

# CONTACT

THE PUBLICATION FOR ERICSSON  
EMPLOYEES AROUND THE WORLD

3·2005

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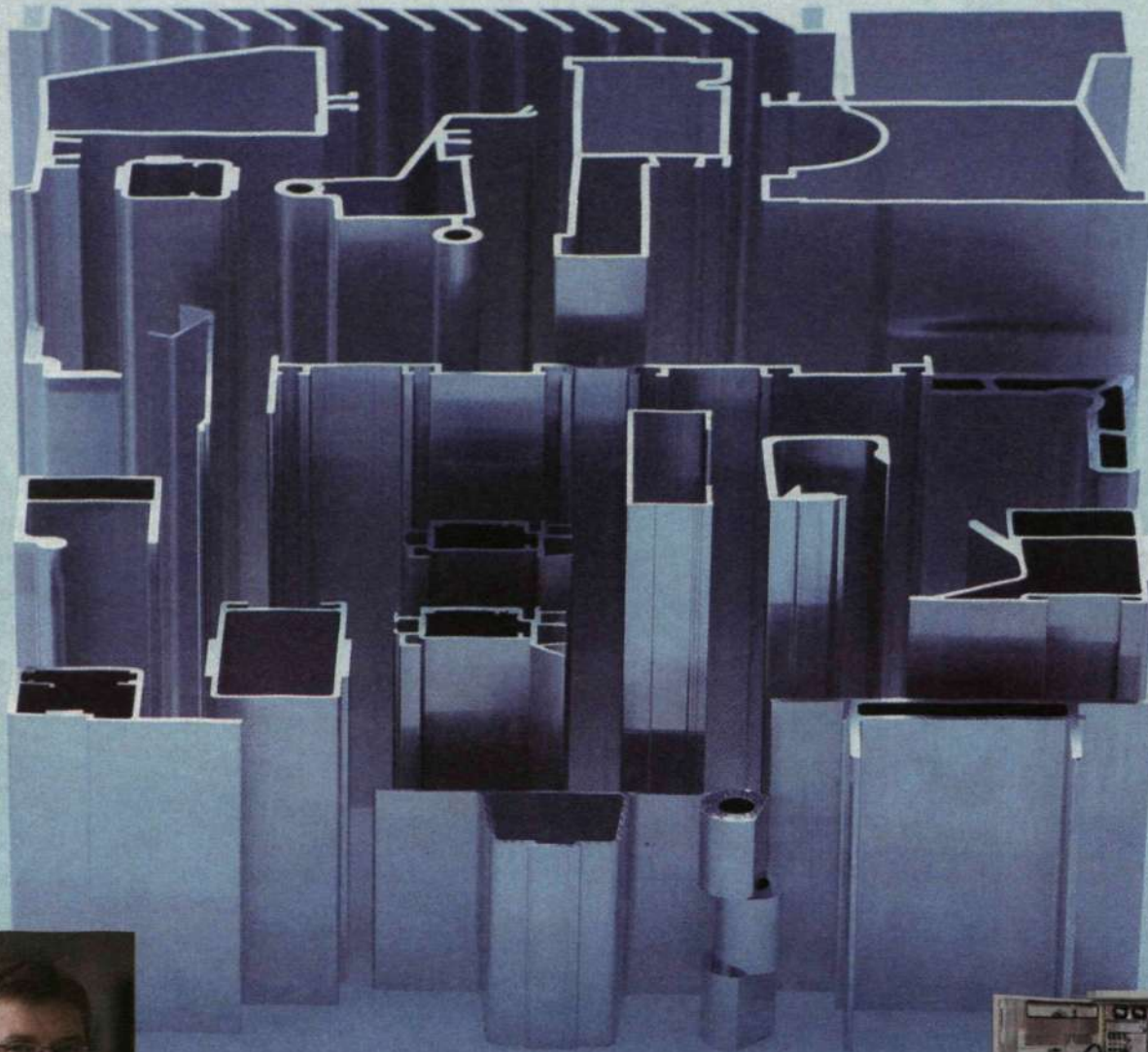


*From Cannes with love*

Ericsson shines in Cannes

8-13

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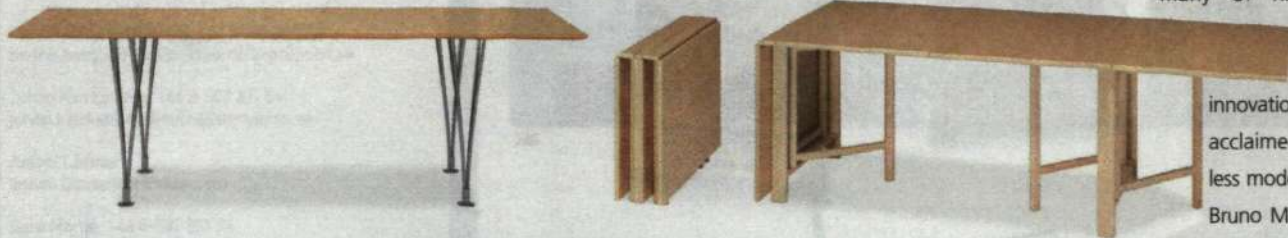
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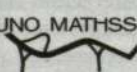
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## column

**Henry Sténson**  
head of corporate communications and publisher of Contact

## In the new world

**This year's** 3GSM World Congress in Cannes was the last one in that city, at least for a good while. Everyone will get together in Barcelona instead next year. This was my third World Congress, and compared with the two previous ones, it was a whole new world.

The actual event itself was pretty much the same as usual. By that, I mean the buildings, the stands and so on were the same. Central Cannes was buzzing with the same sort of people. The seminars and keynote speeches ran one after the other, just like normal. And we even had some sun that week. But maybe that wasn't quite so normal ...

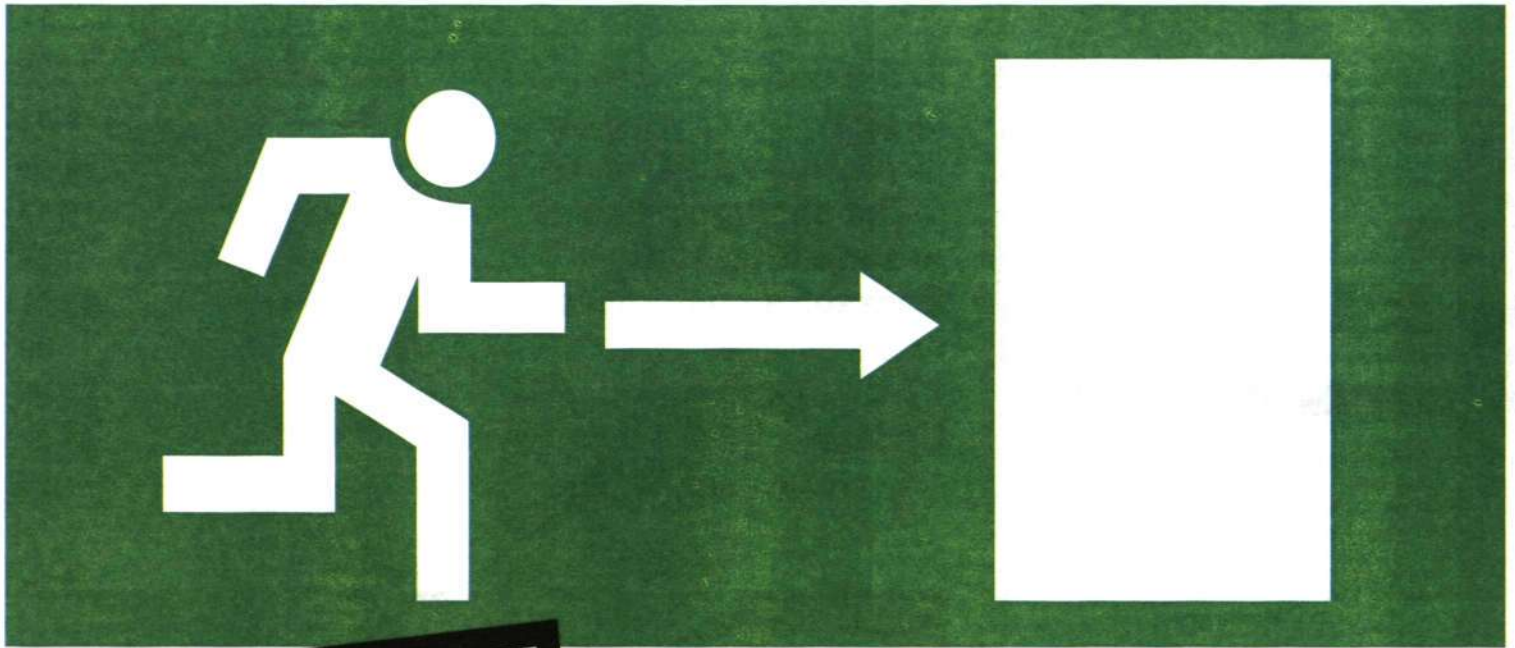
What was it that made this into a new world?

We have had a credibility problem in recent years. People question you if you don't have good profitability. It sometimes feels quite cynical, but that is how it works. The people you meet listen politely, but then question what you are saying, either to themselves or openly, because they just aren't sure. "You are not making money ... how would you know?"

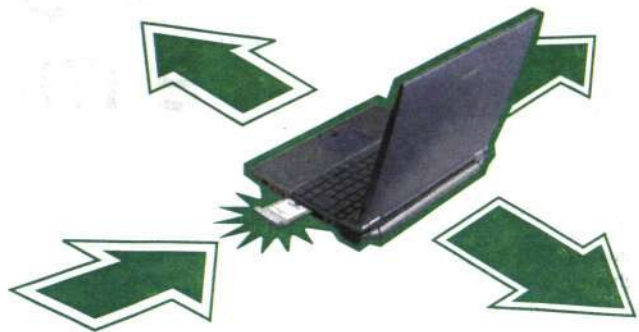
**This time** it was totally different. A new world. People listened – at customer seminars, in interviews and not least at our major annual press conference. They listened, regardless of whether they were customers, analysts of every variety, or journalists. And that means we are in a new world.

People are looking at us with interest. They are thinking about our new products. They are asking about our positions in different parts of the world. The huge venue for the press conference was so crowded that people were sitting on the floor. We were even forced to turn some people away at the door. That is what it should be like when Ericsson is telling a telecom event about Triple Play and other new developments.

World leadership creates credibility – and then the market listens.



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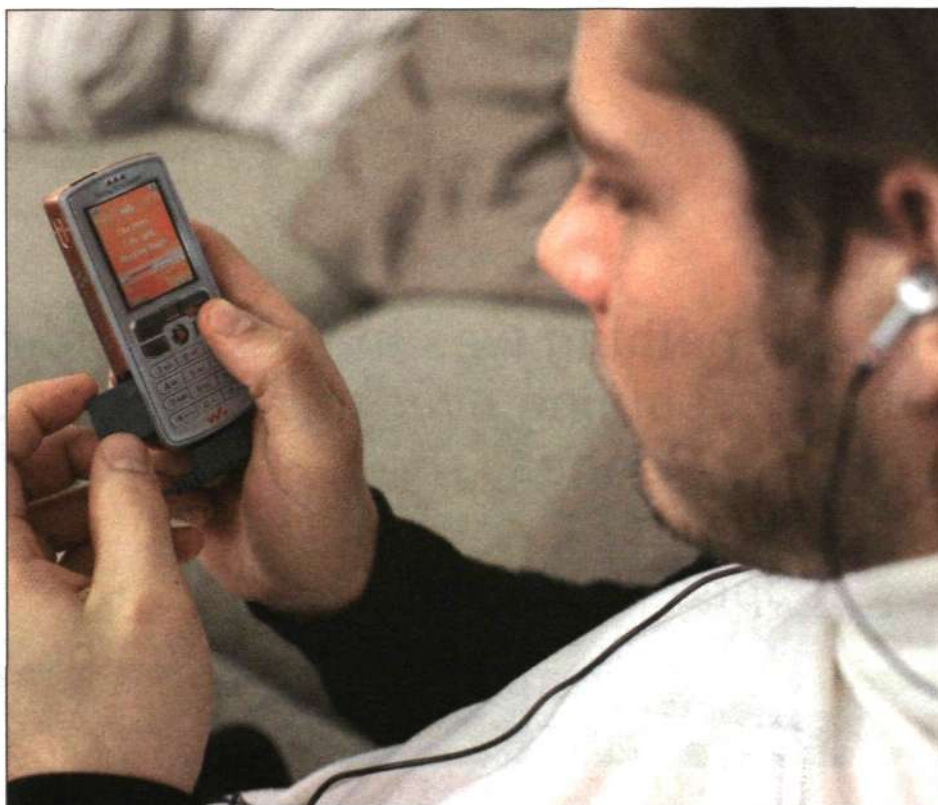


Sony Ericsson

in the news: new telephones

text: jesper mothander photo: sony ericsson

When Sony Ericsson released four new telephone models on March 1, one in particular attracted special attention: the W800 music mobile, which takes Sony's powerful Walkman brand into the mobile telephone world.



## Walkman brings music to the mobile

**Sony Ericsson** continues to prove its strength. The company is showing stable profitability, has succeeded beyond expectations with its camera phones, and is now taking the lead in music mobiles through its use of the Walkman brand.

The first Walkman telephone, the **W800**, will be available in the second half of this year.

The phone comes with a standard memory of 0.5Gb, enough for about 150 songs. It can also use a Sony memory card of up to 2Gb. Standard software allows the easy transfer of music files in either the MP3 or AAC formats: all you have to do is connect the telephone to your computer, then drop-and-drag.

**Sony Ericsson's** access to the Walkman brand is a tremendous advantage when it comes to marketing the handset. Computer magazine Mobile PC recently ranked the Sony Walkman as the world's third-best electronic device in history, after the laptop computer and the remote control.

Peter Bodor, corporate communications manager with Sony Ericsson, explains the importance of the new mobile: "With camera phones, the appearance – buttons, lenses and so on – says a lot about the phone. It is a little more difficult with music. The Walkman trademark shows that the W800 is a complete music player," he says.

The W800 also improves Sony Ericsson's popularity with operators, who see music files as important for increasing traffic in their data-carrying mobile networks.

But the phone is more than just music. The W800 also has a built-in two-megapixel camera with auto-focus.

The most advanced camera phone yet in the Sony Ericsson range, however, is the **K750**, a two-megapixel camera with video capacity, a light and a built-in picture-editing function. The telephone is more like a normal digital camera than anything Sony Ericsson has previously produced, with, for example, active lens protection. The phone also has

an FM radio and MP3 player built in. And just like the W800, the K750 can also use a memory card.

The K750 will reach the market during the second quarter of this year.

**The fact that** telephones are being equipped with better music players and cameras naturally raises concerns about the risks to Sony's own product portfolio. But Bodor sees a natural distinction.

"[Camera mobiles] will soon reach a resolution where optical zoom, a powerful flash and so on will be more important, and then it all comes down to size. On the music side, there is still a difference between a telephone and a pure music player, particularly in terms of storage capacity. Our products are being developed in consultation with Sony, and with the music mobile, it is just as important for Sony to get the Walkman into the telephone world [as it is for Sony Ericsson]," he says.

Sony Ericsson's third new phone, the **K300**, is a somewhat simpler camera phone that is aimed at corporate users. The phone, whose camera has VGA resolution and video capability, also has speakerphone functionality and can be synchronized with a PC.

The fourth model is aimed primarily at the youth market. The **J300** has a more youth-friendly design, with softer lines and replaceable covers. It also has an MP3 player, music-mixer function and the popular game Rayman.



With the music mobile W800, Sony Ericsson brings the Walkman brand into the mobile phones realm.

Of all mobile phones from Sony Ericsson, K750 is the one most resembling a digital camera.



The J300 phone helps Sony Ericsson maintain a broad product portfolio, and is intended primarily to attract the youth segment.



The K300 phone targets the corporate segment, featuring a camera, speakerphone functionality and PC synchronization.



Something was in the air, and not just because the sun was shining over this year's 3GSM World Congress in Cannes. **The telecom industry has now woken from its slumber.** Ericsson has stretched its limbs, stepped into the spotlight, and everyone is watching. Where Ericsson points, everyone looks.

# True Kings of Cannes

**"For me it felt as if** this year's Cannes trade show was a victory tour for Ericsson," says Ericsson's Head of Sales, Bert Nordberg. "Customers just talked about how well everything went. It feels as if they understand that we're technology leaders, that we are financially stable, and that we can be a valuable partner."

In 2004, 25,000 visitors came to Cannes. This year an extra 10,000 were there. If it was clear last year that the darkest days were behind the industry, then it was even clearer this year that the future looks bright. Maybe it's time to do as the Cannes residents do: buy cool sunglasses and enjoy the view. Mauro Sentinelli, deputy chairman of the GSM Association and president of TIM, challenged his operator colleagues to stop being cheap and start investing.

"Topline growth has to be our focus," says Sentinelli. "Now we should go on the offensive with 3G. Don't just focus on costs. Cost control is not the driver of our industry but it should be in the walls of every healthy company."

**With 35,000 telecom** professionals gathered in the same place, the competition for attention was fierce. Some were more visible than others. No one could

miss that Nortel and Samsung were there and Orange was the hottest color of the week. Ericsson's new marketing platform was visible, even if it wasn't pasted all over the town. Instead, with the quiet confidence of the market leader, Ericsson chose to let customers, investors, media and even competitors come to it. And voilà: success!

"More than 300 people were at our press conference. They sat spellbound for one hour despite the fact that we didn't announce any launches," says Ericsson's head of Market and External Communications, Pia Gideon. "That testifies to the kind of curiosity there is about us."

#### Successful HSDPA demo

Even Ericsson's consultancy lounge was constantly packed. Customer seminars were triple-booked and in order to get close to Ericsson's yacht, where HSDPA demonstrations were shown, you had to be Grace Kelly – or at least a good customer. But even though only a few people saw the demo, no one could miss the talk about it.

"Everyone talked about HSDPA in Cannes," says Ericsson CTO Håkan Eriksson. "The best part is that nobody is left wondering whether Ericsson is the best at it."

Data transfer isn't the usual main attraction at a telecom trade fair. But Ericsson's HSDPA demonstration was faster than anyone dared hope. The goose bumps rose on every competitor when they heard that Ericsson showed 11 Mbps – even better than the 9 Mbps that were promised.

"We really knocked out the competition with our HSDPA demo," Nordberg says.

"HSDPA operating in excess of 9 Mbps gives me a level of confidence in the future, given the road map is already developed that far," says Mike Wright, general manager of 3G development for Australian operator Telstra. "I will be interested to see the extent to which HSDPA is integrated into the existing roadmaps and infrastructure that other vendors are producing. But I'm seeing HSDPA built on an existing platform, which is a good sign."

#### Global interoperability

The development means that services like TV and web browsing on a mobile become more natural, without long waits for downloads. But another important ingredient is interoperability: the industry must see to it that interoperability is reality, not just something shown at trade fairs. Many delegates

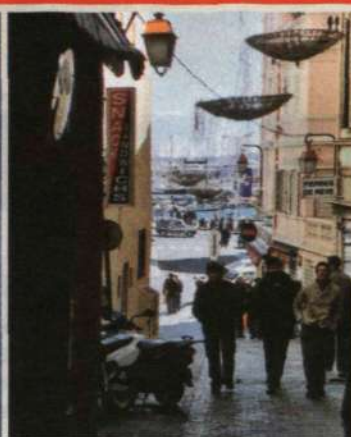


text: sara morge

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## From Cannes with love



talked about the importance of global interoperability – and Vodafone made it clear that they won't be twiddling thumbs until it happens.

"We need to act fast in a grown-up way as an industry," says Guy Laurence, Global Marketing Director for Vodafone Group's Consumer division. "There are huge costs for content providers to get their applications working on 100 different terminals. It should be like in the TV industry: it doesn't matter if it's an LG or a Sony, you can watch whatever program you want."

Telia Sonera's CEO, Anders Igel, is of the same mind. "We need to continue on the track of interoperability and fight propriety, which is a hurdle if you want to create mass markets," he says.

### IMS on everyone's lips

Ericsson has always encouraged and led the way towards open standards. Now, the entire industry realizes that there is no other alternative than cooperation. Where technology is concerned, it was also clear that Ericsson is far ahead in the areas that everyone is talking about. The two technological solutions that everyone – and we do mean everyone – talked about in Cannes were HSDPA and IMS. There's no doubt that it's IMS that will spearhead

convergence between fixed and mobile telephony. Even Ericsson's competitors think so.

"IMS is the convergence platform of the future. The more WCDMA deployed is, the more important convergence becomes," says Lothar Pauly, President and CEO of Siemens Communications.

Where IMS was concerned, Ericsson demonstrated concrete applications based on IMS. One that attracted great interest was weShare, which can be used as a kind of whiteboard on a mobile. During a voice conversation, a user draws something and explains it on the handset. It shows up on the other user's screen. For example, a user can call up a map and give directions by drawing on the map – simple, and incredibly useful.

Sanjay Nandrajog, executive director for Bharti Cellular's north operations, says: "The first thing I saw is how 3G and HSDPA are going to change the way we look at the next 12 to 24 months. The IMS platform is very exciting and I think that will open up a whole new area of how we actually plan our network going forward. The other area is how the small and medium enterprises are concerned. I've seen some very interesting mobile applications, like the virtual PBX."

Ericsson could proudly boast lightning fast data transfer with 11 Mbps. At such speeds it is possible to take seriously new applications like mobile TV. HSDPA is the key to Mobile Triple Play, where telephony, internet and TV meet, are mobile, and are offered via the same infrastructure. Ericsson took its chance and strutted its stuff with live demonstrations and logical business models.

"This year we've accelerated past the rest of the crowd," Håkan Eriksson says. "It felt fantastic to come from Ericsson this year. We received so much positive feedback from everyone. And many people said to me that we were the only ones with a clear trustworthy roadmap for the future."

### facts:

Ericsson presented five winning propositions in Cannes: Mobile Broadband, Mobile Softswitch, Fast Service Launch, Mobile Office, Managed Capacity



# Communication in everyone's hands

>> There are two ways to move the telecom industry forward. One is to increase revenue per user: there, you have to turn to those who have money – enterprises. The other way is to attract more subscribers into the networks: for that, you have to put mobile phones in everyone's hands.

**It seems fairly** straightforward that the telecom industry wants to – and should – earn money from enterprise users. It can be harder to understand and justify the thought that the industry should earn money from poor people in developing countries as well. But telecommunications actually has an important role to play in the economic growth of developing countries.

**Jay Naidoo**, chairman of the board of the Development Bank of Southern Africa, stressed the importance of this message to delegates at his speech at the 3GSM World Congress in Cannes. "Mobile communication is a very important driver for economic growth for the African countries. Communication is not a privilege, it's a right. It's the driver of democracy

and mobile communication is a cost-effective way of doing this," he said.

But this is not about charity either. Everyone wins if these economies get up to speed.

"There is a commercial opportunity here. I'm here to convince you of our case. We are ready to do business, to be a smart partner," Naidoo said.

Good, functional – low cost mobile handsets were also high on the agenda in Cannes. Motorola launched a handset it designed for the GSM Association, which will cost less than USD 50, while Microsoft and Flextronics launched their Peabody in the same price range.

Devine Kofiloto, analyst at the African firm EMC, pointed out the potential for growth: "Africa has 4 percent of the world's subscribers but 15 percent of

the world's population. It, along with Eastern Europe, are the fastest-growing regions," he said.

**Africa's huge potential** comes despite the fact that a new mobile costs 10 times the average monthly income. Imagine what can happen when truly cheap telephones arrive on the market. Most seemed to agree that the price must be below USD 30 for them to be truly available to the masses. In the best of worlds, phones would sell for about USD 10, but that would require extreme volumes. The question is: Who dares to try to reach those levels?

"Focus has to turn to the emerging markets now, if we want to see continued growth," said Sunil Mittal, President of Bharti Telecoms.

Mittal described a new model in India where voice calls cost only 2 cents a minute. Bharti manages to make money, despite the world's lowest tariffs and an average revenue per user (ARPU) of just USD 5.

"This model requires a large population in order to be profitable," he said. "I think the Indian model should be implemented in Africa; then that market might really take off."

Several things must happen for communication to be offered to everyone: cheap telephones, and cheap distribution of them, cost-efficient rollout of net-

text: sara morge

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works, even in rural areas, and tailored offerings that suit the different markets.

Rob Conway, CEO and board member of the GSM Association, said: "It's time to address the issue that 80 percent of the world's population is covered by mobile networks, yet only 25 percent use mobile services."

**None of this** is news to Ericsson: Expander was its big launch in Cannes last year. Since then, a number of contracts have come in for the Expander offering. Ericsson concentrated this year more on the other side of the coin: increasing usage in the networks. There, it has become clear that enterprise users represent the greatest opportunity for revenue growth. But they are also the most demanding users. The enterprise side has completely different needs to private users.

And if the tricky issue for the new high-growth markets is low cost, the enterprise market has the opposite challenge. Here it is all about offering the greatest value possible.

Daniel Taylor, Managing Director of the Mobile Enterprise Alliance, explains: "When we look at things from an enterprise perspective, we must prioritize how we can add value. That is what the enterprise users are willing to pay for."

Ericsson's enterprise offering is strong and was very well received in Cannes. Above all, praise was directed towards the security solutions and the combination of infrastructure and media services.

Lars Vestergaard, research director at IDC, said: "As soon as you can start to deploy some kind of device management over the air, where you can delete whatever information is on a device that may get lost, you can upgrade: you can maintain a base of devices in your company. Then you can, fearlessly and naturally, go in and approach the mobility, and approach the devices. And Ericsson has enabled that this year, with new solutions that very much focus on these key issues."

Daniel Taylor presented statistics showing that Swedish enterprise users account for only 17 percent

of subscribers but bring in nearly half the revenue.

Mats Dahlin, head of Ericsson's Business Unit Enterprise, confirmed that observation: "We know that enterprise users create an ARPU that is three ti-

mes higher than the average user. I think we are in the middle of a big shift from consumer to enterprise focus. This is where the money and the growth opportunities are."

## Industry hotshots gather in Cannes

**Every year the telecom giants gather to test their strength in the industry's celebrity mingle. Here, the future is defined, contacts are made and relationships are strengthened.**

Ericsson sent a sizeable party to the 3GSM World Congress. Preparations went on for months. Not only Ericsson; in recent years anyone and everyone who wants to be part of this industry has saved the date: one February week on the French Riviera. And it's not to eat snails in garlic and drink wine. Operators and manufacturers invest huge amounts of time and money to put their best foot forward in Cannes. What is it that makes this trade fair such an attraction that it has grown out of Cannes and will move to Barcelona next year? 3GSM can be described in many ways. It depends, quite simply, on who you ask:

### **Håkan Eriksson, CTO of Ericsson:**

"This is a fantastic opportunity for us to meet customers and colleagues from competitors and get input on where our industry is heading. We get the chance to see how our messages are received; they become a reference group for our strategy work."

### **Lars Vestergaard, Research Director, European Wireless and Mobile Communications, IDC:**

"First of all, Cannes is something that everyone looks forward to. No matter what month you're in, you look forward to February and Cannes, where key discussions and action topics are set for the year going forward."

### **Ericsson head of Sales, Bert Nordberg:**

"When you've been in Cannes you have an overall picture of how the industry will look in the future. It's here you get input and it's here you can participate and influence the future of the industry. When I meet customers in Cannes, it's more about discussing strategies and building relationships, rather than selling. I even have the chance to foster a more personal relationship with customers, and not just talk about work."

### **Graham Gordon, General Manager Wireless Consumer Data Services, Telstra:**

"It's fantastic talking to senior people and other operators that Ericsson has dealings with. Cannes is our chance to access other operators and technology offerings that we may not have seen in the local context, simply because of the tyranny of distance."

### **Atul Bindal, head of Marketing for Bharti group:**

"This is my first time at the show and it's amazing, it's awesome and it's very big. I wish I was here longer. I think the whole concept of IMS and the new innovations are great."

### **Ericsson's head of Marketing and External Communication, Pia Gideon:**

"For us, Cannes is an enormous gathering of force internally. Message-wise, this is the start of the rest of the year. We test our story in Cannes and find out whether it works or not, then we adjust it slightly for the other big events like CTIA, Comdex and CommunicAsia."



# & Aching feet demanding customers

>> **Working at 3GSM can actually hurt.** This is something Antoni Lacinai can vouch for after four years working for Ericsson at the event. This year, he was one of Ericsson's Business Builders and had some turbulent days in Cannes. Luckily for all the readers of Contact, Antoni kept a diary on his experiences with customers and colleagues in Cannes.

Imagine you're planning a party. There are a lot of decisions to be made, a lot of talk, and then – suddenly – time starts to run out. Enough talk, time for action. Seconds before the guests arrive, you sweep the dust under the rug, light the candles and everybody is *sooo* happy. That's what it's like every time at home, and that's what it's like every time before 3GSM.

This is my fourth year at Cannes. This time I'll be a Business Builder. As usual, e-mails come flooding in at the last minute. "Read these messages... the marketing theme... winning propositions... web casting.... Deadline: tomorrow."

I decide to get stuck in and print out several white papers, a few hundred slides (six on one page to save paper) and sit up at nights and study until I doze off – with a Public Ethernet paper as my pillow.

## Sunday 13/2 Let the game begin

We gather at 4pm, where Ericsson's CTO Håkan Eriksson tells us again and again that we are best. No matter what anyone else thinks or says, we should remember this: we are best. That's a Swede saying that. Very, very unusual. He receives applause. Ericsson's head of Marketing and External Communication, Pia Gideon, explains that we personify our brand in Cannes. We're an exclusive, hand-picked bunch, she says, and adds: "I'm not saying that to be nice."

Nice? I think. Hmm. I'm dead scared, suffering from fraud syndrome (the fear that someone will discover your bluff) and not feeling quite 100 percent. But that passes, as does the evening, and we're all jazzed up for tomorrow.

## Monday 14/2 It's now or never

It's 8pm, and the first day is over. Knowing how things went in past years, I've been wearing black tennis shoes. Still, my feet ache. How weak we become when we sit at the office in front of a computer or in endless meetings.

Ericsson has brought in a research agency to measure how everything has gone. The results after our first day are excellent! We have high marks from both customers and key account managers.

I have, among others, a meeting with an Austrian customer. On the curved wall behind us, there are three messages: "driving growth", "constantly innovating" and "co-creating winning solutions". He points to "driving growth" and says:

"Show me more about that. What can you do to improve my growth within voice and data?"

I LOVE this kind of customer. There I am, with my passion for customer segmentation and new services, in the company of Martin Sjölin, who knows all about our hosting offering and can talk about Fast Service Launch. We talk about end-user segmentation and examples of successful services. The customer is with us, but has one reservation.

"I like it. But I have one problem: my colleagues think they already know everything that's worth knowing."

Martin and I talk about Ericsson's traffic and revenue growth program. We can relate story after story on a global or local level. Before we finish, I point to the message and ask:

"We talked about driving growth, didn't we? Do you think we can do it?"

The customer nods.

"And we showed you new, innovative services based on IMS. Services that interest you?"

He nods again and smiles.

"Good," I say. "Then you can start planning how you can create good solutions, so that I can use those services next time I come to Austria."

The customer nods and laughs. I believe he'll do it.



text: antoni lacina | photo: sara morge &amp; johnér bildbyrå



## Tuesday 15/2 Rolling, Rolling, Rolling

Whoa, what a day!

We have twice as many visitors, but still have no problem handling the flow. Of course, there are those who don't have a chance to eat before 2:30pm, but our moods are all great anyway. Just like yesterday, IMS and HSDPA are on the lips of all our visitors. Enterprise solutions and Service Delivery Platform discussions come a close second.

Seeing is believing, so they say. Some customers come from the customer seminar and ask me:

"We heard a lot of talk from you at your seminar. But now we want you to show us."

It's not hard to decide what to show. Undeniably, the most interesting demonstration this year is the weShare whiteboard, where one person can talk and simultaneously show a map of Cannes. Both parties can write on the whiteboard during the conversation. When they see the demonstration, they are a picture of happiness itself.

Today it feels like we've raised the bar a notch. We also find out that we exceeded yesterday's excellent rating from our customers and KAMs. That feels good. It feels great. I wish my feet felt the same way.

But now we look forward to Wednesday, when even more meetings will be held. On the hunt for a restaurant with an available table, I find myself humming, "rolling, rolling, rolling..."

## Wednesday 16/2 Join the joyride

Boy, do I admire my colleagues here. Everyone is doing a fantastic job. We business builders manage to keep up yesterday's level – even notch it up again. I am fascinated by what you can do with the right mindset. I remember reading about a slalom skier on the Swedish national team, who first visualized finishing the whole race in his head. When he then skied in reality, he thought it felt slow, as if he took too much time. He was actually the fastest of all in that competition.

That's what it feels like today. I think we've had

fewer customers than yesterday but it's just the opposite. And some of them just stay, and stay and stay.

The best example of this is the customer who arrives at 6:45 (15 minutes before we should wrap up) and he wants to talk ESDP (Ericsson Service Delivery Platform). We know we have something in the pipeline with this customer and match him up with Sebastian Lind from Systems Integration and Patrik Hedlund from Service Layer.

8pm. The fair has been closed for one hour and we are on our way out the doors. I look down on the showroom floor. It's empty except for a few guards and a group of people at Ericsson's stand. Sebastian and Patrik are there with a few people from the customer who ask question after question. They patiently answer each one. Talk about stamina.

One of the guards passes out from exhaustion, but our people are tireless. We've got to get that deal.

It's hard to comprehend, but we get even better marks today than yesterday. The research firm has never seen anything like it. And it's not guesswork they're doing: they've interviewed 200 customers and 70 KAMs.

## Thursday 17/2 Poetry in motion

We're done! It's over! We did it! We have proved that we are number one, by being friendly, knowledgeable, smart, funny... Being part of it is like being part of a national championship team and wondering how you got there.

Today we have to press on the energy pedal when customers come and then wind down a bit when the competition comes and wants to talk to us. One competitor expressed his admiration and gratitude that we welcomed him so openly.

"Thanks for the hospitality," he said.

Another competitor told us how everyone tried to demonstrate high speeds with their HSDPA solutions but concluded:

"You really are number one."

A compliment we humbly accept.

When I'm just about done, James Haley comes to the stand. I welcome him warmly. He's from T-Mobile in the USA. He says he usually wanders around on the last day just to see what's out there.

"What's the most impressive thing you can show me?" he asked.

"That depends on what impresses you," I answer.

After a short discussion, Hans Höglund (nicknamed Convergence-Hans) comes up behind me with two telephones. We show James the weShare whiteboard.

When we are done I look him in the eye and ask:

"So, James, is this the most impressive thing at 3GSM?"

He smiles and says:

"So far, yes."

There are just two and a half hours left of the entire trade fair. I am pretty sure he's satisfied with what we showed him.

Our enterprise pals are also happy. Now they have to take care of the 100-plus requests for trials of push e-mail. What a success.

## facts: 3GSM 2005

**620** Ericsson representatives were in Cannes. Of these about 500 were managers and key account managers. Ericsson had 120 people working with the conference.

**500** participants were attracted to Ericsson's customer seminars.

**1000** people attended the Ericsson Social Event.

**177** separate pre-booked customer meetings were held by Ericsson.

**300** visits in four days in The Ericsson Consultancy Lounge.

**100** visitors attended Ericsson's interoperability demonstration.


 UNDERGROUND

# Fixed networks on the march in London

Ericsson cannot talk about convergence and then attend only mobile-dominated events such as the 3GSM congress in Cannes. The fixed-network 21st Century Communications World Forum in London had far more visitors than expected – a major indicator to Ericsson of the importance of the company's fixed networks.

**The International Engineering Consortium**, which arranged the forum, had expected around 1200 visitors. Instead there were more than 2000. John Ryan, founder of renowned American telecoms analyst firm RHK Inc., was stunned by the high level of interest.

"The number of participants was impressive. Above all, the fact that all the major companies were represented by very powerful people shows the level of importance attached to this event," he says.

The forum was held at the Royal Lancaster Hotel close to Hyde Park. The entrance level was filled with stands populated by enthusiastic exhibitors and interested visitors. Representation was global.

One floor down was the venue for seminars and workshops. Other parts of the hotel were taken up with customer meetings.

On site was Karl Thedéen, responsible for fixed-network development and perhaps the most important Ericsson ambassador in this area.

"For us it feels important that people understand that we are really doing things on the fixed-network side. We are able to present a complete product solution for the requirements of the future," he said. "That is why this forum is important to us. We at Ericsson are taking a major step in presenting our fixed-network solutions. It's a case of marketing through participating in events like this, for example, and others later in the year."

**Unlike many other** events, such as the congress in Cannes, the focus in London was clearly on information. The wireline forum was the first of its type, and Ericsson invested a lot in the seminars and workshops as well as direct customer meetings. The aim was partly to display Ericsson's product portfolio and partly to learn more about what other players have. Gathering information was an important part of the task.

The main sponsor, and the company that perhaps attracted the most attention, was BT. But most of the

world's biggest players in the area were represented, both with stands at the exhibition and with participants in the seminars and workshops. Many companies had senior representatives there, who spoke on different subjects.

One of them was Ericsson's Michael Stromquist, executive vice president for Strategic Planning on the American market. In front of a large audience, he spoke about the "digital market place," where different services coalesce. In the near future, information, entertainment, communication and economic transactions will no longer follow separate paths as far as the user is concerned.

Ericsson showed its advances in fixed-network solutions. The company's stand at the exhibition area was packed with visitors, primarily customers. Ericsson's representation demonstrated the two development paths that Ericsson is investing in: broadband-connected homes and networked enterprises.

Convergence is not just a buzzword. It is also the actual key to development of fixed and mobile networks.

Peter Linder, one of Ericsson's spokespeople at the forum, says Ericsson can offer an end-to-end solution. "Everybody is interested in how best to package all conceivable services. It is a question of how to take broadband to the next level," he says.

This means creating a network that can distribute TV, internet and telephony. It is often referred to as Triple Play.

"For many, broadband today is synonymous with the internet and surfing," Linder says. "But it is so much more. We mustn't forget that it is primarily a channel for distribution that we are talking about."

This is where IMS comes in. IP Multimedia Sub-system is an IP-based system that allows all services

to be distributed through one and the same network. So far, IP telephony has had an impact only on the corporate market, and there are still only a few private individuals who use the service. The new system will serve both groups.

The classic structure of an exhibition combined with seminars and workshops worked well in London. Those who listened to Peter Linder's presentation on Ericsson's broadband solution, for example, were able to visit the stand and see how things are expected to work in practice.

**Karl Thedéen** says the interest among the many customers that Ericsson representatives met during face-to-face meetings was high. "There were surprisingly many good customer meetings with highly qualified representatives from the different companies," he says.

At times there was congestion at the exhibition. The reason for the great interest, in Thedéen's opinion, was BT. The company is unusual as an operator in that it has no mobile side at all. This, together with BT's size, makes it a very interesting customer for all suppliers of new services.

Another reason for the interest in BT is that the UK-based operator has now announced a plan for how it will approach development in the future. This is something that both vendors and other operators want to know more about.

Ericsson and others are striving towards finding a system that, in simple terms, increases performance capacity at lower cost. This is where it is useful to turn to the fixed-network operators: it is simply more cost-effective to develop and improve existing infrastructure. But it is not all that easy.

"The criteria differ a lot between different countries," Thedéen says. "In some cases it is necessary to

build on and develop the networks that exist already – in other cases it is necessary to start from scratch."

Operators are currently looking for the best solution in order to deliver services to their subscribers. Ericsson, like other suppliers, is therefore investing a lot in presenting itself as the principal option.

"This forum has come just at the right time. The operators are investing again," says Thedéen.

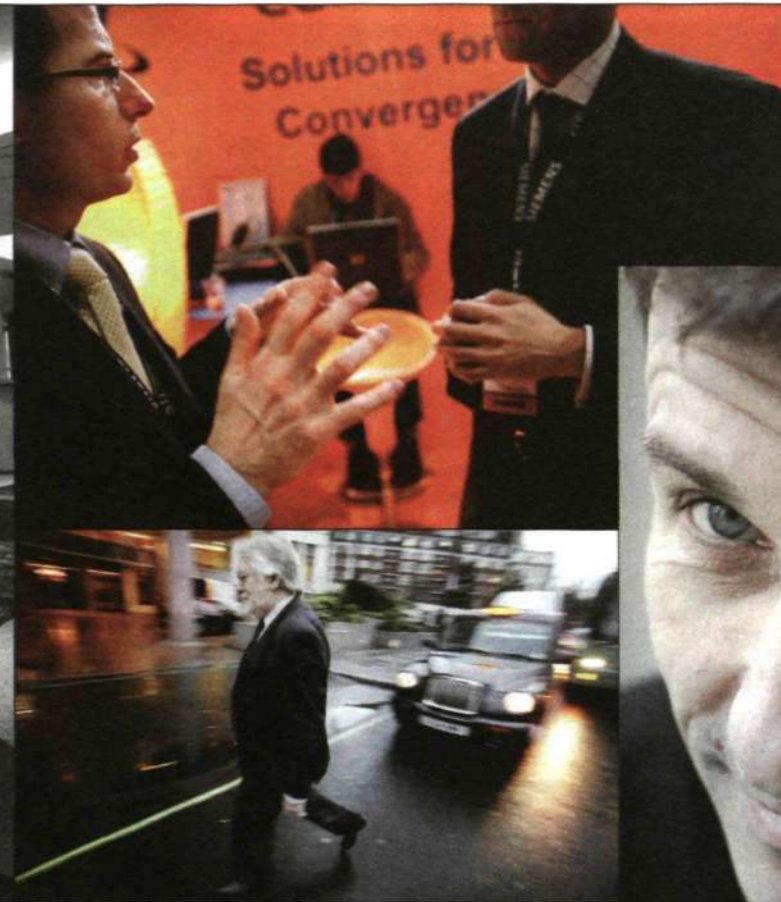
Fixed-network operators are losing customers to broadband and cable networks, and are being forced to take action – quickly. Mikael Halén, marketing director at Ericsson BU Systems, gives an example of the proposed development.

"A lot is happening at the moment and many operators have big plans," Halén says. "End users are most interested in two areas: broadband and mobility. Market research indicates that there will be about 400 million broadband subscriptions by 2009."

**Ericsson wants** to press home to customers that it is leading the development in this area and that Ericsson's solution improves the business potential for those that want to use it.

Ryan explains: "BT has a good plan for how to manage development but its progress in the area would hardly have been possible without Ericsson's ground breaking work. Ericsson started early on the development of IMS and this was incredibly important."

Thedéen also directed a certain amount of criticism at how Ericsson had handled information on the company's fixed network to date. "We met a number of customers who knew nothing about it but asked us what we were doing in the area. That's not the way it should be – and it shows that we need to exert ourselves a lot more if we really want to reach all our existing and potential customers." •



Global connections, crowds, enthusiasm and curiosity were the hallmarks of the 21st Century Communications World Forum. It was a successful event for Ericsson, which presented its fixed-network solutions for interested customers.



Karl Thedéen

in the spotlight

text: jenz nilsson photo: anna rehnberg

# Sivert Bergman

Transmission & Transport Network (BTTN) is a business unit with which many Ericsson employees are unfamiliar. Sivert Bergman, head of BTTN, feels the unit has worked in the shadow of other business units for several years. But change is under way. As earnings improve and the telecom market changes, BTTN's contribution is becoming increasingly important, while demands are also intensifying.

**Supplying the glue** that holds together the base stations and the switches in mobile and wireline networks is how Sivert Bergman describes the main purpose of his business unit.

"For mobile, we connect the networks using our transmission solutions between the base stations and MSC (Mobile Switch Center) or BSC (Base Station Controller). We also ensure that switches and nodes in the fixed network function in combination. We do all of this mainly with microwave-based directional transmission, but also with wireline transmission in the form of fiber or opto (laser)," he says.

#### Describe the past year for BTTN.

"This has been an excellent year for us. We won the growth contest between the business units that was established by Bert Nordberg, Ericsson's head of Group Function Sales and Marketing. We captured new market share in 2004 and grew more rapidly than the market. In recent years, we have held nearly 40 percent of the mobile-network market, but my current assessment is that we have increased this significantly. Another explanation for our strong growth is that we have implemented the cost reductions we established for BTTN and our products."

#### In which markets did you grow most in 2004?

"Mainly in Eastern Europe and Central Asia, but we also performed well in India and Africa. We mainly sold well in large markets that are in the process of building new GSM networks involving a large amount of transmission."

#### Why is it so difficult to establish your transmission solutions in China and the US?

"This is because of the historical structures in these countries. The Chinese authorities have built out the network in and around the major cities, primarily using fiber. They have located access points in base stations, where either fiber or, occasionally, copper could be used."

This is why we have still not had any natural opening for expanding our business in China. In the US, copper has always been extremely cheap and the operators have not owned their own networks but have leased them from providers who have invested exclusively in copper lines."

#### facts: Sivert Bergman

**Number of years at Ericsson:** 31

**Age:** 59

**Lives in:** Mölndal (outside Gothenburg)

**Qualifications:** Electrical engineering and mathematics

**Family:** Wife, two daughters and grandchildren

**Leisure interests:** Birdwatching, running and kayaking

**What I did last Saturday:** Visited our country cottage, spent time birdwatching

#### How will you succeed in these countries?

"The 3G development in both China and the US will hopefully be followed by High-Speed Downlink Packet Access (HSDPA). This will probably signal the end of copper as an alternative for network expansion. It will be too expensive and unreliable. This change will create our opportunity to make a broad entrance in these markets. We are also preparing for this development by reinforcing our organizations in these countries."

#### Many people surely associate you mainly with the MINI-LINK transmission solution, which has sold well. Do you stand or fall with MINI-LINK?

"MINI-LINK is our principal product and our great strength. At the same time, it must be pointed out that MINI-LINK is a broad product program and not an individual product as its name might lead people to believe. It is important for us to develop our offering, including higher capacity, so that MINI-LINK and our other products retain their relevance for customers as the demands for convergence intensify. We also need to develop more proprietary solutions to meet the capacity requirements of future metro networks (city networks) in addition to MINI-LINK."

#### Ericsson is now focusing on the international WiMAX standard to enable transmission. Is this a threat to MINI-LINK?

"No. WiMAX is an access technology for reaching end-users. This is why the frequency band for WiMAX will be used for this purpose and not to feed base stations with information, which is the task of MINI-LINK. So I don't regard WiMAX as a threat but more as a complement."

#### But does WiMAX fit into the product portfolio?

"It certainly does and so do all similar access solutions for wireless communications. This is a new opportunity for our transmission solutions."

#### Offering operators convergence between data communications, wireline and mobile networks will probably be fundamental to future Ericsson success. What role does BTTN play in this today?

"In 2004, we launched our MINI-LINK TN, (Traffic Node) solution, which to date has been most relevant when an operator has placed a new network in operation or chosen to have increased capacity in its existing network. But Traffic Node will also be able to handle IP traffic in parallel with traditional quality-assured voice telephony. So, in purely technical terms, we have no problem in contributing to the Group's overall goal of convergence."

#### The competitors certainly have similar products. How do you argue in favor of the values of Traffic Node with a customer?

"We have more than 700,000 radio links installed throughout the world. No competitor can match this and it generates major economies of scale for Ericsson. This substantial installed base is also prepared for traffic node, which is an excellent reason for a customer to remain with us. It is also a future-secure choice for the customer because traffic node can be adapted using IP versions that are released in the future."

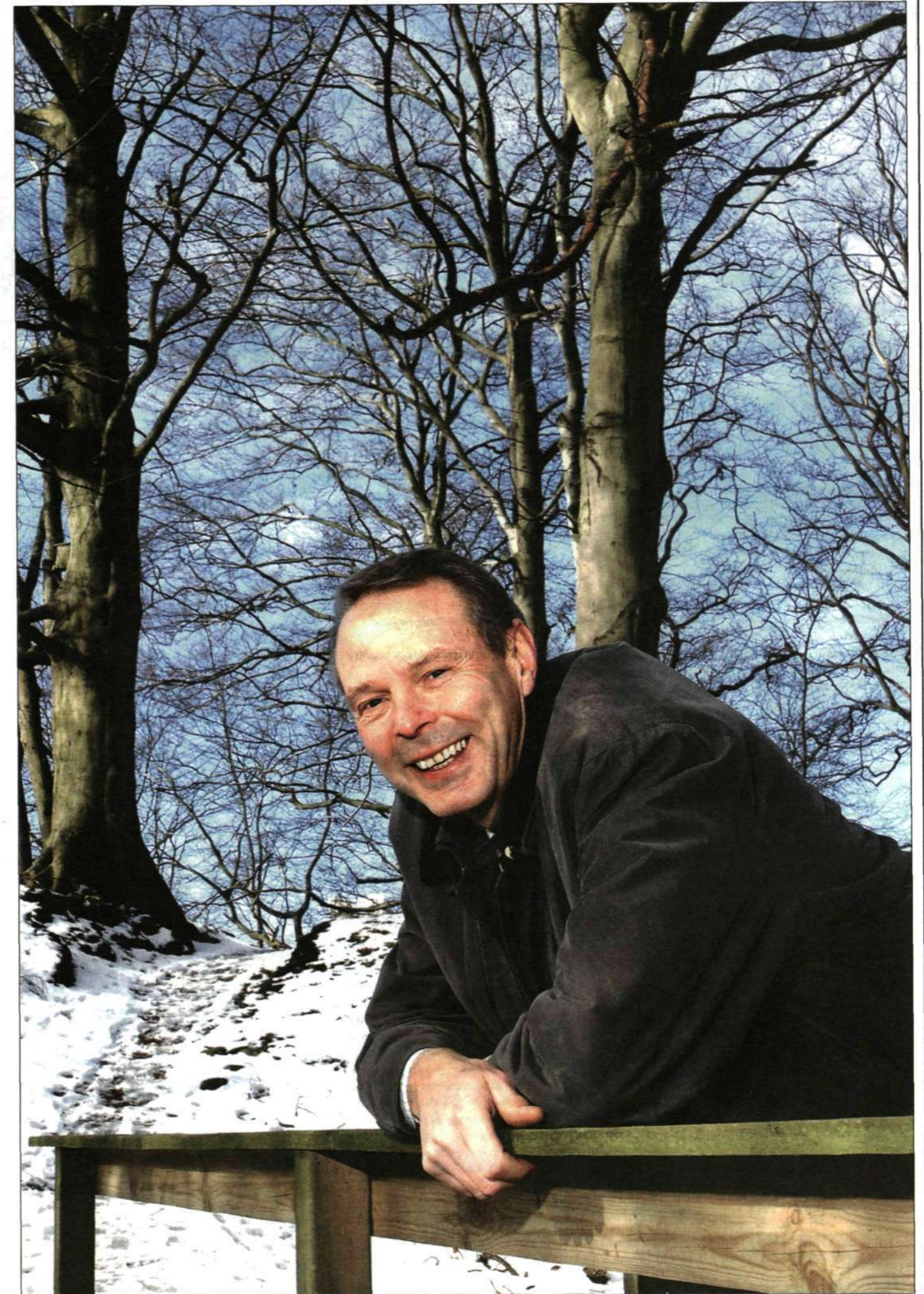
#### Ericsson is closing down its production plant in Nynäshamn and many employees are worried. What are the future prospects for BTTN's production in Borås?

"Our plant is a highly important part of BTTN's success and contributes to our economies of scale. We will continue to invest in our plant in Borås – that is part of our business concept."

Read more about WiMAX on page 23.

Do you have questions for Sivert Bergman?

Send them to [spotlight@ericsson.com](mailto:spotlight@ericsson.com) by April 5. He will answer some of them in a video interview to be published on Inside.





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around ericsson

editor: gunilla tamm

# Ice-cool project solving space riddles

Answers to many of the mysteries of the universe might be hidden deep in the ice of the South Pole. The IceCube research project is giving the world's leading astrophysicists and particle physicists new insights, and Ericsson Network Technologies is helping with equipment for the project.

**You might expect** scientists investigating the Big Bang, black holes and dark matter to look to the skies, but the IceCube project is going in the opposite direction: an international team of researchers, led by the University of Wisconsin, is drilling deep into the Antarctic ice in search of answers.

They are studying neutrinos, tiny elementary particles that stream through the universe at close to the speed of light. Neutrinos are formed in enormous nuclear reactions, such as supernovas and gamma-ray bursts, and also in our own sun. Billions and billions of them pass through the earth every second, and studying them can help us understand the phenomena that create them.

Neutrinos rarely react with other types of material. They pass straight through the heavenly bodies that they meet, unaffected by gravitational fields. By mapping their directions, the researchers can

draw conclusions about the events that created them and set them in motion. The very properties of neutrinos make them difficult to study. The Antarctic ice is the best possible "neutrino telescope" on the planet: it is both transparent enough and dark enough to block interference from cosmic radiation.

Optical sensors, also called photomultipliers, are attached to copper cables, like beads on a thread, and lowered into the ice. Ericsson is supplying the cables, which are up to 2.5 km long and manufactured to extremely high demands.

Göran Hallander, sales and marketing manager for Ericsson Network Technologies, says the cables have to carry tiny and exact electric charges. "There are also enormous physical demands, because the

cables are frozen into the ice and subjected to tremendous pressure," he says.

A total of 80 lengths of cable, each with 60 sensors, will be drilled down into a cubic kilometer of ice over the next five years.

Ericsson is also supplying the surface cables for the research station. "We were chosen because of our competence with electric transmission. It is crucial for this research that the data reaches the measuring station intact," Hallander says.

JESPER MOTT



Professor Per-Olof Hulth from Stockholm University is part of the research team studying neutrinos in Antarctica using cable from Ericsson Network Technologies.

photo: klas hultqvist

## from the archives



The first telephone switchboard in Warsaw was built in 1904. This photo is from 1908.

## Centenary celebrations in Poland

December 2004 saw Ericsson in Poland celebrate its 100th anniversary. Warsaw's first Ericsson telephone switchboard started operation in 1904. As telephone demand among Poles quickly grew, another switchboard with greater capacity was located in Warsaw in a newly constructed building, which remained the tallest building in Poland for many years.

Ericsson Poland will continue their centenary celebrations with different events until this November.

## Ericsson a great place to work

**For the second** year, Ericsson is among the top 20 companies to work for in Portugal.

A survey sponsored by Portugal's Great Place to Work Institute identified flexibility to manage work schedules, ethics and honesty as the main strengths of Ericsson in Portugal.

Employees, however, want to see improvements in the areas of recognition, fairness in bonus distribution and promotions.

Fernanda Tomás, country manager and head of Human Resources at Ericsson in Portugal, says: "Our participation in the GPTW survey aims to acknowledge Ericsson's ranking as one of the best places to work in Portugal and to understand how our HR practices are perceived and evaluated by the employees and the external institute conducting the study.

"Being rated among the best 20 companies to work for in Portugal, is something we can all be proud of, and a motivation to keep doing more and doing it better."



Fernanda Tomás with proof, yet again, that Ericsson is among the best companies to work for in Portugal.

photo: susana prates

SUSANA PRATES

It started in 1997 as a small mobile start-up. Since then, the number of subscribers has doubled every year. GrameenPhone is now Bangladesh's largest taxpayer and has 62 percent of the country's mobile market.

# From small project to multi-million dollar deal

**Yogesh Malik**, newly appointed chief technology officer for GrameenPhone, is asked if the company made any miscalculations during its first eight years of success on the Bangladeshi market. He laughs and says that the whole industry has grown much faster than expected.

"Nobody could imagine that the market would grow so quickly," he says. "In the 12 years I have worked in the industry I have never seen a network grow so fast. It means that we have challenges recruiting competent staff and sometimes with getting all the equipment into the country in time."

But GrameenPhone can hardly blame anybody else. The company's own investments and high rate of expansion have created this burgeoning market. Now it is working with perhaps the biggest challenge since the company was created; the growth ambitions for this year alone are tremendous, with a huge number of new sites to be built.

"We need to find those areas of the country that presently have no GSM coverage at all," Malik says. "But we will also ensure that the capital, Dhaka, is covered and find indoor solutions for the largest shopping centers, for example, that are being built throughout the city."

Ericsson has been the total supplier for GrameenPhone from day one, but has a new role in this project. For the first time since their cooperation began, Ericsson shall be doing a joint roll-out together with GrameenPhone.

Anders Rian, Ericsson key account manager for GrameenPhone, says this is a big challenge. "We have employed and trained a large number of people and found suitable sub-contractors in the country," he says. "We have put together a good team and that feels satisfying."

New services will be built into the network at the same time as it is expanded. Malik explains: "This is mostly GPRS and other data services. We believe this will be big. Internet penetration is very low across the country so our customers will use their telephones as web browsers and for e-mail."

More than 140 million people live in Bangladesh, a developing country with one of the lowest teledensities in the world. There are about 1 million fixed-line subscribers and about 4 million mobile



Anders Rian is Ericsson's key account manager for GrameenPhone. He often has a reason to celebrate with his customers.



Yogesh Malik is the new CTO for GrameenPhone.

subscribers. Of those, GrameenPhone has about 2.5 million; 85 percent are pre-paid accounts.

GrameenPhone started in 1997 as a joint venture in which Telenor and Grameen Telecom, a sister company of Grameen Bank, were the major owners. Today, GrameenPhone is owned by Telenor (62 percent) and Grameen Telecom (38 percent). From the beginning, the owners were committed to providing access to telephones to poor people in rural areas. They achieved this through a project that introduced village telephones to areas that had never had

telephony before. Women could borrow money from the bank to buy phones, setting up telephone kiosks in their villages.

M.A. Mamun Hashmee, from GrameenPhone, says the telephone proprietors pay a reduced tariff. Their customers pay the full tariff, with the proprietors using the difference both as salary and to pay for the phone.

"It is good business for us," he says. "Apart from the revenue from the telephones, our brand becomes known everywhere. People remember that when they can afford to buy their own telephones."

Making your way into the market in the village of Noddapara is an adventure, just like all road journeys in Bangladesh. The narrow streets are full of pedestrians and rickshaws. Zahura Begum sits in a kiosk-like shop at an intersection. She has a mobile telephone in one hand. It is the best business deal of her life.

"Thanks to this, we have been able to buy a bigger house," the mother of six says.

"And now we can even afford to renovate it."

Two years ago, Zahura was able to borrow enough from Grameen-

#### facts: GrameenPhone

Ownership: Telenor 62 percent, Grameen Telecom 38 percent.  
Turnover: USD 215 million, 2003  
Market share: 62 percent  
Number of subscribers: More than 2.5 million, February 2005 (190 000 Year 2000)





Telephone queue in Noddapara, Bangladesh. Zahura Begum (left) borrowed money for a village telephone two years ago. It was the best deal of her life. She paid off the phone after a year and has since then been able to afford a new house. There are about 100,000 village telephones in Bangladesh.

Bank for a Village Phone. The loan was paid off after just one year. Zahura has about 50 customers every day, and together they make calls for USD 250-300 a month. Most make outgoing calls, but the Village Phones are also a way for Bangladeshis overseas to keep in touch with their relatives in the villages. They ring to Zahura, who sends out one of her children with the telephone to the person being called. Even incoming calls provide revenue.

**M.A. Mamun Hashmee** says telecom is one of the strongest growth factors in society. "It feels good that poor people get to benefit from that growth," he says.

It also creates goodwill for GrameenBank as part-owner, because its work to help the poor is well

#### facts: ericsson in bangladesh

**Number of employees:** 90  
**Turnover:** USD 150 million (2004)  
**Customers:** GrameenPhone, TM International Bangladesh, BTTB

known. Norwegian culture can also be seen in the company as Telenor has provided skilled resources to the company from the early days, and the company also follows Telenor's Code of Conduct, which has led to GrameenPhone being the country's biggest taxpayer.

Yogesh says the company is proud of that. "It shows that we are playing according to the rules and that we

respect the society and culture in the country."

GrameenPhone is well ahead in technology. "We are updated with the latest technology, which you can find in the most advanced networks in the world," he says. "I am very pleased that Ericsson was able to get the leading generation of base stations into the country."

For Rian and his Ericsson colleagues, there are always new challenges ahead. As soon as they deliver a base station, it is fully loaded with traffic. But that, in its turn, provides many reasons for celebration.

"I arrived here in 2002," Rian says. "After a year, we were able to celebrate that GrameenPhone had its millionth customer. Now it has passed 2.5 million. That feels fantastic, especially since we have been here since the first day."



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**ski wax vauhti**

# WiMAX no threat to 3G

It is sometimes suggested that the new WiMAX wireless technology could be a threat to mobile networks and 3G. That suggestion is wrong, says Martin Bäckström, an Ericsson expert who is leading the company's newly created WiMAX team.

**Ericsson** has recently become a member of the WiMAX Forum, an industry body.

"We don't see WiMAX as a threat to 3G networks, but we are eager for WiMAX to become a real open standard on licensed spectrum, and to be able to do that, we need to be in the forum," Bäckström says.



Martin  
Bäckström

There is already a wide range of technologies for wireless communication, with names such as WLAN, Wi-Fi and WiMAX, 3G, UMTS, WCDMA, Super-3G and so on. They are sometimes seen as competing technologies, and sometimes as complementing each other.

Put simply, a WiMAX system is not a mobile network but rather radio communication to a number of stationary users. A typical example has a WiMAX base station, connected to either a fixed-line or mobile network, sending at 10W power from a mast-mounted antenna to parabolic antennas on the roofs of buildings in a small city. The receivers (CPE, or customer-premises equipment) then split up the signal to the respective apartments within the buildings, which in turn get access to voice over IP and broadband internet access, comparable to (A)DSL.

It is worth pointing out that WiMAX is not a system as such, but rather an organization that certifies wireless networks that follow standard IEEE 802.16. The

WiMAX Forum develops profiles, which means it decides which options the standard should use, what tests should be used for interoperability and similar issues. The WiMAX standard has nowhere near the specifications that mobile networks have, instead dealing with how the fundamental protocols should communicate.

"There are major differences between WiMAX and mobile systems," Bäckström says. One is that WiMAX, to work optimally, demands that the transmitter and receiver "see" each other, what is called line-of-sight (LOS) transmission. Mobile systems are designed for non-LOS situations, so that you can use a mobile indoors or in a tunnel, for example. The high performance figures cited for WiMAX depend on line

of sight. As soon as the system tries to perform like a normal mobile system and communicate with mobile users, its performance suffers and it has to solve all radio problems, such as interference, in the same way as mobile systems.

WiMAX is a line-of-sight system, but could become a non-LOS system using what is called "nomadic mobility," where the user can appear at different locations in the network and experience a minimal number of interruptions to service.

"We will bring out WiMAX for our GSM and WCDMA base stations and either develop our own CPE terminals or buy them in," Bäckström says. "Ericsson will focus first of all on operators with fixed Ethernet-IMS networks."

## facts: WiMAX

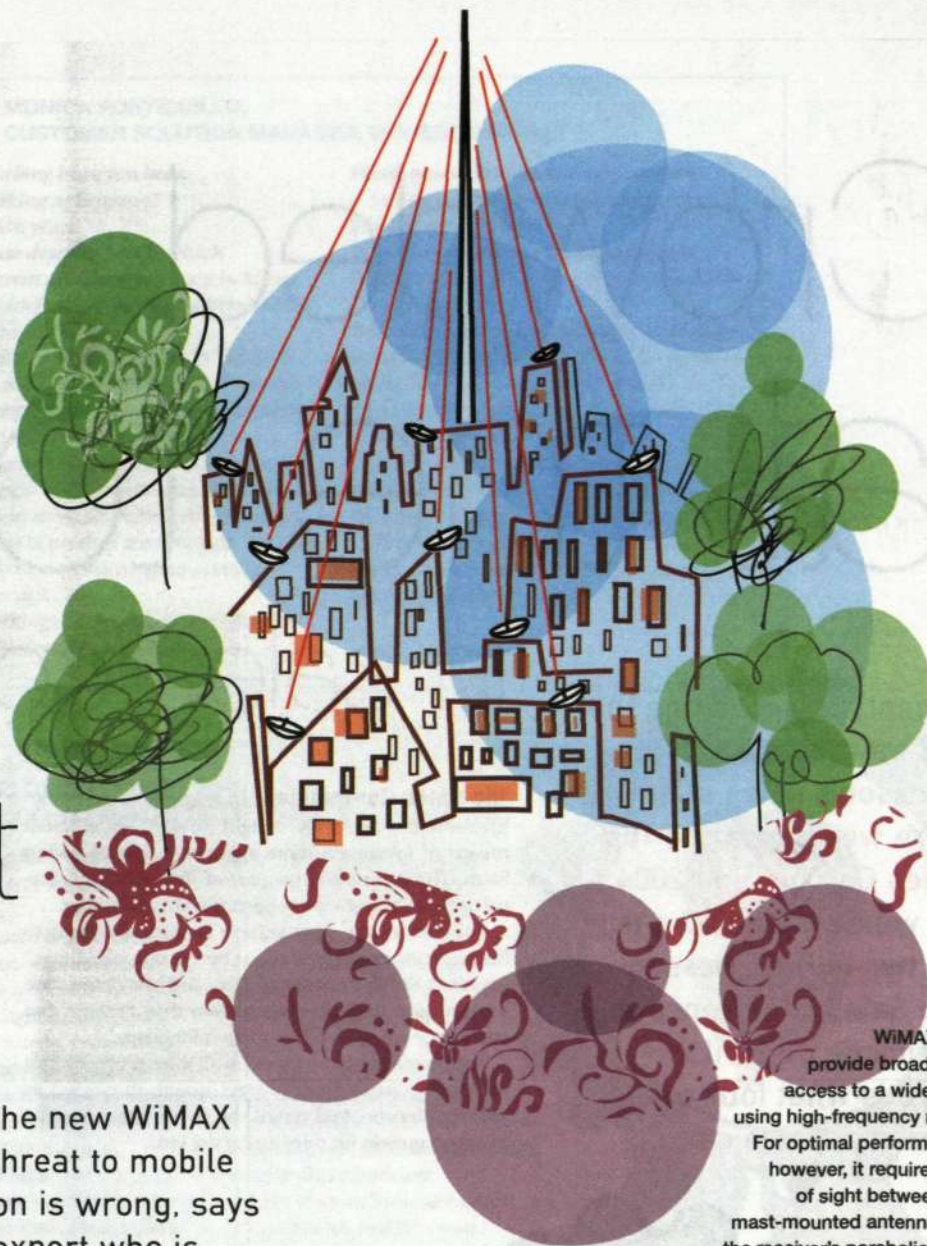
WiMAX systems, which use a new radio technology called OFDM, has specified profiles for two carrier waves, 3.5Mhz and 7MHz. It is expected that it will use licensed spectrum at fairly high frequencies. Top speed for data transmission is comparable to WCDMA Evolved (HSDPA), around 10-14Mbps.

### WLAN versus WiMAX

You should not confuse Wireless Local Area Networks with WiMAX. WLAN is a local computer network with high capacity in areas such as hotels, airports and shopping centers, where users with radio

modems can connect their laptop computers. WLAN is also suitable for radio coverage at home. The system transmits on unlicensed frequencies and there is no guarantee that one manufacturer's equipment will work with another's. That is why the Wi-Fi Forum was created: to certify WLAN equipment. Local data networks, with their short range and low transmission power, cannot compete with 3G. On the other hand, they are a good complement to 3G networks. WLAN follows the American IEEE 802.11 standard.

WiMAX can provide broadband access to a wide area using high-frequency radio. For optimal performance, however, it requires line of sight between the mast-mounted antenna and the receiver's parabolic dish.



# Crowded at the top

## in sales competition

Argentina is awaiting the 113 members of Ericsson's sales staff who were winners in the Top Sales Competition 2004. All winners earned a trip for two to the Ericsson Top Sales conference at Bariloche in April. Here is what four of the winners had to say.

**Top Sales Competition**, an example of the "new" Ericsson, is a relatively straight forward but efficient means of forming a more aggressive culture within Sales. The competition is part of the Sales Transformation program that has been running for a year.

"We started the competition because we want to find and reward the best of the best in our sales force," says Bert Nordberg, head of Sales and Marketing. "We want to give them the recognition they deserve and encourage others to follow in their footsteps."

The competition was open to all sales professionals with an individual sales target/quota, measured as actual orders booked versus the yearly target and the business growth hit rate during the year.

The Bariloche conference will offer an opportunity for the winners to exchange sales tips.

"It is important that our winners can share their expertise at the conference," says Nordberg. "Ericsson is a learning organization and we should take any opportunity to increase our knowledge sharing efforts."

The competition has been such a success that it will be repeated this year. Top Sales Competition 2005 will also name individual winners, but will also reward sales teams because the sales process is largely teamwork.

All the winners will be featured in a book, but Contact magazine can introduce four of them now.



**JOSEPHINE MAYER,  
SALES AND MARKETING MANAGER, ERICSSON IN SUDAN**

*How long have you been working at Ericsson?*

– Four years.

*Please describe briefly which different positions you have held and in which areas you have worked at Ericsson.*

– I worked as a sales manager for Ericsson, South Africa and a MUSA customer satisfaction representative from 2001 to 2003. I have been a sales and marketing manager for Ericsson, Sudan since August 2004.

*Besides working at Ericsson, you might have other professional experience. Please give a short outline of your career.*

– I was employed by Research Surveys, a market research company based in South Africa, as a senior research executive from March 1998 to September 2000. My responsibilities included managing qualitative and quantitative market research projects.

*What do you think of being one of the winners of the Top Sales Competition 2004?*

– I feel privileged and proud. The concept of the competition is fantastic and a great incentive for sales people.

*Why do you think you managed to exceed your targets and become one of the winners of the Top Sales Competition 2004?*

– One of the most important factors in my success is that I am surrounded by colleagues with the right attitude. Keeping our customers happy is our common goal. We all have strong relationships with our customers based on mutual trust and respect and we go the extra mile to ensure we understand their needs and meet our commitments to them.

*As a sales person, what would you say is the most important thing to remember regarding your relationship with the customer?*

– We must always remember that the customer is the reason we exist. It is also important to remember that sometimes we might have to do what is right for the customer at the expense of the balance sheet.

text: jesper mothander

illustrations: stefan lindblad



**MONICA PONTICIELLO,  
CUSTOMER SOLUTION MANAGER, ERICSSON IN ITALY**

*How long have you been working at Ericsson?*

– Five years.

*Please describe briefly which different positions you have held and in which areas you have worked at Ericsson.*

– I was a product manager in TEI from 2000 to 2002. From 2002 to 2003 I was system manager in the end-to-end multimedia team in Business Unit Systems.

I moved into my current position as customer solution manager in TEI/marketing and customer solution in 2003. Since November 2004 I have also been in product marketing in the Business Unit Systems' IMS program, on short-term assignment.

*Besides working at Ericsson, you might have other professional experience.*

*Please give a short outline of your career.*

– I worked in the network department of Wind, a wireline operator.

*What do you think of being one of the winners of the Top Sales Competition 2004?*

– I am very happy.

*Why do you think you managed to exceed your targets and become one of the winners of the Top Sales Competition 2004?*

– It is due to strong team collaboration and a strong focus on customer needs.

*As a sales person, what would you say is the most important thing to remember regarding your relationship with the customer?*

– To be open and listen to the customers' needs. To be honest and trustworthy and deliver on what we promise.

**SERGIO QUIROGA DA CUNHA,  
KEY ACCOUNT MANAGER, ERICSSON IN BRAZIL**

*How long have you been working at Ericsson?*

– 15 years.

*Please describe briefly what different positions you have held and in which areas you have worked at Ericsson.*

– I was an account manager in Brazil from 1990 to 1993. From 1994 to 1995, I was a business manager for the transport networks to Mexico and Latin America, before becoming a transmission sales manager in Mexico in 1996. I have been a KAM for national accounts in Brazil since 1997.

*Besides working at Ericsson, you might have other professional experience. Please give a short outline of your career.*

– My entire career has been with Ericsson.

*What do you think of being one of the winners of the Top Sales Competition 2004?*

– I am very happy. There is a cultural change happening at Ericsson at the moment, with sales people becoming much more aggressive

and focused on the customer and this competition reflects that positive change.

*Why do you think you managed to exceed your targets and become one of the winners of the Top Sales Competition 2004?*

– My focus is never on winning internal competitions, but ensuring we beat our competitors. However, if I managed to take market share from our competitors and win this award, I have had an excellent year.

*As a sales person, what would you say is the most important thing to remember regarding your relationship with the customer?*

– Listen to the customer.

We sell more by listening and making things happen than simply talking.



**BOLING ZHANG, SENIOR SALES MANAGER, ERICSSON IN CHINA**

*How long have you been working at Ericsson?*

– Eight years.

*Please describe briefly which different positions you have held and in which areas you have worked at Ericsson.*

– I was a senior support engineer from 1996 to 1999. In 1999 I became a support manager and moved onto operation and program manager in 2000. Since 2002 I have been a senior sales manager.

*Besides working at Ericsson, you might have other professional experience. Please give a short outline of your career.*

– I graduated from the Beijing University of Post and Telecommunications with a major in computer and communications in 1994. I worked for Siemens as an engineer from 1994 to 1996.

*What do you think of being one of the winners of the Top Sales Competition 2004?*

– It is an honor. I am really proud to be a winner. I appreciate the understanding and support from my colleagues, company and family.

*Why do you think you managed to exceed your targets and become one of the winners of the Top Sales Competition 2004?*

– I worked closely with my customers to understand their needs and presented the right solution. Good management of the entire bidding process and ensuring the project was delivered were other important factors.

*As a sales person, what would you say is the most important thing to remember regarding your relationship with the customer?*

– Win the customer's trust and be a reliable friend to the customer.



update

# Fast Service Launch in spotlight at 3GSM World Congress

The importance to operators of having an efficient service-delivery environment was in the Ericsson spotlight at the 3GSM World Congress in Cannes. With its Fast Service Launch, Ericsson can help customers launch new services within a week.

**ericsson** Ericsson has previously helped operators improve efficiency in established service-delivery platforms (SDP), which has led to reductions in customers' operational expenditure by up to 25 percent, 50 percent increases in revenues and an 80 percent reduction in time-to-market.

With Fast Service Launch, presented at the 3GSM event in February, Ericsson now offers operators the opportunity to increase their profits even further. If an operator already has a service-layer environment with a portal function from Ericsson and taking care of it itself, or a hosting solution which Ericsson takes care of in its entirety. A hosting solution can be up and running within six weeks of signing the contract. Antoni Lacina, strategic marketing manager at



photo: pressens bild/ thomas kienzie

With Ericsson Fast Service Launch it doesn't take more than a week for an operator to launch a new service, from start to finish.

Business Unit Systems, says there is great interest in Fast Service Launch: "Operators that want to increase their business are interested in our service deliv-

ry platform. Their jaws dropped when they heard that we can launch end-user services within a week. "People left the stand with a good feeling, happy

that we've understood their issues and that we can go one step further and follow up on those issues."

Karin Björk, market manager at Service Layer Marketing, Business Unit Systems, says operators today launch a lot of new services to see which are successful. "It is important that operators can quickly provide new users with services that work and take away services that do not," she says.



Karin Björk

"Through Fast Service Launch they can speed up that process. Ericsson can help operators with everything from identification of consumer needs, services and an efficient service-delivery environment to the marketing and launch of the services. After launch, Ericsson can also assist in evaluating the services to see how they are being used and also to ensure that the content is always updated."

HENRIK BERGLIND-DEHLIN

# Credit rating continues to rise

Standard & Poor's (S&P) and Moody's each recently moved Ericsson a step higher on their respective 16-level credit-rating scales. S&P's upgrade means that Ericsson once again is classed as an investment-grade company.

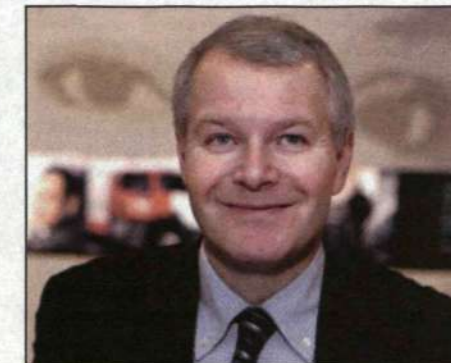
**ericsson** Credit-rating company S&P was impressed by Ericsson's figures for 2004 and raised the company's rating from BB+ to BBB- with a continued positive outlook. The upgrade is evidence that the company has a strong financial position with good liquidity.

The classification also gives better condition in terms of, for example, loans from the financial markets.

Vidar Mohammar, head of Ericsson's Treasury unit, says he is very pleased that S&P reacted so quickly to Ericsson's great results from 2004. "The effect of the upgrade will see interest rates 0.25 percent lower on our outstanding loans which run until May 2006 and June 2008," he says.

In terms of cash, this means Ericsson will save tens of millions of kronor.

The other major credit-rating agency, Moody's, raised its rating from Baa1 to Baa2 with a positive



Vidar Mohammar.

outlook, which is one step under investment grade. Moody's argument for the upgrade was Ericsson's powerful improvement on the revenue side and a stronger operating margin.

Moody's also said that its grading could be raised another notch to investment grade in the near future. Moody's upgrade meant a further 0.25 percent reduction in interest rates on Ericsson's outstanding loans over the same periods as those mentioned above.

## Triple effort for service project

**ericsson** Sony Ericsson is working together with Nokia and Siemens to improve mobile tele-phone software. The OMSI (Open Mobile Service Interface) project is designed to allow mobile telephone resellers to carry out service and maintenance of subscribers' phone content, software and operating systems.

The aim is for a PC application to allow any type of service to be carried out on any type of mobile. The system should be able to handle advanced maintenance services such as fault finding, terminal testing and user configuration.

OMSI is needed because more advanced, customized telephones, that require upgrading for security reasons or to improve speed, are becoming increasingly common.

## Tsunami warnings on the mobile

**world watch** Mobile phones could be used to help Japan improve its early warning system for tsunamis.

The Japanese Government has recognized that warnings transmitted on television and radio cannot reach all of the country's inhabitants in time in case of an emergency.

A mobile phone-based warning system would be able to contact a lot of people, including those outdoors, such as at a beach, if a tidal wave were heading for land. Tests are currently underway for such a system, which would complement existing precautions against tsunamis. A system is also being planned that will reach, among other things, train drivers and ships at sea.



photo: pressens bild/pontus lundahl

463 people will be affected when Ericsson closes down the factory in Nynäshamn.

## Closure in Nynäshamn

**ericsson** Ericsson gave notice on February 21 that it is closing its operations in Nynäshamn, Sweden.

Jan Wassenius, in charge of deliveries within Business Unit Access, says: "We are starting to produce a new generation of 2G and 3G products that require less labor. The fact that the components involved are increasingly complex and fewer in number means that lower labor input is required. We have therefore been forced to take this difficult decision."

The factory has 463 people working on the manufacture of base station modules. All Nynäshamn

employees are affected by the decision, and of them about 70 will be offered positions with Ericsson in Katrineholm and Kista in Sweden.

Ericsson's management announced at the same time that the company's overall production strategy remains intact. Ericsson will continue to keep production of new products within the company, in connection with the development units. It also aims to move the manufacture of stable and mature products with high production volumes to low-cost countries.



Jan Wassenius

## Former colleague nominated to board

**ericsson** Ulf J. Johansson has been proposed as a new member of the Ericsson board, rejoining the company he left 16 years ago. Johansson worked for Ericsson from 1965 to 1989, including serving as managing director for Ericsson Radio Systems (ERA). After that, he moved to the operator side,



Ulf J. Johansson

first with the start-up company Nordic Tel, which in turn founded the mobile operator Europolitan, which was bought two years ago by British Vodafone.

Johansson is currently board chairman for Swedish Vodafone. He also serves on other boards, including the Royal Swedish Academy of Engineering Sciences and the university board for the Royal Institute of Technology.

The final decision on Johansson's election to the board will be taken at the Ericsson annual meeting on April 6. It is proposed that he replace Lena Torell, who has decided to leave her board position.



It is now possible to use your mobile phone at sea.

photo: pressens bild/anne powell

## Mobile telephony sets sail

**ericsson** Passengers on cruise liners will soon be able to use their mobile phones at sea thanks to an agreement between Ericsson and Norwegian company Maritime Communications Partner.

Ericsson is supplying a complete GSM network that Maritime will develop further to provide mobile coverage onboard. Base stations on a ship communicate via satellite with the shore-based

core network. Besides mobile telephony, the system will provide access to fax, internet and data services for passengers.

Inger Nordgard, in charge of sales for Ericsson in Norway, sees a large market for mobile communication at sea. The target group consists of leisure travelers and professional users who are accustomed to always having their mobiles with them and want to be connected at all times. Now they will have the ability both to send messages and pictures and keep in touch with work – even at sea.

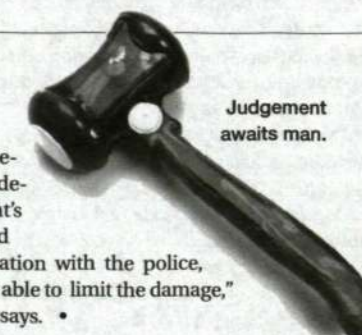
## Intrusion suspect goes to court

**ericsson** A Hungarian man was charged in Stockholm on March 8 with computer network intrusions. When Ericsson detected the intrusion of several computer servers in 2002, an internal investigation began in order to identify the source. In October 2004, Swedish police apprehended a Hungarian man. The man, aged 25, had allegedly unlawfully gained access to internal Ericsson

information by breaking into the computer network. Henry Sténson, Senior Vice president Corporate Communication, says: "Ericsson's general IT security level is high. The damage to Ericsson is the actual intrusion into our network."

"We have thorough security measures for our data network at Ericsson, but like all companies we are exposed to security threats via the internet.

Thanks to our security department's work and collaboration with the police, we were able to limit the damage," Sténson says.



Judgement awaits man.



the last word

text: gunilla tamm photo: hanna teleman

## From sun to the snow

Yasmine James started as a project manager just over 18 months ago in Kingston, Jamaica. Now she has just taken on the role of local account manager for Digicel, Jamaica's largest GSM operator. She says she believes Ericsson has an open corporate culture with good opportunities for people to pursue their own initiatives and grow.

**W**hen Contact meets James, she is on her first business trip to Ericsson in Kista, Sweden. It is in the grip of winter with a lot of snow. Coming from a balmy 28°C to a chilly -12°C is a new experience. "I had never seen snow so close-up before," she laughs.

James started with Ericsson in June 2003. She had a university degree in electronics and several years experience from working with a mobile operator, Cable & Wireless, and a smaller telecom vendor.

"I realized back when I was studying that telecommunication was what I wanted to work with," she says.

"My years with Cable & Wireless were valuable and I learnt a lot, including understanding why an operator's decision process can take so long. But once a decision has been taken, the deliveries and the work have to happen quickly. Discussions about price are another important area."

James' first job with Ericsson was as a project manager working with transmission and RBS. In her new role as a local account manager for Digicel, she says that her first important tasks included creating networks and building relationships both with the customer and internally within Ericsson. The second key issue is quick response to customer requests. The latter is essential for providing the customer with high-quality support.



Creating networks and building good relationships with the customer Digicel and within Ericsson are important for Yasmine James. Her first business trip to Sweden gave her experience of winter cold and snow.

Digicel, which took its mobile system in Jamaica into operation in April 2001, has 1.3 million subscribers in Jamaica and growing in the Caribbean region. The number of users continues to grow and there are now more mobile subscribers than there are using fixed-line phones. Jamaica has two GSM operators and one using CDMA. Digicel has the most subscribers.

"It is an extremely demanding customer, but it is also creative. The operator is very aggressive in its marketing," James says.

As the major supplier to Digicel, Ericsson has an important role. Digicel is the largest GSM operator in the Caribbean, and as well as Jamaica, has networks on Cayman, Barbados, Aruba and the OECS states.

James has enjoyed working for Ericsson and looks forward to working as the local account manager.

"The company has an open corporate climate, which makes it possible for people to grow and develop. People listen to your ideas and that is stimulating," she says.

What does she think she will be doing in three years?

"I like to set goals for myself and work towards them. You have to show that you can take the initiative and follow it up. My goal now is to develop my skills on the market side and eventually work with markets in other countries. I like challenges and adventure, like a snowy visit to Sweden," she says. •