



What's Next for Telecom Carriers?

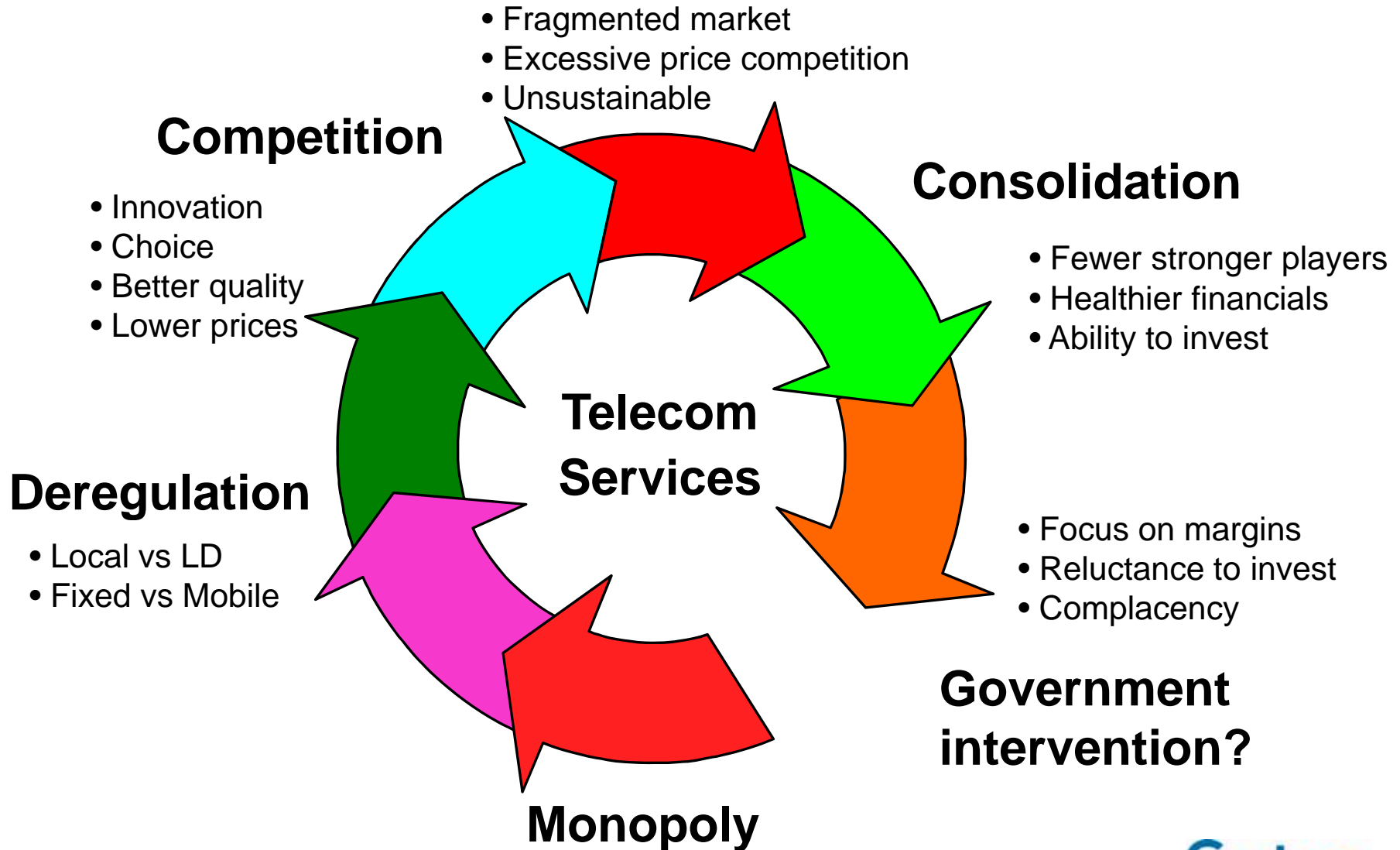
To Chee Eng
Research VP
Enterprise Network Services
Gartner

Go Fast, but How Fast?

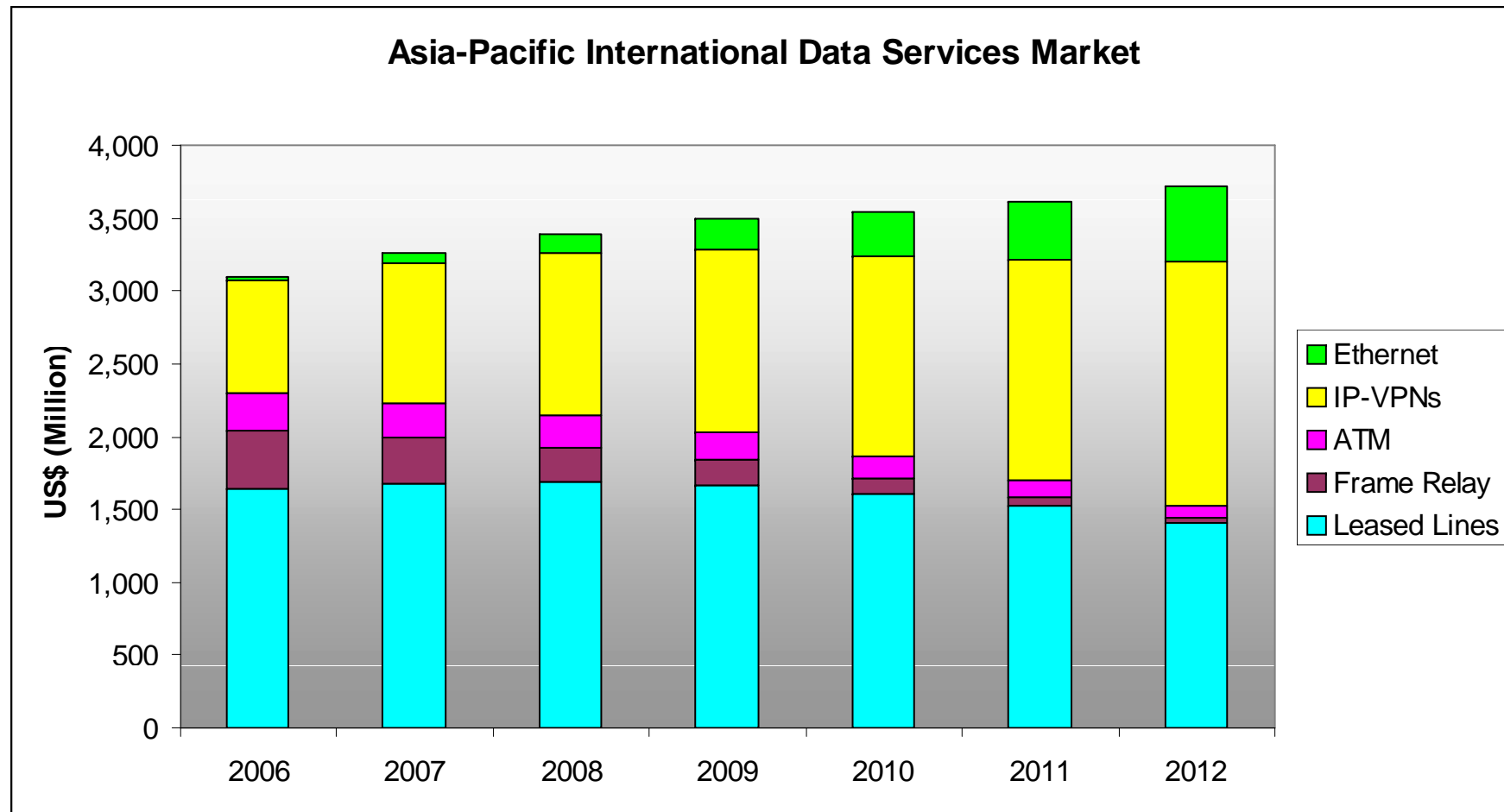


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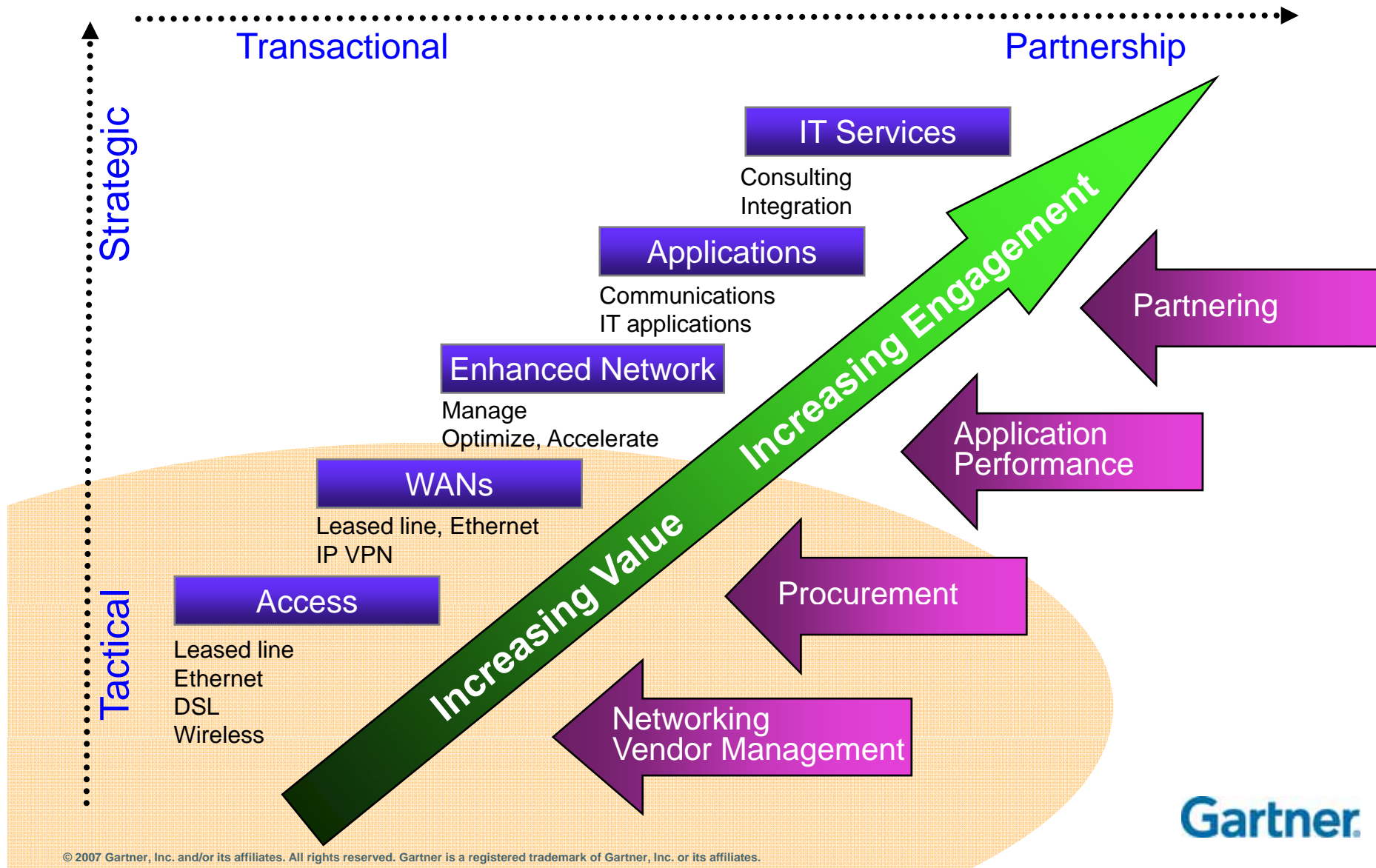
How the Telecom Industry has Evolved



Enterprise Market Growth Limited



Up the Value Chain – But How Far?



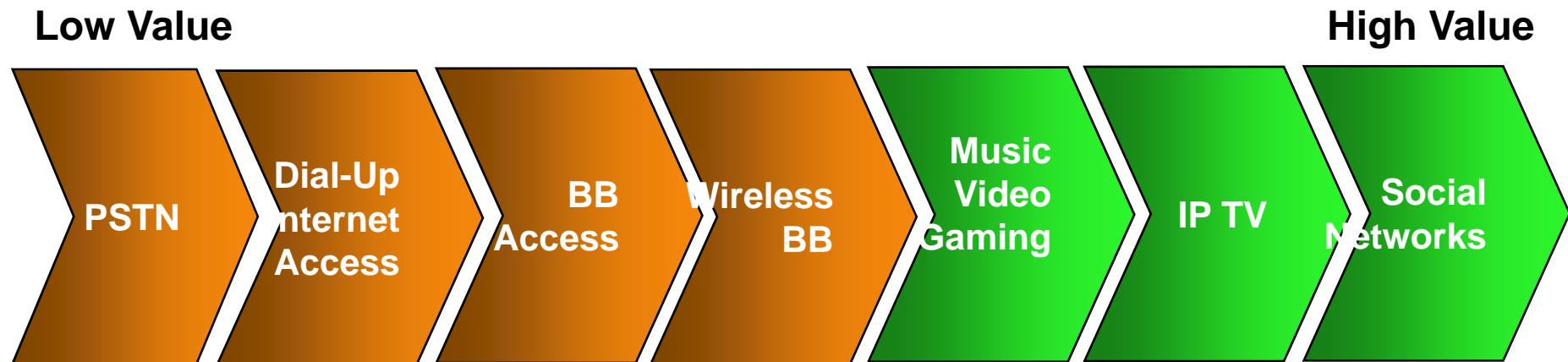
Arrival of Cloud Computing

- What is Cloud Computing?
- Concept not new – similar to ASP market 10 years ago
- But it's different this time
 - Technology have improved dramatically
 - Driven by search for new revenues
 - More collaboration, risk and revenue sharing
 - Introduction of utility-based pricing schemes
- Favors large infrastructure players with deep pockets
- SME market presents new untapped opportunity



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The New Consumer Market



Infrastructure Business

- Voice declining rapidly, but still the largest market
- Broadband access boosts home consumer market significantly
 - Highly defensible, recurring revenue stream
 - Infrastructure costs are high
 - Can be profitable with scale
- Carriers are experimenting with IP TV, with limited success so far
 - IPTV is mostly cable TV
 - Expensive to deploy
 - Users prefer off-beat content

Content Business

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It's the Internet

- BB access will happen everywhere – in time
- Internet infrastructure driven by:
 - Video streaming
 - Online gaming
 - Competition
- Internet infrastructure enabled by:
 - Low bandwidth costs
 - Superior peering
 - Content distribution
- Future:
 - Internet will get even better
 - No control over voice and Internet content
 - Undesirable aspects will get worst
- Need to manage use of Internet





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