

Technologists, Customers, Regulators,
Collaborators and Competitors:

Learning to Dance to a New Market Tune

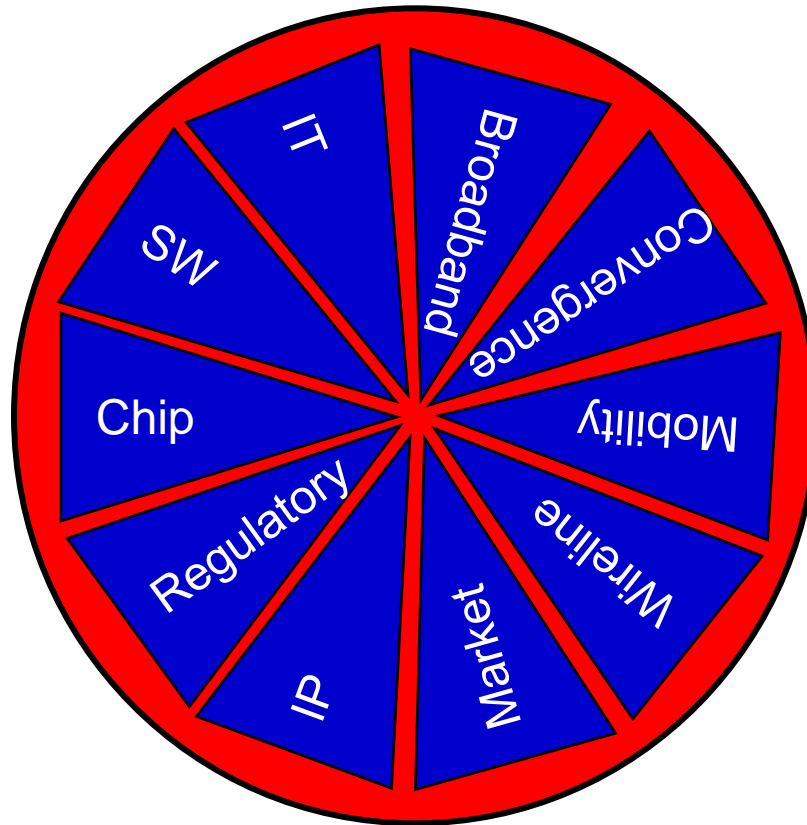


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Leadership: The art of a creating a future that would not otherwise happen – then enrolling people to make it happen.

Market Sectors

Critical to consider interrelatedness among all sectors



**BEER
WINE
KEGS**
BEST SELECTION

ALCATEL

OPEN

OPENED LATELY





The Service Provider is Dead.

Structure?
Triple Plays
Multimodal network
Broadband
Wireless market?
Wi-Fi?

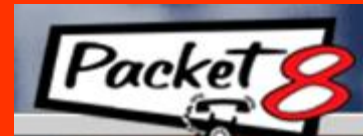
In its current form.

So...What is the service?

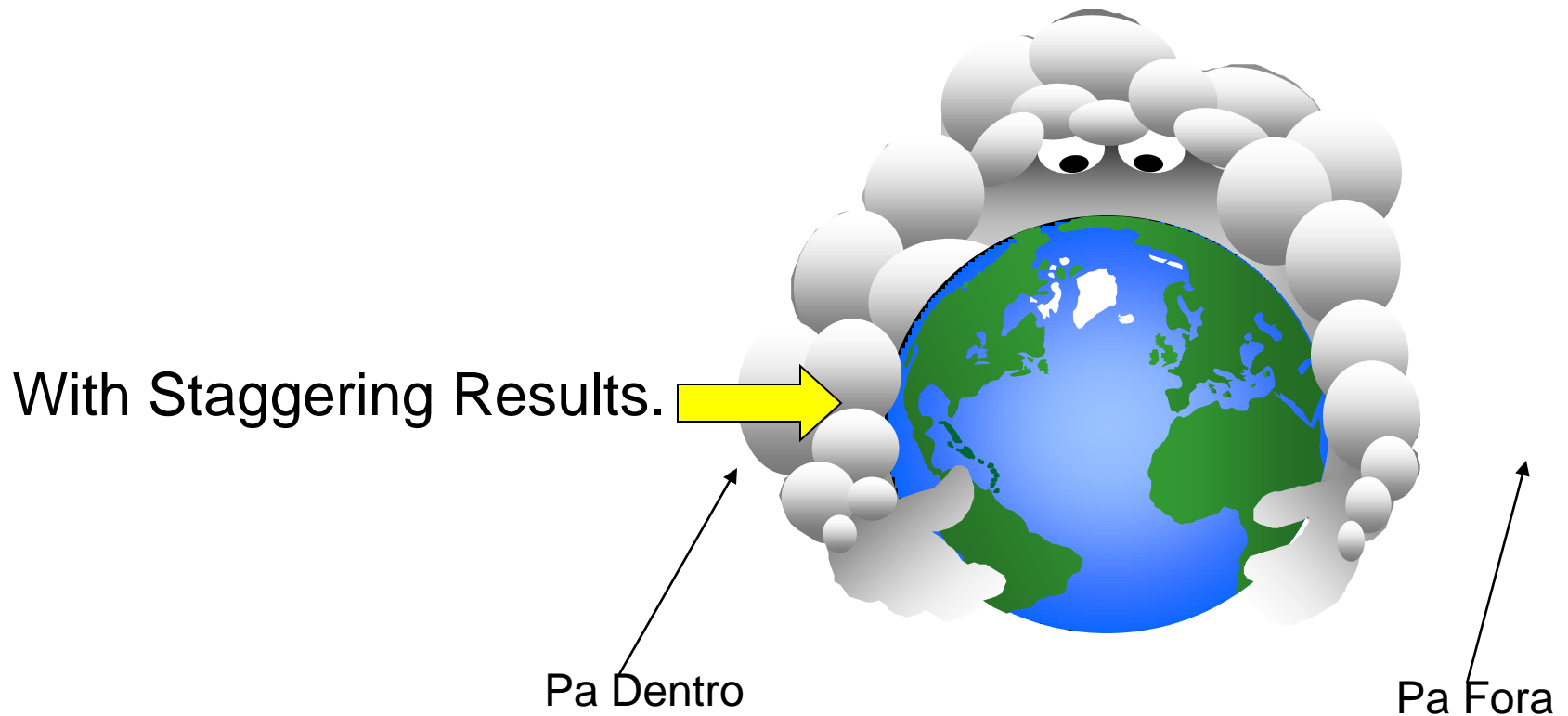
Sorry: There is No Killer Application

Or is there?

Access device?



The Core-to-Edge Migration is Underway



BRAZIL DECLARES IP DAY

New Holiday Added to Growing List Festivities Planned Nationwide

Inside: Seas boil; rivers run backwards; dogs and cats, living together (Living Section)



SÃO PAULO (AP) - A São Paulo man was seriously injured yesterday when a large package he was attempting to move fell on him as he was taking it from a parcel truck. The package, which contained Valencia peanuts from a farm in New Mexico, was a gift from the man's uncle in Rio, São Paulo man was seriously injured yesterday when a large

both legs at a Texas Tech football game in Brasília. The injury, the result of strain incurred during the interminably long walk from the college's dormitory complex to the stadium, left Mahaffey hopelessly crippled with a serious drooling São Paulo man was seriously injured yesterday when a large least I can lie here and eat

fame with the publicizing of the possibility that aliens might have landed there in the 1940s. "We're still good friends; I just hope he recovers quickly." Shepard, from his home in São Paulo, laughed the matter off. "I guess I deserved that; at least I can lie here and eat peanuts while I

The Move to IP Doesn't Matter.

To the customer.

60% NW traffic: IP
15% of THAT: Voice
67% of global operators:
C/S voice \leq 5% total revenues



The Triple Play

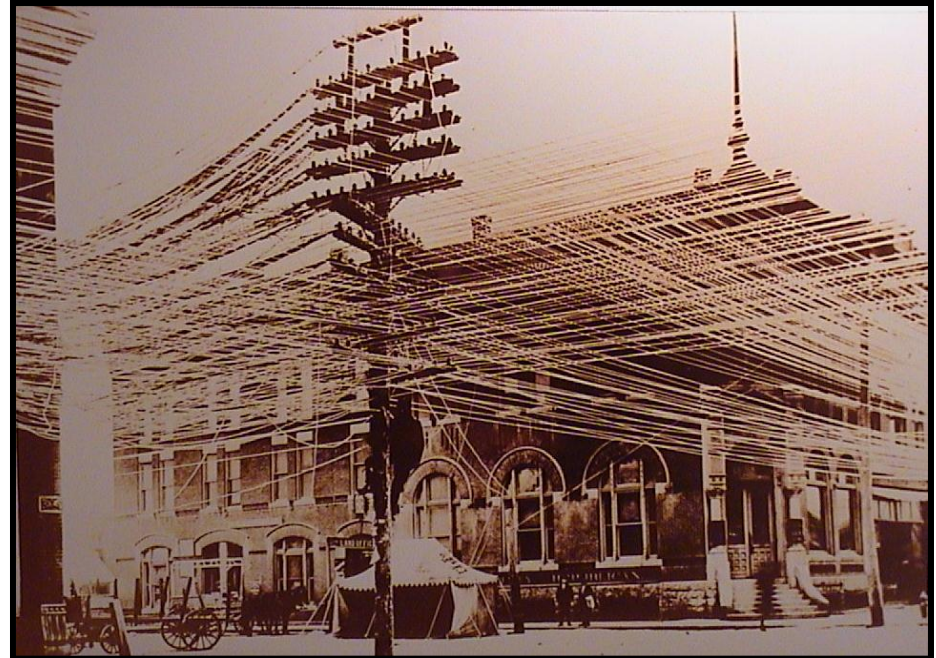
- Triple Play #1: Technology, company, services.
- Triple Play #2: Voice, video, data.
- Triple Play #3: Revenue up, CAPEX/OPEX down, competitive position/mitigated risk assured.

THIS IS THE PROMISE OF CONVERGENCE.

The Many Faces of Convergence

- Business convergence
- IT convergence
- Network convergence
- Communications convergence
- Capability convergence
 - Enhanced flexibility and response time
 - Cross-functional collaboration across business teams
 - Addition of mobility to enhance efficiency
 - Stronger customer relationships
 - Enhancements to productivity

IT + Telecom: “Another Convergence”



THE OPPORTUNITIES ARE HERE.

- SANs; grid computing; home management/monitoring
- Integration/architect model

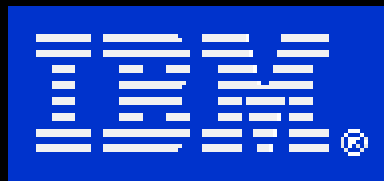
The Goal of Regulation ...

*... is **NOT** to create competition.*

The goal of regulation is to bring about a change in the user's experience as they use technology.

Regulators, however, may mandate competition as a way to achieve that change.

Beware the Disruptors!



Truths – And What do They Tell Us?

- The SP (as we know it) is dead.
- Service providers must become ... *service* providers.
- There's no killer application...except voice.
- IP doesn't matter...
- ...but the triple play (convergence) does.
- Core-to-edge migration is underway – and accelerating.
- The goal of regulation ...
- IT + telecom = innovation and movement.
- Watch the Disruptors!

And Convergence?

- Provides interface between traditional voice, video and data networks.
- Facilitates converged transmission of voice, video, data with QoS.
- Energizes broadband: \$9 billion, 3 billion hours!
- Provides multi-mode connectivity (wireless, DSL, cable, satellite).
- 2005: Communication market's value will exceed \$400 billion.
- 2005: Regional convergence market will reach \$73 billion (from \$17 billion in 2000).

Thank You!

A photograph of a guardhouse with a 'DRIVE IN' sign pointing left and a 'ONE WAY' sign pointing right. The guardhouse is a small, white, rectangular structure with a window. The 'DRIVE IN' sign is a large, black arrow pointing left with the words 'DRIVE IN' in white. The 'ONE WAY' sign is a smaller, black arrow pointing right with the words 'ONE WAY' in white. The guardhouse is situated on a paved area with some trees and a building in the background.

DRIVE IN

ONE WAY

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