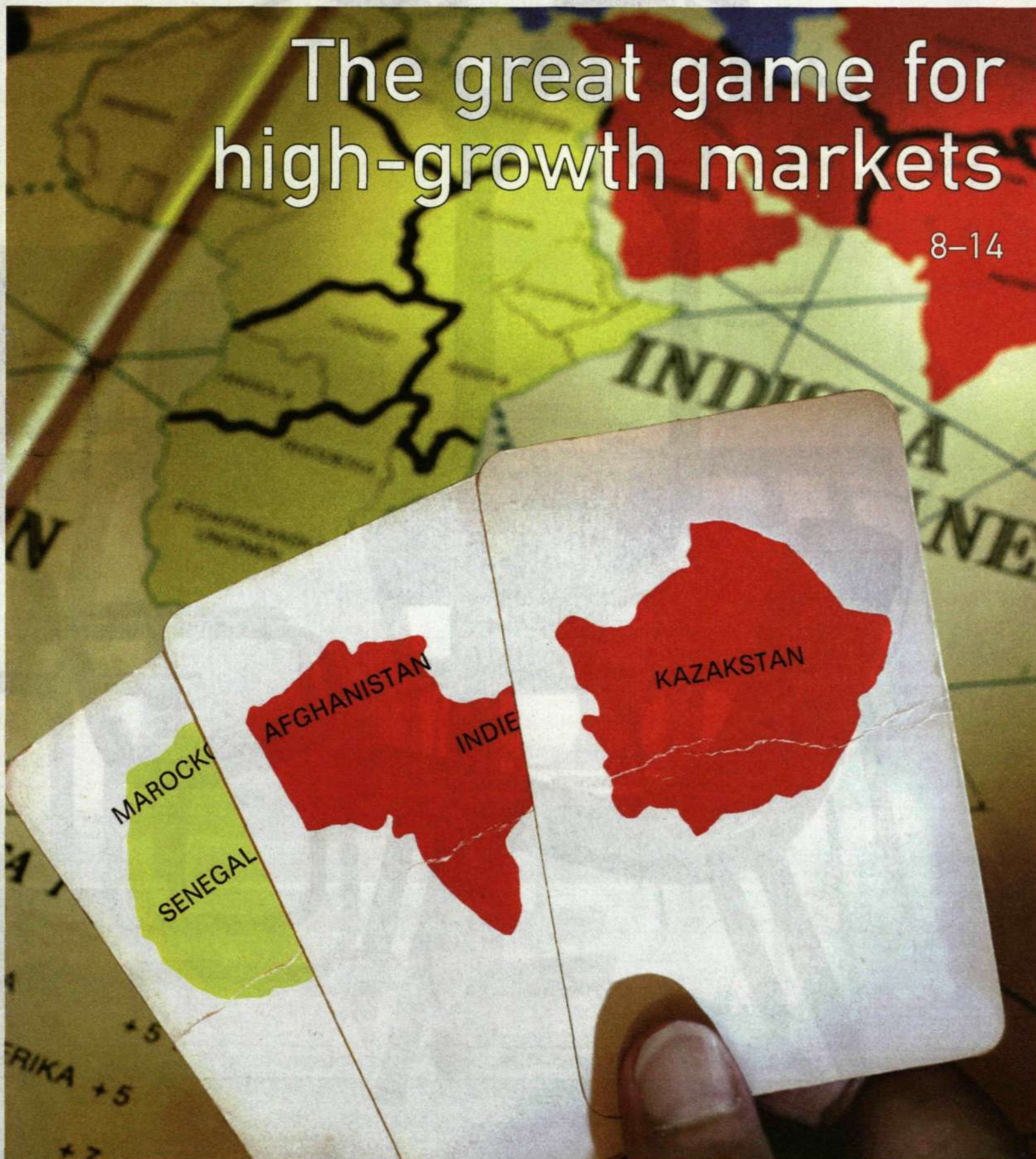
THE PUBLICATION FOR ERICSSON
EMPLOYEES AROUND THE WORLD

10·2004

▽ Photo: Gunnar Ask

The great game for high-growth markets

8-14



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Want to completely revolutionise the man-machine interface of your next generation Mobile application?

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Exploiting MEMS micromachining technology, one of the most exciting areas in the field of analog technology, ST's LIS3Lo2DQ 3-axis accelerometer is set to bring a whole new dimension to mobile applications.

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The LIS3Lo2DQ 3-axis linear digital accelerometer includes a MEMS sensor chip that changes capacitance in response to movement or inclination. In the same package is a trimmed interface embedding an A/D converter that translates capacitance change into a digital word which can be read by a serial interface.

Want more information on how MEMS from ST can change imagination into application?
Go to www.st.com/MEMS



Helping lead the way

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**column**

Henry Sténson
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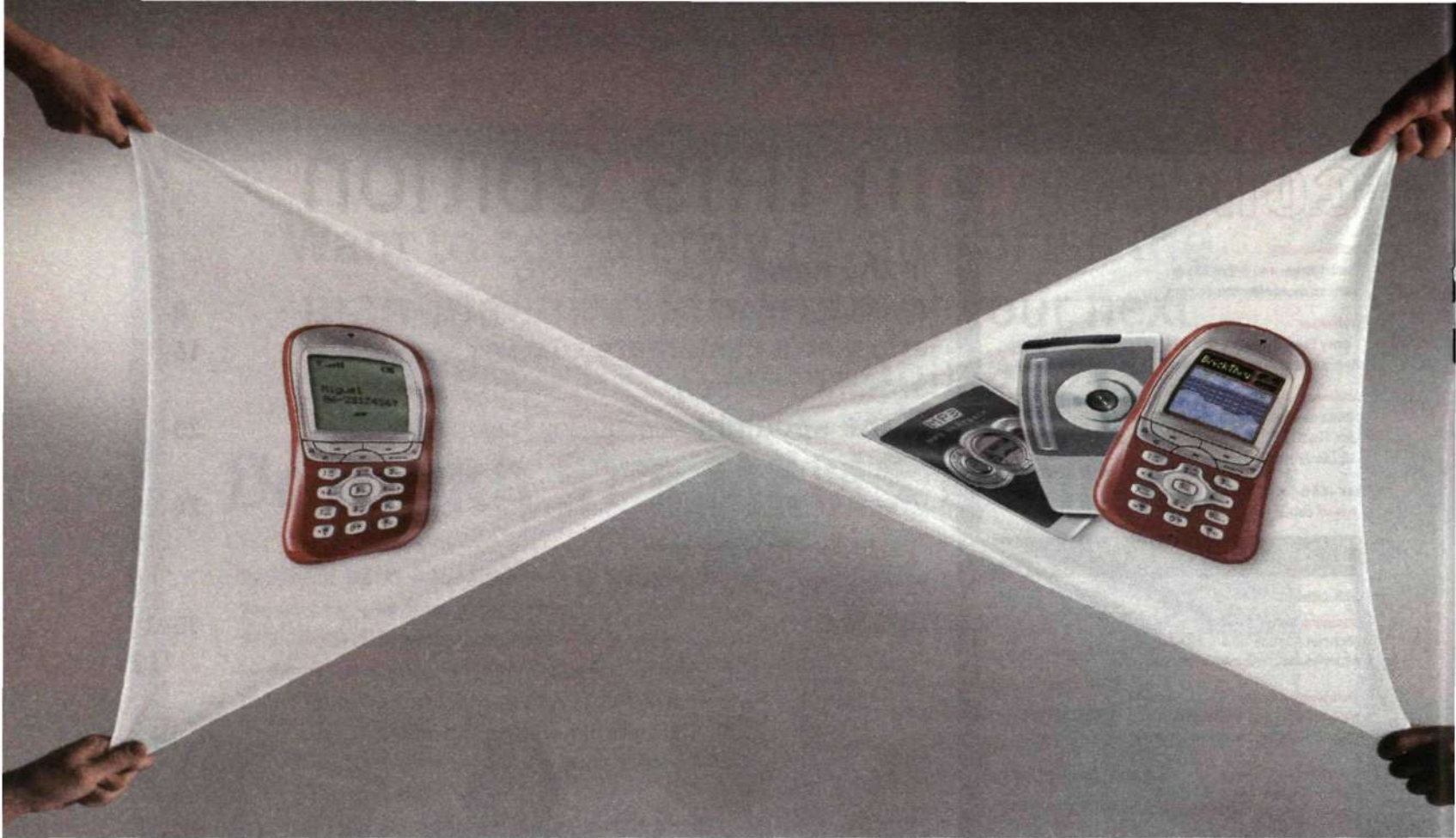
Dialog creates trust

I pondered a little in the previous edition of Contact about the ongoing efforts we are making with our ways of working. It is a subject that the group management team has looked at many times during the past year. We have had lengthy discussions, both in the team as a whole and in smaller groups, about this and about Ericsson's core values, their consequences and how this all fits together with our leadership. This sort of discussion really creates energy. And it is also important to take the time to discuss the tough questions, such as restructuring, redundancies and strategies.


I have worked with communications at large companies for more than 20 years. More than 15 of those have been with companies dominated by technology. It is a fantastic environment to be in, with products that people like, but that they also like to have opinions about. There are often people with strong and considered opinions of what is right and what is wrong. Most of these companies with which I have worked, like Ericsson, have been business-to-business companies, where what we sell relies just as much on the people working here as on the actual products we produce.

And just in that sort of situation, where what we deliver and how we do so need to fit so tightly together, we have to understand that dialog inwards and outwards can be the deciding factor for our trustworthiness. That is when the prevailing culture can either help us in our ambition to develop, or derail it entirely. The management team had its most recent serious discussion about this at our meeting in August. We spoke primarily about how we could set a good example when it comes to our core values. This led to a discussion of, among other things, respect for one another. How do you show that? Do you do that by checking your e-mail or SMS inbox during a meeting? Not really. No, you do it more by reacting when someone doesn't practice what they preach. Do we talk about this in the management team? Yes, just like we want everyone to do.

In my next column, I plan to do a little thinking out loud about the other two core values.



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in the news: ways of working

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New ways of working

Ericsson must improve its ways of working to prepare for future challenges and to implement its strategies. In a company-wide initiative, the booklet *Our Ways of Working* is now being distributed to all employees.

The aim is to foster an organization and a culture that support the company's strategies, and to meet the future with a workforce that is business-minded, passionate, responsive and accountable.

President and CEO Carl-Henric Svanberg, in his introductory remarks in the booklet, writes: "We must all understand clearly what our company stands for and where our opportunities lie. We can then consistently apply that knowledge to solidify our position and pave the way to growth.

"Both we and our customers can share the benefits of that growth, and this book concisely explains how."

Our Ways of Working describes step by step

how Ericsson will reach true world industry leadership. The most important milestones on the way are profitable growth and operational excellence.

The booklet lays out Ericsson's vision (to be the prime driver in an all-communicating world) and its values (professionalism, respect and perseverance). The section on *Our Guiding Principles* frames the way Ericsson should do business, while *Our People Commitment* explains what the company provides to and expects from its employees.

"The future of Ericsson depends on strong leadership that adheres to a core set of values and principles," Svanberg writes. "These define the way we

work. They also shape the way our customers see us and strengthen the bonds of their trust. When employees in 140 countries consistently apply our values and principles, we gain the most powerful advantage we have for attaining our vision of global leadership."

By following *Our Ways of Working*, employees will be contributing to the Ericsson brand. The new brand end line will first be seen, together with the logotype, on the cover of the *Our Ways of Working* booklet.

Distribution of the printed version of the booklet to all employees started on September 30. A digital version of the accompanying workbook, which aims to stimulate discussion about the theme *Our Ways of Working*, is also available.

After the material has been distributed, all employees will participate in leader-led workshops in their organizations by the end of the year. The workshops will include *Our Values*, *Our Guiding Principles in Doing Business*, *Our People Commitment* and *Driving Operational Excellence*. •

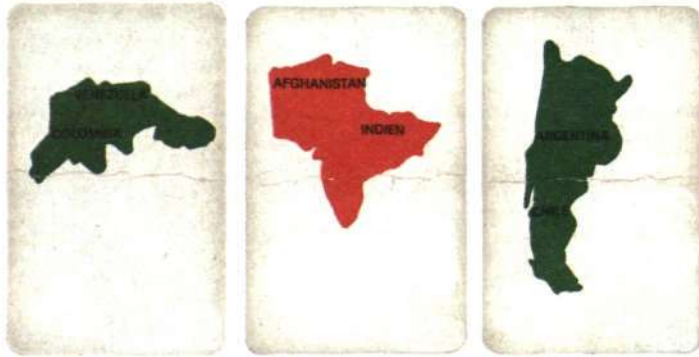


An ace up its sleeve

Can there be any high-growth markets left for a company that has been delivering telecom equipment for almost 130 years? Yes, there are. In fact, Ericsson has just been scratching the surface in several large markets.

Mobile telephony is **growing rapidly** in Africa, Asia and large parts of Russia. These areas will attract about 200 million new subscribers during the next few years. Ericsson's installed base and long-term customer relationships give the company a clear advantage over its competitors.





Critically for Ericsson, it still maintains sales offices in more than 100 countries... That global reach has paid off

Wall Street Journal

"Mobile boom in Africa", "Heating up on the Eastern front" and "Improvements in India"

are headlines that Contact readers are sure to recognize. They all send a clear signal that there is rapid subscriber growth in areas that Ericsson calls high-growth markets. But what distinguishes such a market, and how can Ericsson succeed in these regions? We put the question to the man responsible for sales and marketing within Ericsson, Bert Nordberg.



Bert Nordberg

"A high-growth market is not just a certain country but an entire region where Ericsson either can win new business or increase its installed base dramatically," he says.

Ready for new business in South America

The regions that Ericsson categorizes as high-growth markets with great potential are Africa, Pakistan/India, China, the Middle East and the Russia/Ukraine region including the Central Asian countries. Parts of Latin America are also included, mainly because GSM and CDMA are quite new in this region.

Many operators in Latin America that used to run TDMA networks are now using GSM or CDMA. The switch has generated a lot of new business for Ericsson there.

Nordberg, vice president of Marketing and Sales, says Ericsson's installed base is mainly in GSM but there is plenty of opportunity to win CDMA business. One such opportunity is with the new CDMA2000 at 450 MHz.

Larry Brittain, vice-president of CDMA Sales, agrees. "When it comes to the 450 MHz frequency band, which is being widely considered for the improvement of rural telephony, CDMA is ideally suited because of its ability to provide significant capacity at a



Larry Brittain

very low bandwidth. CDMA2000 at 450 MHz also covers a wide geographic area with a lower number of base stations," he says.

Understanding customer needs is vital

WCDMA is of course also a part of Ericsson's long-term plans, but starting 3G discussions with an operator planning to build a GSM network in rural areas of Pakistan does no good for either the customers or Ericsson.

Nordberg says: "Many operators start from scratch and have very low penetration in their networks. For these customers, it is all about getting coverage quickly instead of offering a high-capacity network."

Some might react with disbelief to countries such as India being included in this segment. Can a country that Ericsson has been doing business with since 1903 really be a new high-growth market?

"From that perspective, India is not a new market," Nordberg says. "But today there are about 40 million subscribers in India; by 2008, that figure will be 200 million. Much of this growth will take place in regions where Ericsson has not been very active so far, so you have to look at India as a high-growth market."

Ericsson is not, of course, the only telecom supplier that sees the potential for business growth in these regions. But it definitely has the best credentials for success, if it handles the situation correctly.

"History and our own experience tells us that a customer who starts buying equipment from one supplier rarely changes supplier when it's time to expand their network, unless the supplier has neglected it," Nordberg says.

Closeness gives benefits

Telecom and IT analyst Ovum has determined that the main reason for GSM selling so well is the development of the huge Asian market. Ovum also believes that Ericsson is well positioned to increase its market share in high-growth markets.

Martin Garner, director of research programs at Ovum, says: "Ericsson's installed base for GSM pro-

vides economies of scale, and its presence and relationships in the Asian market bode well for the future."

Ericsson's relationships with customers has also attracted the attention of the top financial press. The Wall Street Journal wrote in a September 14 article under the headline "Ericsson gets back in gear" that: "Critically for Ericsson, it still maintains sales offices in more than 100 countries, including Kyrgyzstan, Liberia and other remote markets. That global reach has paid off. Unable to afford the expense of building fixed-line networks, service providers in developing countries have been splurging on wireless equipment. In the past 18 months, Ericsson has won more than USD 300 million of business in Nigeria, for example. Relying on such unexpectedly strong demand for plain old cell-phone service in developing countries helped it pull through."

Nordberg sees the importance of Ericsson keeping its local offices and continuing to support customers even in times when operator investments are extremely low.

"Our customers know that we are a long-term partner and that is something our sales team must take advantage of in every contact with a new customer. My advice to all sales people within Ericsson is to align their local sales activities with the customers' business plans as soon as possible. Don't hesitate. Listen to the customers and offer solutions that they really need right now."

Cooperation deepens in Uganda

African operator MTN Uganda, part of the MTN group, started from scratch in 1998 and has been growing gradually with help from Ericsson. When it first entered the market MTN Uganda was the third and newest operator in Uganda, a country that has one of the lowest concentrations of telephones in the world. Ericsson and MTN started their relationship in 1997 and produced an offer that was accepted by Ugandan authorities. Cooperation between the companies has broadened since then and Ericsson



LATIN AMERICA

Analysis company Pyramid Research predicts a 10 percent annual increase in Latin American subscriber numbers for the coming years. The market is dominated by three operators: Telecom Italia, Telefónica and América Móvil. They have about 80 percent of all fixed-line and mobile subscribers, a dominance that is expected to survive for some time yet. Ericsson is a supplier to all three in both GSM/EDGE and CDMA2000.

photo:
antonio lacerda/pressens bild



INDIA. Ericsson has 44 percent of the GSM market in India and is well positioned to improve its position thanks to its common platform for GSM and CDMA. CDMA itself is growing rapidly in India and is used by close to 10 million subscribers.

photo: lars åström



photo: tomas eriksson



A customer who starts buying equipment from one supplier rarely changes supplier when it's time to expand their network

Bert Nordberg

>> is now MTN's biggest telecom supplier. As an example, after a tough request from the operator, Ericsson managed to deliver a technical solution for a platform (Charging System 2.0) that would make Uganda only the second country in the world to be able to handle pre-paid for both fixed-line telephony and mobile phones.

Francis Kazinduki, chief technical officer at MTN Uganda, says: "Together we have been pioneers in wireless technology. Ericsson is our leading supplier and it has good technology, so we're committed to each other."

Mobile uptake in Africa is increasing by about 30 percent every year; by 2007 there will be more than 150 million subscribers on the continent, making Africa one of the world's fastest-growing mobile communications markets. Even more notable is the fact that 70 percent of all African telephony subscribers use mobile phones.

Bo-Erik Dahlström, head of Sales for Market Area CEMA (Central and Eastern Europe, Middle East and Africa), says the opportunities for Ericsson in Africa are good but there is quite a difference between the market units north and south of the Sahara. "North Africa is more traditional with government-run companies for telephony. Even if many of these markets have been deregulated, it is still a bit slow when foreign companies such as Ericsson want to do business there," he says.

The greatest potential in terms of new subscribers is in the



Francis Kazinduki



coastal countries of Morocco, Egypt, Libya, Algeria and Tunisia. French supplier Alcatel is big in north Africa thanks to its historical ties to the region. But Ericsson and Siemens are catching up.

The expansion in the Sub-Saharan market area is more dramatic. Ericsson expects the subscriber bases in Nigeria, South Africa

BROADBAND QUAD-BOOT



AFRICA. Africa is one of the regions that Ericsson classes as a new high-growth market. Mobile telephony growth in Africa today is around 30 percent per year, which is expected to lead to 150 million subscribers on the continent within three years. And people there are finding inventive ways to use their mobile phones. Fishermen on Lake Victoria, for example, call to colleagues on the shore who can guide them to the harbor where they will get the best price on the day. photo: tomas eriksson

and Tanzania to grow by 13.5 million in the next two years. Ericsson's biggest customer in Africa is MTN.

Ericsson operates systems in 37 African countries, which collectively serve about 8.5 million fixed-network subscribers and 37 million mobile phone users. MTN serves a quarter of them.

But Dahlström calls attention to a newer group of operators that is becoming strong in Africa.

"These are local operators that have grown their businesses at times when the traditional European operators have had weak finances. These local operators began to expand their businesses abroad two years ago and now have managed to establish themselves well," he says.

MSI Cellular/Celtel is investing strongly in southern Africa in co-operation with Celtel. Egyptian operator Orascom and Investcom from Lebanon are attracting more and more attention while Wataniya from Kuwait is making progress in northern Africa. The latest example of this is a GSM/EDGE contract with Ericsson in Algeria, an exciting deal since Wataniya had previously been a very loyal Siemens customer. These companies are all pure GSM operators and Ericsson



Bo-Erik
Dahlström

must establish itself as an attractive business partner for them.

"They are growing in many small steps and they are tough negotiators on price. They have demands that may not always be motivated by their size and market shares, but this is the only way for them to make a good showing in the market," Dahlström says.

He says the price pressure is even tougher in Africa than in India/Pakistan.

"You don't get anything for free being a big supplier in Africa. We have fantastic collaboration with MTN and Celtel but with our other customers we can't take anything for granted. It is the price that rules," he says.

"I think it's because Africa has so many countries suffering political instability. That gives us an ocean of regulations and prerequisites compared with India and Pakistan, which are controlled by only two governments."

Price pressure means new competition

To succeed in Africa, a supplier must have products that meet the technical demands and that are also aligned with the low-price model that dominates in most African countries. The price pressure has enticed even the Chinese telecom suppliers Huawei

(GSM) and ZT Chinacom (CDMA) to move in. With strong financial support from the Chinese Government, they win market share in Africa by offering low-priced products.

"We have met them and have managed to win, but they are really tough competitors. They offer customers financial help and loans that are quite hard to match," Dahlström says.

Most of Ericsson's business in Africa, so far, has been in the GSM segment, although it has a strong ambition to increase its CDMA2000 market share.

Larry Brittain says: "Foremost, we see big opportunities in Nigeria, Algeria and South Africa. Each has a relatively large population and either current or potential per-capita growth in mobile usage. Many of these operators have also chosen CDMA2000 or are looking at the technology.

"The most successful so far has been Nigeria. We already have CDMA business with two customers there, Reltel and Starcomms, and we are in discussions with Nigeria's biggest operator, Nitel."

Brittain sees Ericsson's large, installed GSM base in these countries as an asset. "It helped us get established in Nigeria. The customers knew that Ericsson had experience in the country and a good support organization, no matter which mobile technology."



EXPANDING MARKETS

High-growth markets are not the same thing as markets without demands. Operators face tough challenges, which demands complete understanding from Ericsson. One successful way to meet operators' demands is with the Ericsson Expander Solution.

Operators hoping to succeed in high-growth markets need to be able to offer mobile telephony (particularly voice) cost effectively, reaching new customer segments without jeopardizing security. Expander allows Ericsson to reduce the number of customer sites by using base stations that cover larger geographic areas. A lower number of sites significantly reduces cost for the operator, allowing it to cut the cost of each traffic minute by up to 50 percent, making entire customer segments profitable.

Bert Nordberg, vice president of Marketing and Sales, says: "We have Expander for both GSM/EDGE and CDMA2000. Both standards are in use in our high-growth markets and Expander is an incredibly important tool for us when competing for more market share."

Contrary to the belief of some, high-tech solutions are the only way to make good coverage possible at



Bodil Josefsson, program manager for Ericsson Expander.

low cost in the high-growth markets. Cheaper, scaled-down products just cannot do it.

"Even if a competitor, which usually does not have the installed base that we do, decided to give all its telecom equipment to a customer, the customer would still have to build so many more sites that it would still be significantly cheaper to choose Ericsson's Expander solution," Nordberg says.

Bodil Josefsson, program manager for Ericsson Expander, says customers are amazingly positive when Ericsson presents the concept to them.

"We have received a fantastic response from customers, especially in Africa and Asia. We work with them on the challenges they face, what their goals are and carry out a complete analysis of their cost situation," she says.

A typical customer study involves a specific geographic region where the customer wants mobile coverage. Ericsson shows what it would cost to build the network in a traditional way compared with covering the same area with Expander. Ericsson then looks at each individual site to identify possible cost savings.

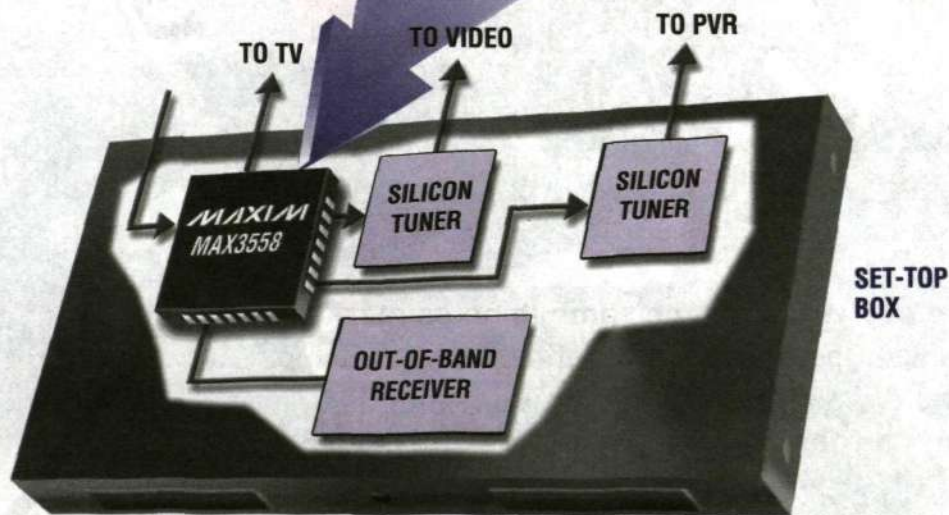
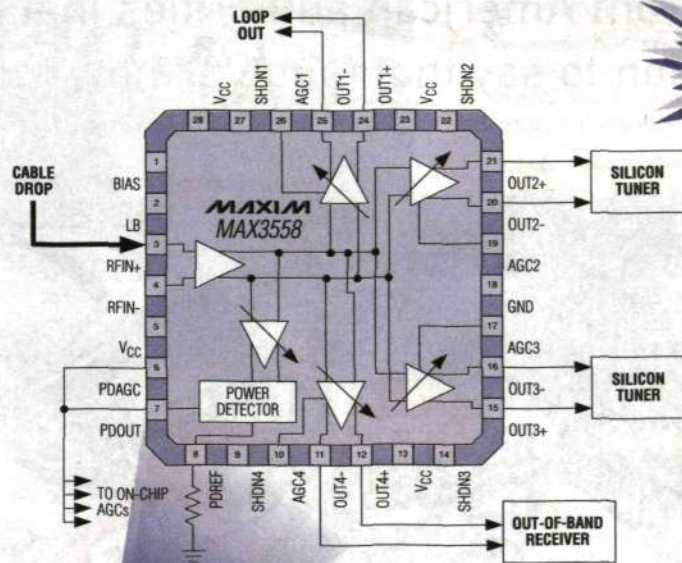
"Every study shows that the customer can get the same capacity with 30 to 50 percent fewer sites by using Expander. That is the equivalent of reducing the total investment by about 30 percent, and with 30 percent lower operational costs. It is difficult for an operator to resist those sorts of savings," Josefsson says.

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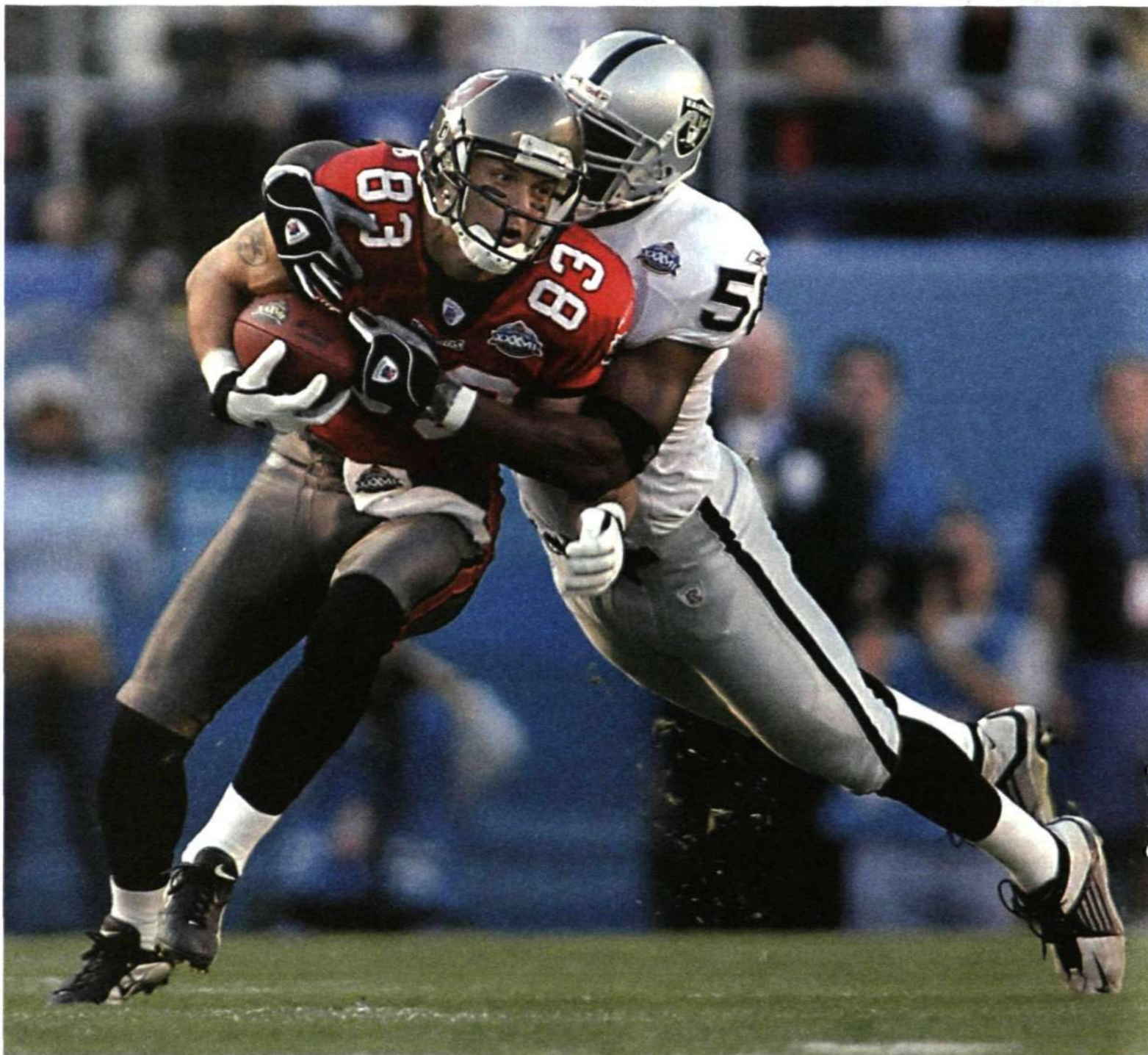
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customer focus: cingular

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Huge US merger brings challenges

Cingular will become the largest mobile operator in North America when its acquisition of AT&T Wireless receives its expected official approval from American authorities in a few months. It is no exaggeration to say that **Cingular now faces major challenges.**



Two GSM systems must be combined, while the shift from TDMA to GSM, which started two years ago, will be completed. Early last year, Cingular became the first operator in the world to install EDGE and it has definite plans for UMTS, which it will start to launch at the end of next year.

Ed Reynolds, head of Network Operations at Cingular, says: "Becoming the largest operator in North America is not a goal in itself. The most important thing is that we also become the mobile operator that can offer clients services of the highest quality."

He also stressed that it is important that customers do not notice the unification of the two GSM systems. "The only thing they should notice is that the quality of our mobile services has become even better," he says.

Reynolds says he has done some research into operators that have merged their networks. The three or four that have done it so far have been on a smaller scale, involving a few hundred base stations. For Cingular, it means tens of thousands. The goal is that the merger starts as soon as possible and is completed within two years, but it hopefully can be done sooner.

Shifting from TDMA to GSM has been an important task for Cingular during the past two years. The decision was made in 2001 and work started the year after. By June this year, it had installations at all its TDMA sites.

"We made it six months earlier than planned, and under budget," Reynolds says, not without some pride.

Even though Cingular is a new operator, it is a long established Ericsson customer, as key account manager Toby Seay explains: "PacBell Wireless, which is one of Cingular's owners, bought all its GSM equipment from Ericsson from the mid-1990s up until 2000 when Cingular was formed. Then Cingular, which inherited GSM, started ordering GSM equipment in 2001, and has also bought EDGE from Ericsson."

Cingular launched EDGE in Indianapolis last year, becoming the first in the world to launch the system. EDGE is now part of most of its networks, with work carried out at the same time as the shift from TDMA to GSM.

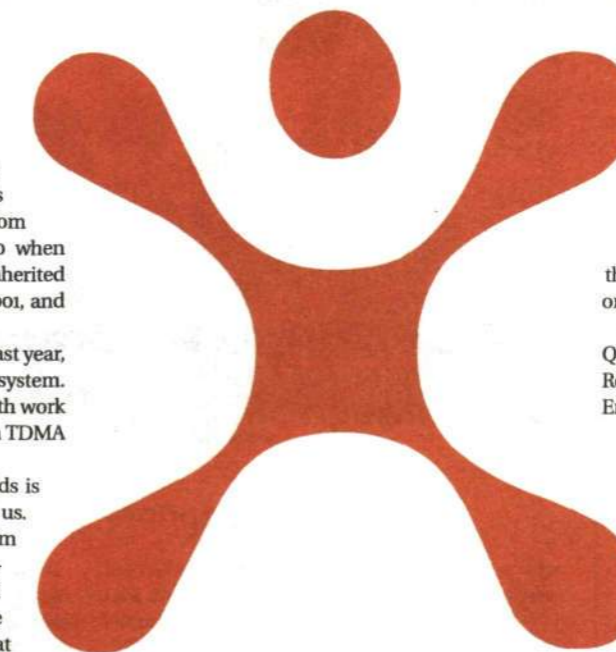
Asked why Cingular chose EDGE, Reynolds is quick to answer: "It is a natural evolution for us. At the same time as we decided to go from TDMA to GSM, we were developing a technology called TDMA EDGE. But we decided it would be best to move the voice part of the network to GSM and add GPRS and EDGE at the same time. That way we get high data speed, something we believe will be an effective bridge on the way to UMTS. There have not been too many people using mobile data services so far. That applies to the US just as it does to other countries. Usage has started to pick up recently and our income from data services has overtaken expectations, and that is very much thanks to EDGE," he says.

Reynolds sees UMTS as the next step after EDGE. "As soon as the acquisition of AT&T Wireless is finished, we will start installing UMTS at 1900MHz. That will probably be at the start of next year. Instead of first integrating two GSM systems and then installing UMTS, we will try to do it simultaneously. We expect



Ed Reynolds:

The only thing the customers should notice is that the quality of our mobile service has become even better



to be able to launch UMTS at the end of 2005. Our work on that will continue through 2006 and be completed in 2007," he says.

"It is important that we can offer high data-transfer speeds because we will compete with other offerings on the market such as EVDO on the CDMA side."

The telecom industry today has several suppliers interested in taking over operators' professional services and maintenance. Reynolds says Cingular has no plans in that direction. "The network is our product, so

facts: cingular

- Cingular, which was formed at the end of 2000, is a joint venture between the US mobile division of SBC, with 40 percent, and BellSouth (affiliated with PacBell Wireless), with 60 percent.
- The operator has more than 25 million subscribers and works in 43 of the 50 largest markets in North America. After the acquisition of AT&T Wireless, Cingular will have 46 million subscribers.
- The head office is in Atlanta.

we are very careful with outsourcing certain network functions. The same applies to customer service. We want to keep everything that concerns our network and our customers. That is our group policy."

Ericsson, just like Cingular, is going through a time of change, Reynolds says.

"We at Cingular face several major challenges. One is the shift from TDMA to GSM. Another is that we are moving into a highly competitive area when we move from voice to non-voice and data-related products," he says.

"I think Ericsson is going through the same development. The suppliers have been pressed hard and that has led to them concentrating on development in certain product areas. Fortunately, Ericsson has kept up with us when it comes to our development needs. But we wonder if the company has done a bit too much when it comes to redundancies in software and the like. I think Ericsson today is going through change, but it is a positive change. The hopes for the future seem to be better now than they were one or two years ago."

Quality, especially in software, is something that Reynolds returns to when asked what he sees as Ericsson's greatest weakness today.

"We see many areas as important when we choose suppliers, but the most important is high product quality. We must have that to be able to provide good-quality services to our customers in a cost-efficient way. We have little free spectrum in this country so we need to use what we have as efficiently as possible. The company that can help us scores highly with us."

Cingular has not invested in equipment for expanding coverage for the past three years. It now has big building plans for improving in this area, indoors as well.

"We will need a lot of help from our suppliers, not just in terms of improved coverage. There will be a lot of equipment moving between different markets when we merge our GSM system with AT&T Wireless' system. Another major challenge is UMTS, where we will need help from experts who can give us the right competence. Together with our suppliers we have a lot of big challenges ahead of us," Reynolds says.

Toby Seay stresses: "The most important job for us is to support Cingular and deliver with top quality." •



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around ericsson

editor: gunilla tamm, gunilla.tamm@journalistgruppen.se

Ulf a part-time star

It says software architect on Ulf Wiger's business card, but it would not be totally incorrect if it also included opera singer, which is what he does in his spare time. Earlier this year he played a leading role in OperaVox's production of *The Barber of Seville*, at Stockholm's Boulevardteatern.



"I have no formal training, but I have sung in choirs for many years. I dreamed of singing opera but probably never believed that it would be more than a dream," Wiger says.

He started taking singing lessons in 1996 and was given solo parts in a choir. After two years, things really picked up when he got engaged to the woman who is now his wife, Katarina Pilotti, a freelance opera singer.

"We started to give concerts at home for relatives and friends, and I made contact with some excellent pianists and Katarina's singing colleagues. In 2001, the amateur opera company OperaVox was looking for singers. I auditioned and got a part in the choir for the opera *Die Fledermaus* (The Bat) in 2002," Wiger says.

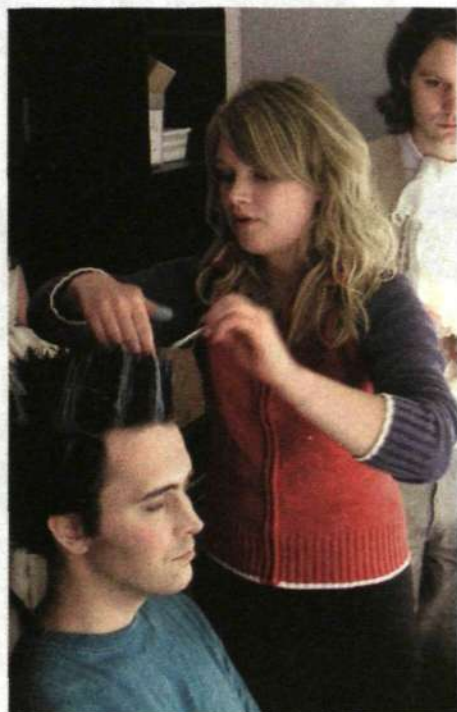
He got a minor solo part in *Carmen* the year after, and this year sang the lead in *The Barber of Seville*.

Wiger restarted his singing lessons a little more than a year ago and is learning a technique called *bel canto*. "It is a much more physical way of singing. You get into the song and your whole body is involved. It has also got me listening to songs in a different way," he says enthusiastically.

Standing on stage as an opera singer is a challenge. The acting is important: if that doesn't work, it takes attention away from the song.

His leisure-time activity is something he can also use at Ericsson in his work on system management for IMS Gateways.

"My work duties include giving presentations and performing for an audience. My singing has trained my voice and lets me be heard in a different way. The singing lessons have also helped me develop as a person," he says.



Ulf Wiger gets made up for his lead role in *The Barber of Seville*.

photo: johan hackman



Ben Hamilton is working as a volunteer for youth development in Mongolia.

Ben kicking goals for young Mongolians

For most employees, their annual leave usually involves taking a holiday in the sun for a couple of weeks. However, a beach was the last thing on Ben Hamilton's agenda as he started a 9-month leave of absence in Ulan Bataar, the capital of Mongolia.

Hamilton, a UMTS Systems Engineer at Ericsson in Guildford, is working as a volunteer for a youth development project based around a youth football club. "The project aims to help develop community and life skills such as leadership, teamwork, fair play, respect and good sportsmanship. My role is to manage the project, as well as doing some of the football coaching," says Hamilton, who has had previous experience in the same field back home in Woking, England.

The project he is working on involves running

football clubs in two districts of Ulan Bataar. The kids are from seven up to 20 years old and the coaching is for about 13 hours a week.

"I also will be organising a big indoor football tournament as well as taking the best players to play in international competitions. There will also be a winter training camp to run, as well as many reports to write to the project donors and sponsors," he says.

Hamilton's busiest days are Monday and Friday as he has three classes in the evening from 4 pm until 8 pm. "Four hours coaching non-stop is very tiring," he says.

Talk about a different job from the one in Guildford!

ADAM LLOYD

adam.lloyd@ericsson.com

SMS reveals truants

Youngsters like sending text messages, but the fact that SMS can also be used for reporting truancy to parents is not appreciated quite as much.

If a student does not come to a class, the teacher sends an SMS to the mother or father. Örjan Johansson, acting principle at IT high school in Kista, Sweden, came up with the idea and has used it to improve communication with parents.

As a first step, the concept has been directed to the parents of students in first year. Of the 130 parents asked if they wanted the service, only five said they did not want to receive the "truant texts" – and one of those did not have a mobile phone.

from the archives



This is what an answering machine looked like in 1952.

in the spotlight

nasobite bmu016



Hey, Jacqueline!

Jacqueline Hey, now head of Market Unit North-Western Europe and living in Guildford in the UK, left Australia and her position as key account manager for Vodafone in Oceania five months ago. She has moved to a region with mature markets, where business has been sluggish in recent years, but which is **now growing again**. One customer currently in focus is the UK's BT, which needs to select a supplier for future wireline telephony as well as services.

Is there any difference between working in Australia and Europe?

"Sometimes I actually forget that I'm no longer in Australia. I assume it's because the language is the same. But there are certainly differences in terms of culture and business climate. The markets in Europe are more mature and this occasionally makes matters more challenging.

"The customers in the UK are advanced in many ways. The UK is often the leader when it comes to new functionality. It is one of the most competitive marketplaces in the world, with nearly all of the world's operators and vendors represented and active. This means there is extremely strong competition every time we compete for business. The upside is that there are great opportunities for us to focus on."

Ericsson's organization is in the process of becoming more customer-oriented. Have the customers noticed this?

"Certainly, the customers see that a change is under way. But it is also extremely important that we demonstrate in our practical work that we are more customer-oriented. Mere words are not enough.

"Every time we bid for a new opportunity, we need to have the best offering, the lowest risk, the best value for money and a strong customer relationship – this is the only way we can win.

"In terms of deliveries, Ericsson needs to meet its customer commitments every time."

What are the most important tasks for the market unit this year?

"We have several important tasks. One is our internal program to create effective communications within the market unit. I believe that open communication with colleagues is important in helping me become acquainted with the culture here. I have regular breakfast meetings, with about 20 employees each time. Those who have birthdays on the same date are invited and this leads to a random mix, giving me the opportunity to meet staff from various parts of our unit.

"Naturally, other important tasks for the autumn are continuing our work with Vodafone, BT, T-Mobile and all our other customers. We have some smaller customers who are also rather important. We have a strong mix of large and small customers."

BT is one of the major operators in the UK. What challenges does the company face and how can Ericsson help? There is talk of a mega-deal with BT. What does this involve?

"BT management has decided where the company has to be in five or six years and will invest now to achieve that ambition. This is a great opportunity for Ericsson because one of our key strategic measures is to focus on wireline telephony again. Mobile telephony has dominated for many years and fixed telephony has taken a back seat. This is an area in which we can help BT to regain ground. Mega-deals are really major network-operations contracts. This deal with BT is slightly different in that it is a mega-deal from both the infrastructure and, potentially, services perspectives. A contract of this kind would be a highly important reference for Ericsson around the world."

If Ericsson were to secure a contract, what would it need to handle such a major project?

"Strong project management and a strong customer and contracts-program group are extremely important. Positive relations between employees on various levels of Ericsson and BT are a basic requirement. It is essential to establish a working climate that transcends national boundaries and different cultures. Ericsson is a global company and we can capitalize on this in terms of finding the appropriate expertise in various areas. We are making a considerable effort to be included in the short list of companies battling for the contract. Now we need to demonstrate to BT that Ericsson is the best.

"We have to deliver what we promise we will deliver, on time, on cost and with the right quality. It is as simple – and sometimes as difficult – as that."

What is the strategy for Market Unit North-Western Europe?

"Our strategy is to increase business, not to be too dependent on any individual customer and to broaden our portfolio to include products for the enterprise market such as IMS (IP Multimedia Subsystem), Managed Services and other new areas. We have had a good year so far and the business prospects appear promising for next year too. Wireline telephony is an area that has been lying fallow somewhat in mature markets, but we are going to show what we can do.

"It is becoming increasingly difficult to differen-

facts: Jacqueline Hey

Born: Australia, 1966

Home: Guildford, UK

Years at Ericsson: 17

Family: Husband, son aged 10 months and dog (en route from Australia)

Education: University degrees in business and marketing

Interests: Family, sports (mainly as a spectator), socializing with friends

Did last Saturday: Took part in a local activity to get to know Guildford

tiate ourselves on technology alone, so we need to ensure that our total package of offerings for the customer is better than that from any competitor. This means great local relationships with customers, great inter-working with global customer account teams and great cooperation and working together towards one goal with the business units and product units."

What do you think Ericsson must do to promote more women to senior positions?

"The efforts initiated by Carl-Henric Svanberg are excellent and very promising for all (see Contact 3/2004). I have to say that I have never felt there was a glass ceiling. Personally, I have never had any obstructions to my career because I am a woman. More women have climbed to senior positions recently and I hope this is a trend that continues. But I also believe that we women must demonstrate that we want to have higher management positions and each of us as individuals must show that we can do the job. I know this is the case and look forward to many more women and people from all backgrounds achieving success within Ericsson. My rule for all equality efforts is to treat everyone as I want to be treated myself." •

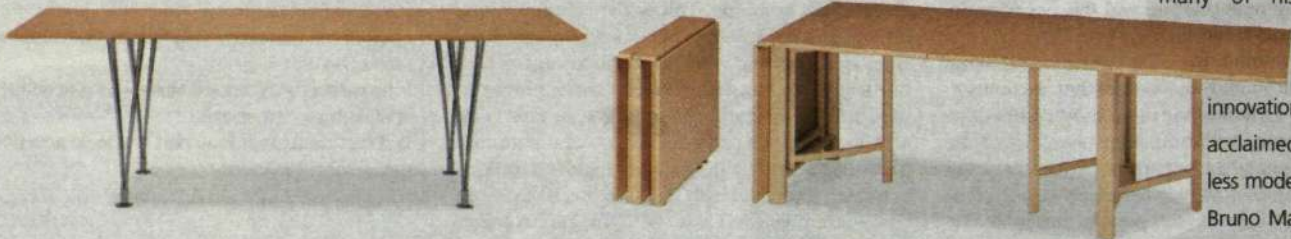
Do you have questions for Jacqueline Hey?

Send them to spotlight@ericsson.com by November 5. She will answer some of them in a video interview to be published on Inside.

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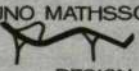
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The six steps to attract operators

Convergence between fixed and mobile telephony is the way to win operators' investment. But Ericsson needs absolutely top-class products and solutions to do that. Contact examines the thoughts and ongoing work in this area, which played such a large role at this year's GMC.

1. Provide end-to-end solutions based on converged services and networks, including terminals.

Björn Olsson, head of Business Unit Systems, says: "From an end-user perspective, two things are important when you get a mobile telephone: it must be simple and reliable. Ericsson's contribution to this is to deliver equipment that is ready to go, so that the end customer never has to think about the connection. We have within Ericsson all the building blocks we need to deliver end-to-end solutions. We understand fixed and mobile networks. We have Ericsson Mobile Platforms working with several mobile-phone manufacturers, which gives us the chance to ensure good connections between networks and terminals. The third important part is our wide-reaching work in the service layer and system integration, which contributes to end users recognizing the mobile services and user environment regardless of whether they are using a telephone or a computer."



Björn Olsson

photo: gunnar ask

2. Leverage on common telecom grade platforms.

Håkan Eriksson, Ericsson's Research & Development, says: "This is in large part the basis of the company's success and something we have to build on further. AXE is still the common platform for a variety of different products, switches in fixed and mobile networks, HLR (Home Location Register) and base station controllers for GSM."

"The advantage of common platforms is that our costs are shared among several different products and that the quality is improved all the time because the platform is used for so many things. This experience gives us better control of the total cost and means that we can give our customers more specific timeframes. When we talk about telecom quality, we mean that a node can be out of commission for a maximum of five minutes per year."

Ericsson today also works with two other common platforms, CPP (for BTS and BSC/RNC for CDMA-2000, WCDMA and Media Gateways) and TSP (for service and control nodes). The aim is for all new Ericsson releases and products from this year onwards to be developed based on these three platforms.

3. Lead and secure wireless evolution (2G, 3G and beyond 3G).

Pär Lövgren, head of business control at BU Access, tells Contact: "The first half of the year was dedicated to stabilizing our wideband network. Work will continue in the coming months on reducing product



Håkan Eriksson

photo: anna rehnberg



Pär Lövgren

photo: per myrehed



Carl-Henric Svanberg

photo: anna rehnberg

costs in parallel with getting greater functionality from the WCDMA network. We have broken down the targets established at the GMC into different sub-targets and have created action plans to reach all of them within the next nine months. This covers everything from delivering on key contracts to strengthening our position further in Seamless Networks and CDMA. In parallel with this, we are working on some high-priority customer commitments."

4. Take leadership in layered architecture and convergence (IMS).

Björn Olsson: "Fourteen of the 25 Ericsson-delivered WCDMA networks in use around the world today are based on layered architecture. On the fixed-network side (ATM technology), we have about 25 such networks. No other vendor can show similar achievements. Now we have to secure our leadership by delivering layered architecture for GSM networks too. We are running a program within BU Systems with Global Services and Ericsson Mobile Platforms to ensure we are just as successful in IP Multimedia Subsystem (IMS). Our ambition is to build a product that supports operators' wishes in an IP world and helps bring new end-user services to reality."

5. Strengthen wireline, focus on softswitch and broadband access.

"IP telephony is everywhere in fixed networks and the corporate world today," Olsson says. "You could say that IP-based telecommunication is being driven by the fixed-network side. On top of that, fixed-network operators want to offer broadband and IP-based services. Ericsson is already delivering IP-Centrex solutions that use Internet Protocol to provide traditional fixed-line telephony within a company. But we can do even more on the fixed-network side and ensure that it fits together with our IMS strategy."

6. Invest to gain a top-three position in all business areas within three to five years.

Ericsson CEO and President Carl-Henric Svanberg says that, for Ericsson to succeed in creating long-term and profitable growth, it must be positioned among the top three players in its areas of operations, seen in terms of market share. "We are not yet there in CDMA and Enterprise, for example, but our commitment to these areas is 100 percent. If all of Ericsson continues to support this commitment, we will reach our goal. I am absolutely certain of it." •

report: video telephony

Partnership blazes new video trail

Being first to launch a new mobile system built on new technology puts pressure on both operator and supplier. **The cooperation in Italy between operator 3 and Ericsson** was no exception, but now that the initial stages are over, most of the growing pains have gone. The alliance is especially successful within video telephony.



Ivan Fornabaio

Ivan Fornabaio, technical manager for video telephony at 3 in Italy, tells Contact: "Video telephony is our chance to distinguish ourselves from other mobile operators. That means we need to be able to offer our customers interesting solutions. Our cooperation with Ericsson is important and is working well, which you can see in the latest test activities within video telephony."

The cooperation between Ericsson and 3 in Italy started in 1999, before Hutchison won its Italian 3G license. As principal supplier, Ericsson has delivered the entire backbone network and about half of the radio network. The other half was supplied jointly by NEC and Siemens. The Italian 3 was one of the first companies to launch its 3G system commercially.

Stig Puustinen, in charge of Ericsson's global customer program for Hutchison, says the operator is an important reference customer for Ericsson. "Italy is interesting since the market is very technologically advanced and has major growth potential," he says.

Following an intensive marketing campaign, 3 launched its network in Italy for commercial use in mid-March 2003. From the start, the most popular services were video calls, news and sport.

It is not only an important reference but also plays a significant role in terms of FOA (First Office Applications), or in other words,

customer testing. Video telephony is an area in which several important FOAs have been implemented.

Eirik Stephansen, Ericsson's global account manager for video-telephony services at 3, says it recently implemented such a test for ViG 2.0, a new version of Video Gateway.

"ViG 2.0 will enable users to navigate through various channels via a video portal. You can call a special number to use your 3G telephone as a remote control," Stephansen says.

The service will be marketed during the autumn. The operator has previously bought four other video-telephony solutions from Ericsson in Italy: video mail, video calls from mobile phones to PCs, video calls to or from a third-party service provider (Tiscali) and circuit-switched streaming.

Customer testing (FOA) for ViG 2.0 took place between March and June this year. In addition to testing in Italy, the service was also tested from abroad, including from the US and the UK.

Fornabaio is highly satisfied with the results. "It almost went too well," he laughs.

"During the time we have worked together with Ericsson, we have built up a partnership that has grown stronger and we really trust each other when it comes to making things work better and more quickly.

"By conveying our requirements, from

different cultures, with different angles of approach and our customers' reactions to Ericsson, we are helping the company to develop its products further," he says.

A good example of cooperation is the use of Video Gateway Systems and ECDS (Ericsson Content-Delivery Solution), which enabled the launch of the reality TV program Big Brother on the internet. The entire project took only two months, from the initial idea to implementation. When the final episode of the program was screened, a record number of 3 subscribers followed the show on their mobile phones. Statistics show that many called several times, indicating they were both satisfied and interested.

The number of subscribers to 3 in Italy has grown rapidly during the past six months and



The ability to follow the reality show Big Brother on a mobile has been a success for operator 3 in Italy.

facts: video telephony

Video Gateway Systems link 3G with internet addresses and telephone numbers with IP addresses. The user on the wireline side needs a computer with an IP client and a broadband connection. In today's WCDMA network, video calls are connected between two subscribers in a radio network as a circuit-switched call in a tunnel for high-quality transmission. Linking a WCDMA video call to a PC connected to the internet requires a conversion from circuit-switched data to packet data.

Ericsson has developed five solutions for using video telephony in 3G networks:

- **Video Telephony Mobile-Mobile** allows calls between two 3G telephones.
- **Video Telephony Mobile-PC Client** allows users to make video calls from a 3G telephone to a normal PC.
- **Video Mail** allows 3G subscribers to receive messages with recorded video calls in the event they are unavailable or busy with another call.
- **Video Telephony Circuit-Switched Streaming** allows users to receive and stream video clips using their 3G telephone.
- **Video Telephony Multi-Party Conferencing** allows video conferences between participants with 3G telephones, ISDN video telephones and with PC clients.

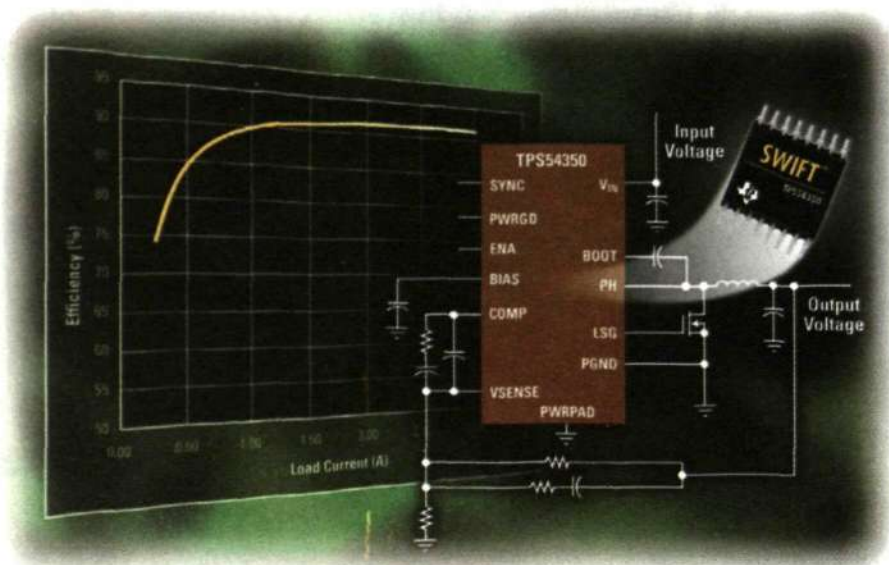
is now at 1.5 million. About 15 percent of these use video telephony at least once per week and 10 percent use it every day.

Video telephony is one of the primary driving forces for 3G, with Fornabaio believing the feature will continue to grow. Ericsson's various solutions within video telephony play an important role in the operator's success.

"But success does not come automatically," he says. "We must identify customers' needs and help them understand the opportunities that video telephony brings. We also need to build confidence in the services. This is important and can take time. The new terminals being launched on the market are helping to raise people's interest in video telephony."

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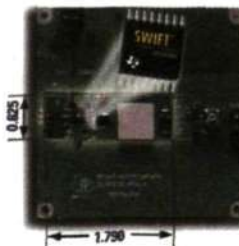
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Keeping technology lead on track

To strengthen its role as **a leader in technology**, Ericsson has decided to further improve its customer dialog. Key personnel will act as intermediaries between Ericsson's sales organization and the chief technology officers at the ten most important operators.

Technological development within the telecom industry is a dance with intricate moves, where the line between client and supplier is becoming increasingly blurred. Ericsson's position as a technological leader is undisputed, but during the past two years much of its energy has been focused on getting the company back on an even keel. The time has come to start moving again.

In matters of technical strategy, Ericsson will now work more closely with its most important customers. One way this will be done will be through new positions such as technology liaisons. These people will be placed with the key account managers for Ericsson's 10 most important operator customers, providing a direct channel to the customer's chief technology officer (CTO). Jan Uddenfeldt will lead the liaison group, which will work within the framework of Bert Nordberg's group function Marketing and Sales.

"During two years of low market activity it has been the right thing to shift our



Jan Uddenfeldt

gaze inwards. Now the time has come to start moving again," Uddenfeldt says.

This could be thought of as yet another channel for sales, but it is not the case. Discussions concerning specific products will be held on a business unit level. The purpose of this initiative is to improve the dialog on issues further down the line. The timeline starts at 18 months ahead. Ericsson's long term strategy for Research and Development serves as a framework for the discussions, but paramount is a keen ear:

"We are doing this because we really want to be sensitive to our customers' needs," Uddenfeldt says.

Stig Rune Johansson is Ericsson's new technology liaison for Vodafone, working out of Düsseldorf. His new role is similar to his previous three years working with AT&T Wireless, so he has a fairly clear view of what is required. In his words, one has to have gained certain experience so as to "carry the message home with some credibility".

Johansson says the new way of working suits the customers well. When he recently started his new role with Vodafone, those he met there were pleasantly surprised. Not only had Ericsson provided this designated person, but Johansson's counterparts at Voda-

fone also saw him as a potential mediator in the current merging of all the different Vodafone companies into one global entity.

"In my view, this is perfect," he says.

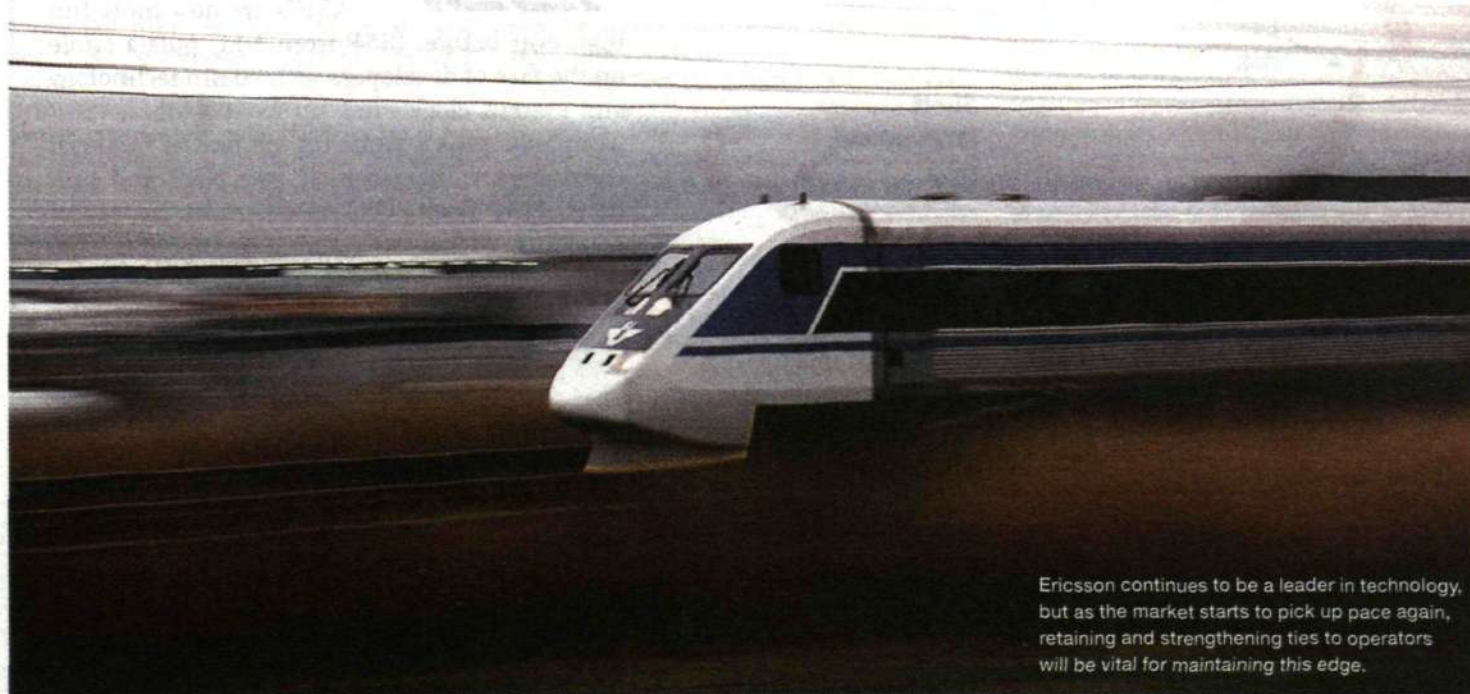
Global accounts such as Vodafone, and a few large national operators such as Cingular, China Mobile and NTT DoCoMo, make up the ten operators who will benefit from the change. The fact not all Ericsson customers will be provided with a liaison should not be taken as evidence some customers matter more than others; it is simply a matter of practicalities. Some operators are on the cutting edge within their respective areas, just as Ericsson is.

Apart from the very specific channel provided by the liaisons, Ericsson will continue its broad customer cooperation on technological development. The Technology Alignment Meeting, a larger forum, will convene twice every year to ensure a common agenda.

"It's fun now, it feels really good," Uddenfeldt enthuses.



Stig Rune Johansson



Ericsson continues to be a leader in technology, but as the market starts to pick up pace again, retaining and strengthening ties to operators will be vital for maintaining this edge.



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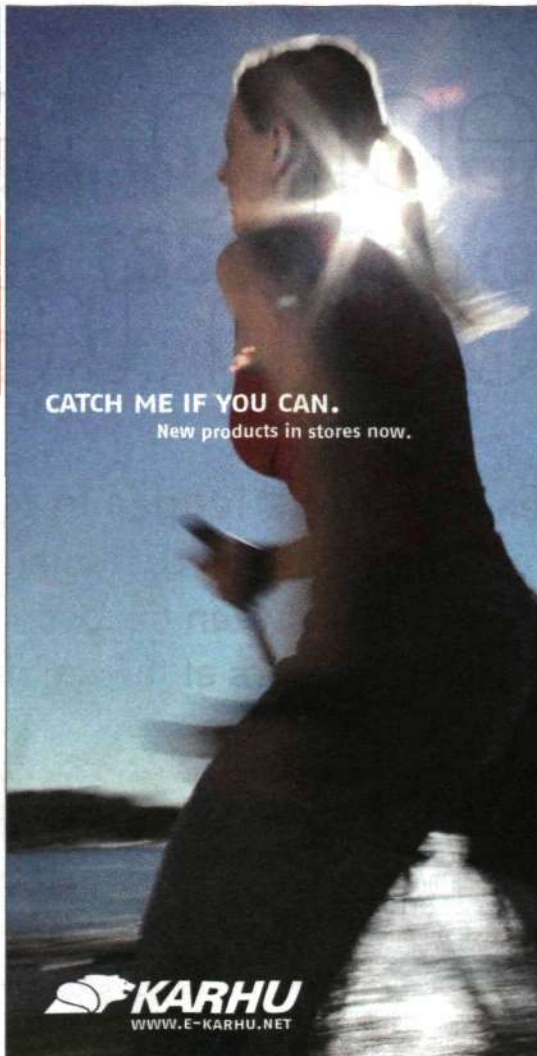
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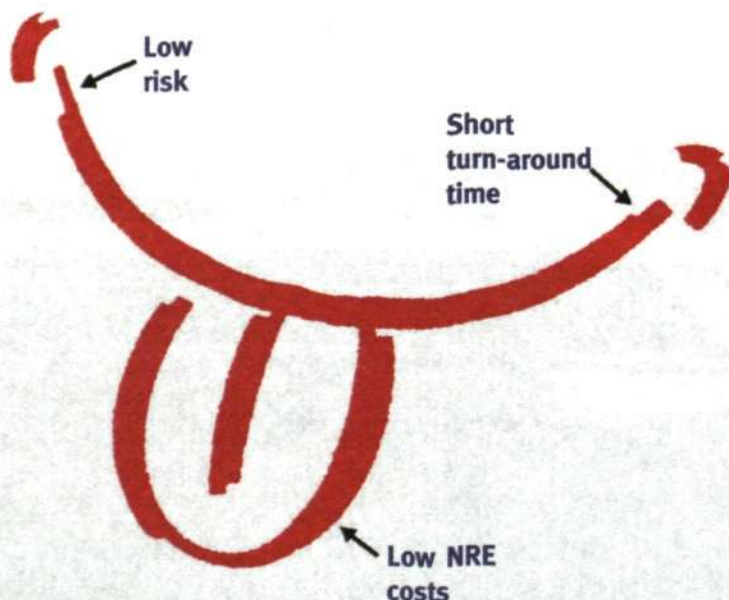
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Swedish forestry company Stora Enso is using Ericsson Enterprise to get an overall evaluation of its telecom situation. Magdalena Örtendahl, in charge of sales for Enterprise Nordic, meets Lars-Gunnar Olsson, area manager for Stora Enso Service.

Enterprise winning ground

Ericsson Enterprise is continuing its renewed push to win more of the enterprise market with new services and mobile solutions. Customers are very interested and **income is already increasing**, yet the business unit still faces major challenges.

Market Unit Nordic and Baltic (NOBA) has been one of the pilot markets as Ericsson Enterprise introduces its new organization and strategy. A large installed base of enterprise solutions and a 50-percent market share in the Nordic region makes the market suitable as a test region. The business plan is now being rolled out across all of Europe.

The plan is based on further development of the products and solutions that Ericsson already offers today. Enterprise is focusing especially on the growing area Services, which covers both consultancy services and solutions. NOBA's aim is to win 20 new service-related contracts next year. Several new deals have either been concluded or are under way, including one with Swedish forestry company Stora Enso, which wanted a total cost of ownership analysis.

Peter Nilsson, Enterprise key account manager for Stora Enso, says: "It, like other Nordic companies, has shown great interest in making its telecommunications more efficient. Ericsson's service contributes directly to the growth of the end customer's operations."

By examining Stora Enso's Swedish exchange center, checking the number of functions and capacity of its internal network, Ericsson can suggest ways to opti-

mize the company's telecommunications. This type of overview, a consultancy service, is attractive for several large Swedish companies that have made major investments in Ericsson's enterprise switch, the MD 110. Stora Enso has long needed a better telecom infrastructure: increased availability means better service for the company's customers, while also improving opportunities for contact with internal and external parties.

Lars-Gunnar Olsson, area manager for Stora Enso Service, says: "Our cooperation with Ericsson has grown from skepticism on our side to an interesting dialog. The analysis concluded that the MD 110 is a stable and backwards-compatible switching platform that allows us to adopt future technology at the pace we want. It is important that we can build on the equipment we already have so we can keep our costs down."

Stora Enso and other large Nordic companies, such as SAS, are important reference list customers that Ericsson Enterprise can use as a basis for continued business.

Magdalena Örtendahl, responsible for Nordic sales at Enterprise, tells Contact: "Our work with Stora Enso was a test operation that went better than ex-

pected. We have realized that enterprise customers are very interested in these types of services, while it also often generated further sales of hardware."

The Telecom Optimization Services that Stora Enso wanted is one of five solution areas that Ericsson Enterprise is prioritizing as part of its new push. Mobile Data Solutions is another. Ericsson is well set here too and has made a major commitment to further development, together with partners such as HP and system integrator Martinsson. Companies and government authorities needing special mobile solutions are seen as potential customers.

Ericsson has realized that end customers often do not understand the breadth of its enterprise offering. Jens Gregers Jensen, sales manager for the NOBA Enterprise team, says that many companies believe Ericsson lies further down the value chain. "We must go direct to the customer more often and not leave all communication to our sales partners," he says.

Yet while business continues to grow, Enterprise still faces quite a few challenges. It needs, for example, an overview of the sales relationships that Ericsson has built up over the years, and to fill in the gaps.

The enterprise market is growing quickly and future deals will not be just for enterprise switches but also integrating them with public networks and wide-ranging security solutions. That requires large, strong partners willing to invest in competence development. At the same time, Enterprise wants in some cases to be more visible to the end customers.

"This means finding a balance between working with the distribution network, which we continue to have a strong reliance on, and becoming more active in direct contact with enterprise customers," Gregers Jensen says.

update

New brand platform

A new brand platform and creative expression that reflects the identity of the new Ericsson has now been approved by Ericsson's Group Management Team.

The creative platform enables Ericsson to tell the world about everything it stands for, boiled down to a few key words, or "tag line", and a consistent creative expression. The end line, "Ericsson - Taking You Forward" summarizes Ericsson's offering. It says that today's Ericsson is a partner that can define and deliver progress, and is supportive, consultative, proactive, innovative and trustworthy.



The communication of the Ericsson brand is a vital instrument for reaching Ericsson's strategic business objectives. For this communication to be as influential as possible, Ericsson needs a brand platform and creative expression that is powerful and differentiating, consistent across regions and media channels, and 100 percent aligned with the values and Our Ways of Working.

President and CEO Carl-Henric Svanberg says: "Every one of us must live up to the core values



"We must live up to our brand," President and CEO Carl-Henric Svanberg says.

photo: peter nordahl

that the company stands for. We must live up to our brand."

Dusyant Patel, director for Marketing Communications and Sponsorship, led the work with his team and received help from about 200 key people from various parts of the organization. The creative platform is intended to be multi-channel - it will work across a range of disciplines and media

channels; advertising, brochures and other print material, trade shows and customer events, the internet, and so on.

In the next few months, the new brand platform will be rolled-out externally, step-by-step.

MICHAEL MASOLIVER

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French acquisition brings competence

Acquiring French company Audilog is a move that will boost Ericsson's systems integration competence and competitiveness in France.

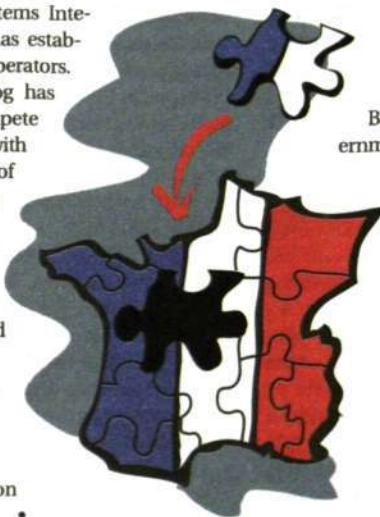
The deal finalized on September 21. Head of Ericsson Global Services Hans Vestberg says while the acquisition is primarily focused on building business in France, it also sends the message that Ericsson sees systems integration as a major growth area.

Although relatively small with its 60 employees, Audilog has strong competence in network management and service assurance. Franck Bouétard, head of Systems Integration, says Audilog has established strong ties with operators.

"On its own, Audilog has been too small to compete for big projects, but with the added muscle of Ericsson, we will be able to rollout strongly in this field," Bouétard says.

Several other companies were interested in acquiring Audilog.

Both Vestberg and Bouétard say the Audilog acquisition is a unique deal that fits very specific Ericsson needs.



Another puzzle piece in place for Ericsson in France. The acquisition of Audilog is a perfect fit, where Ericsson's muscle is complemented by Audilog's systems integration competence. illustration: kerold klang

Expansion continues in Russia

Ties with Russia's largest operator, Mobile TeleSystems (MTS), are getting stronger through a GSM expansion deal worth USD 70 million.

The frame agreement covers the supply of software and hardware until the end of this year. The base stations being deployed have built-in EDGE functionality and will provide a smooth migration to 3G technology when it is licensed in Russia.



Equipment supplied under agreement will increase network capacity and coverage in Krasnodar, Tartarstan, Bashkortostan, Siberia, and in the easternmost parts of the country.

Alexander Andrianov, vice president of Ericsson, Eastern Europe and Central, says the contract reinforces the trust MTS has in Ericsson's equipment and professionalism.

Ericsson's partnership with MTS has included supply of the operator's GSM network in five Russian regions. MTS has a subscriber base of 24.1 million people.

Ericsson supplies about one quarter of all mobile phone infrastructure in Russia.



Rural New Zealand will get better access.

photo: bengt jansson/pressens bild

New Zealand gets satellite broadband

Businesses and residences throughout rural New Zealand and outlying islands will now get improved access to broadband services and internet.

Ericsson Satellite Systems has signed a five-year agreement to supply satellite-broadband equipment and services to specialist rural provider BayCity New Zealand.

Under the contract, high-speed internet access with speeds up to 2Mbps per subscriber will be available immediately to BayCity customers. Speed will later increase to 8Mbps.

BayCity and Ericsson have cooperated for three years, focusing on rural needs. This included the introduction of broadband services to dairies and deployment of Ericsson DSL broadband in the Cook Islands.

Ericsson sourced the satellite equipment and services from Thai partner Ipstar.

Ipstar is currently investing in a large, new satellite earth station and gateway in Auckland.

Dialog survey lets you have your say

The annual Dialog survey has been measuring Ericsson's pulse for years, but now, it is the first time it will be run simultaneously Ericsson-wide.

Invitations to participate in the global survey were sent in early October. Top management has been



actively involved in this year's survey and will use the results and feedback to set common action programs and targets for the organization in 2005. It will ensure alignment with Ericsson's Ways of Working philosophy, which Carl-Henric Svanberg addresses in this issue of Contact in the news section.

"Participate and your views will be part of the global and local feedback. It's part of everyone's responsibility to implement change and make improvements," Cathrine Vincenti, director of competence for Ericsson, says.

In addition to setting common goals for Ericsson, there are other advantages with having a unified survey. "Conducting a global survey is more cost-efficient because it eliminates the local

Centralizing the Dialog survey has been a major logistical challenge, Cathrine Vincenti says. Among other things, the system where employee data is stored has been updated.

administrative role, replacing it with the centralized SAP system," Vincenti says.

Centralizing the survey has been a major logistical challenge. "The Dialog project managers have been working hard to update data, e-mail addresses and so on, but these efforts will be useful for others too," Vincenti says.

Once the results are in, local management is expected to produce an action plan, communicate it and use it. Progress will be followed up quarterly.

Dialog measures company culture, competence, motivation, organizational efficiency, leadership, creativity and more. This year's survey is available in 20 languages.

The results will be out in November. The participation rate for 2003 was 83 percent.

Similar surveys have been used by other leading companies such as Microsoft, SAS, Telenor, Telia, Lucent, AT&T and Sun Microsystems.

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Ericsson the only choice for Tele2 Switzerland

Ericsson is sole supplier for the first stage of Tele2's GSM network expansion in Switzerland. The deal is seen as an excellent example of cooperation between the local sales force and Multi-Country Account Team (MCA).

When operators Tele2 and In&Phone received licenses at the end of last year, the number of GSM operators went from three to five in Switzerland.

Tele2, already established in the country with a fixed network, was selling mobile services as a service provider, but wanted to set up its own GSM network to target residential customers with advanced, low-priced mobile services.

Ericsson works closely with Tele2 in several European countries. The work with the offer was a close cooperation between Ericsson Switzerland and the Tele2/Millicom MCA. The Swiss team handled key preparation on site while the MCA in Stockholm drove negotiations.

GSM gets a boost in Switzerland when Tele2's new network expands.



photo: pressens bild

Nokia, France Telecom joins forces

Nokia and France Telecom have formed a strategic partnership for joint development of multimedia solutions for mobile telephones, Swedish telecom magazine telekomidag reports.

Their collaboration, which also includes services and applications, aims to develop products and services that make it easier for people to use a mobile phone to connect to databases at home. One important aspect is that such services must have maximum security.

The companies plan to share their experiences and resources to develop new mobile services. They believe there is a strong industry demand for this type of cooperation between supplier and operator, partly to meet increasing competition and partly because of the pending convergence between IT, telecom and multimedia, telekomidag writes.



Wu Yi got a closer look at Sony Ericsson's mobile phones.

photo: peter nordahl

China promises full support

Ericsson can expect full support from the Chinese Government as it works to transform the country from the "biggest telecom market to a leading industry giant".

Vice Premier of China Wu Yi, identified by Fortune magazine as the second most powerful woman in the world, made the promise during a recent visit to Ericsson's Stockholm headquarters.

After hearing presentations about Ericsson, the Chinese market and Sony Ericsson, Wu said she was very pleased that Ericsson has such a strong presence in China for global research and development.

"The potential of the Chinese market is huge. For quality of life and social development, I think there is an even bigger potential in the mobile arena."

Ericsson Chairman Michael Treschow said the vice premier's visit was extremely valuable, and important, as Ericsson strived to strengthen its leading market position.

Over 315 million Chinese have mobile subscriptions – a quarter of the population. Annual growth is about 60 million subscriptions. Ericsson has roughly 35 percent of the GSM market and 15 percent of the CDMA market.

Fatima enjoys her double role

It's been a hectic year for Ericsson Portugal with the Euro 2004 soccer championships, giant music festival Rock in Rio, 3G launches for all three mobile operators and the government on a mission to invest heavily in broadband.

Fatima Raimondi sits right in the thick of things, both in charge of sales and head of the local company.

"We're now in a very good time for telecom in Portugal," she says.

The Brazilian native has been with Ericsson for 20 years, the last 10 in Portugal. Since January 1, she has held the position of head of sales and local president in Portugal, which sees her doing business with fixed operators and the government, having contact with agencies and smaller companies, and deeply involved with all three mobile operator accounts – TMN, Vodafone and Optimus.

And in Portugal, things have never been busier. Two things happening right now, which will have a huge effect on the future, are the launch of 3G and the beginning of what could become a major broadband expansion. When it comes to 3G, Ericsson is recognized as the leading light in Portugal.

"We play a very important role," Raimondi says.

"As the key supplier for all three operators, we need to make sure our customers feel confident with the new technology and that the first end-user experience of 3G will be great."

Vodafone was the first to launch 3G in April, followed by TMN and Optimus, and now that phones are available, the operators are marketing themselves and their services in the race to win customers.

Ericsson is a household name in Portugal, building a good reputation as a mobile supplier with the very successful GSM launch for Telecel (now Vodafone) in 1992.

The company doesn't have the same recognition when it comes to broadband, but that's something Raimondi is striving to change. Penetration today is low, but the government is pushing broadband expansion hard, saying it wants penetration to be 50 percent in 2005.

"Many say it's too ambitious," Raimondi says. "But it does mean big things for broadband, and it's a good opportunity for us."

"It's crucial for the development of the Portuguese information society that more people have access to fast and accurate information, as well as making companies more efficient. We're working hard to participate in this development."

Between meeting customers, Raimondi is keen to motivate her 180 staff. After 20 years at Ericsson and 10 years in Portugal, she enjoys her job.

"I always say that I don't know if I'll stay here forever, but there are a lot of changes in Portuguese telecom – it's a wonderful time."

Fatima Raimondi is excited ahead of the commitments to 3G and the wide-reaching broadband rollout just ahead.

