

Telco2.0™

Strategy Report Extract

Mobile and Fixed Broadband Business Models - Overview and Extract

Best Practice Innovation, 'Telco 2.0' Opportunities, Forecasts and Future Scenarios

MARCH 2010

Excerpt

Overview and introductory extract from a new 248 page Telco 2.0 Strategy Report on the future of broadband, including analysis of the latest new ideas in broadband business model innovation, new 'Telco 2.0' Opportunities, global forecasts, four future strategic scenarios, and a detailed 'Use Case' describing a new Managed Offload 'Use Case'.

Telco 2.0™ keywords

Mobile, Fixed, Wholesale, broadband, business models, telco 2.0, two-sided

Who should read?

Telecoms Operators' and other Broadband Service Providers': CxOs, Strategy departments, Central research libraries & market research functions, CTO office, Strategic Marketing, Business Development, Wholesale Departments, Government & Regulatory Affairs depts., Network architects & planners, Broadband services marketing departments (fixed, cable and mobile). **Vendor audiences**: CxOs, marketing / business development / strategy departments, Fixed broadband access equipment vendors, Wireless network radio & transport vendors, IP core suppliers, Fixed-broadband terminal suppliers, Mobile broadband device suppliers, Policy management, DPI & control specialists, Billing & OSS suppliers, Silicon and "enabler" providers. **Regulators and other Government departments. Investors. Consultants & integrators.**



New Strategy Report: Mobile and Fixed Broadband Business Models

Best Practice Innovation, 'Telco 2.0' Opportunities, Forecasts and Future Scenarios

The report covers:

- Best practice innovation and detailed assessment of 'Telco 2.0' opportunities in Mobile Broadband, Advanced New Wholesale, and Fixed Retail Broadband Business Models
- Four scenarios for broadband market players: 'Telco 2.0 Player', 'Happy Piper', 'Device Specialist', and 'Government Department'
- Telco 2.0's forecasts for the Broadband Access market
- An advanced and detailed 'Use Case' for a specific Telco 2.0 Opportunity, 'Managed Offload of Mobile Broadband to Fixed Networks'
- Conclusions and recommendations for Telcos and other Broadband Service providers (BSPs) and their partners



The report is a 'must read' for CxOs, strategists and broadband product managers seeking to develop their business strategies and position their products, both within Telcos and BSPs and for the community of business partners and vendors.

Report Details

- 248 pages
- 90 charts, tables and forecasts
- Manuscript format
- Detailed outline and contents below
- Published: March 2010

Pricing and Ordering

A Single User License is priced at £1,995 (+ VAT for UK buyers). To order, and for prices for multi-user / corporate wide licenses, please email information@disruptive-analysis.com.

The rest of this paper contains:

- A detailed overview of the report and its contents
- An extract from the report on the four key scenarios, and key themes and challenges for Broadband

Contents of this paper

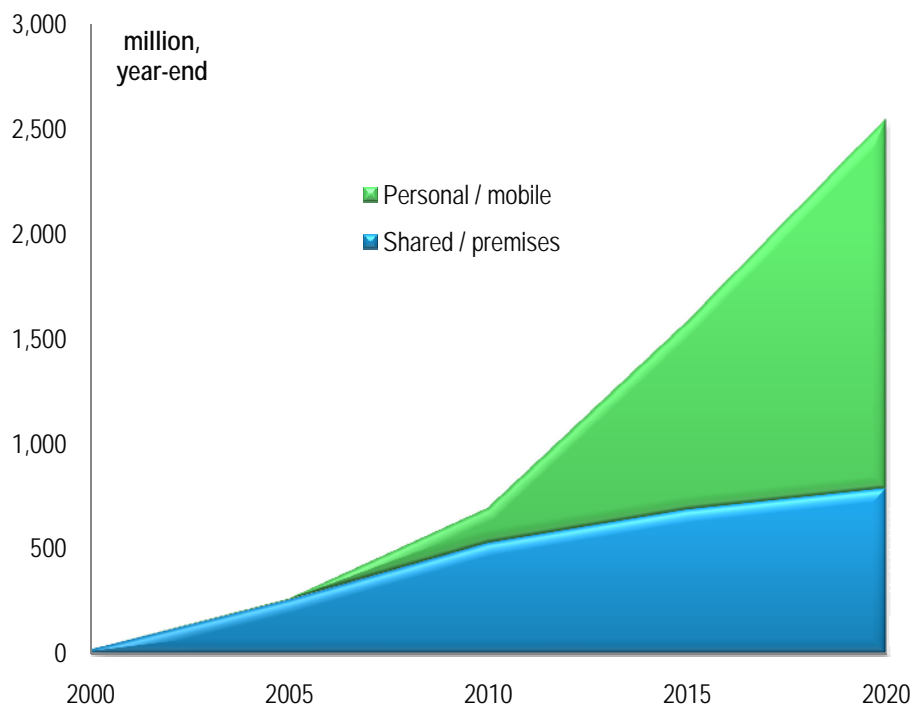
Report Overview & Content	4
Introduction.....	4
Broadband Best Practice Innovation and 'Telco 2.0' Opportunities.....	6
'Managed Mobile Offload' Use Case.....	7
Future Scenarios	8
Forecasts and Conclusions	8
Who is the report for?	9
Detailed Report Contents	10
Key Figures and Forecasts	11
Fit with other Telco 2.0 Broadband Reports.....	12
Report Extract – Overview of Broadband Trends and Challenges	13
Introduction.....	13
Overview.....	13
Defining Telcos and BSPs in the future	14
Market adoption of broadband	15
Four scenarios	19
The Telco 2.0™ Initiative	21
What is the Telco 2.0™ Initiative?.....	21
Why does it exist?	21
The Opportunity.....	22
How to get involved?	23
Who to contact?	23

Report Overview & Content

Introduction

Broadband continues to grow in both market penetration and sophistication, with the addition of fibre and mobile access as key enablers.

Figure 1: Global broadband access lines, 2000-2020



Source: Telco 2.0 Mobile and Fixed Broadband Models

However, while speeds and mobility are improving, there are complex challenges to the business model for service providers. These include:

- Maturing products and business models
- Convergence of fixed and mobile technology and product offerings
- Greater state intervention in deploying and controlling broadband access
- A more complex broadband ecosystem
- New consumer behaviour and higher expectations

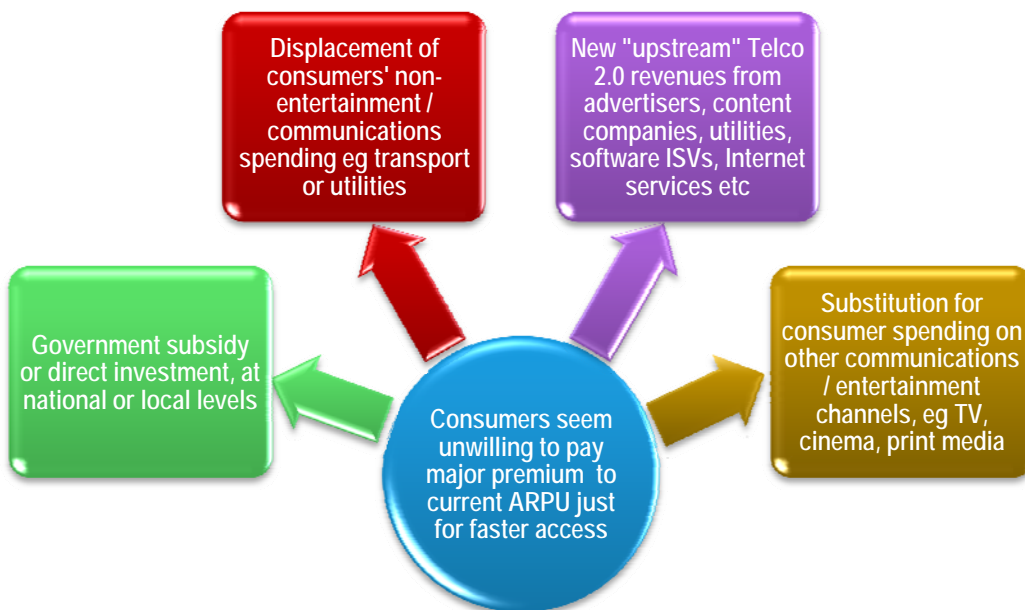
On page 13 there is an extract from the overview of the report on the main themes and challenges.

Moreover, there are certain specific challenges that this report addresses:

- What are the prospects for non-subscription models for fixed and mobile broadband, such as prepaid / transactional / free / "comes with data", bundled with device purchase, "sliced and diced", etc.?
- A critical analysis of whether operators can charge content / Internet companies for access to 'their pipes', and in what circumstances this may be commercially and operationally feasible.
- What is the changing role of Government in the broadband marketplace?
- Is Mobile Broadband substitutional or synergistic with Fixed?

Overall, new business models will be necessary to help justify extra infrastructure investment as end-user spending on broadband access reaches market saturation.

Figure 2: Next-generation broadband will need new revenue sources



Source: Telco 2.0 Mobile and Fixed Broadband Models

The report covers the impact of key factors such as DPI, QoS, Net Neutrality, LTE, Fibre, IPTV, Video demand, mobile broadband, convergence, LLU, MVNOs, Machine-to-Machine, Cloud Computing, and regulation. It explores both developed and developing markets.

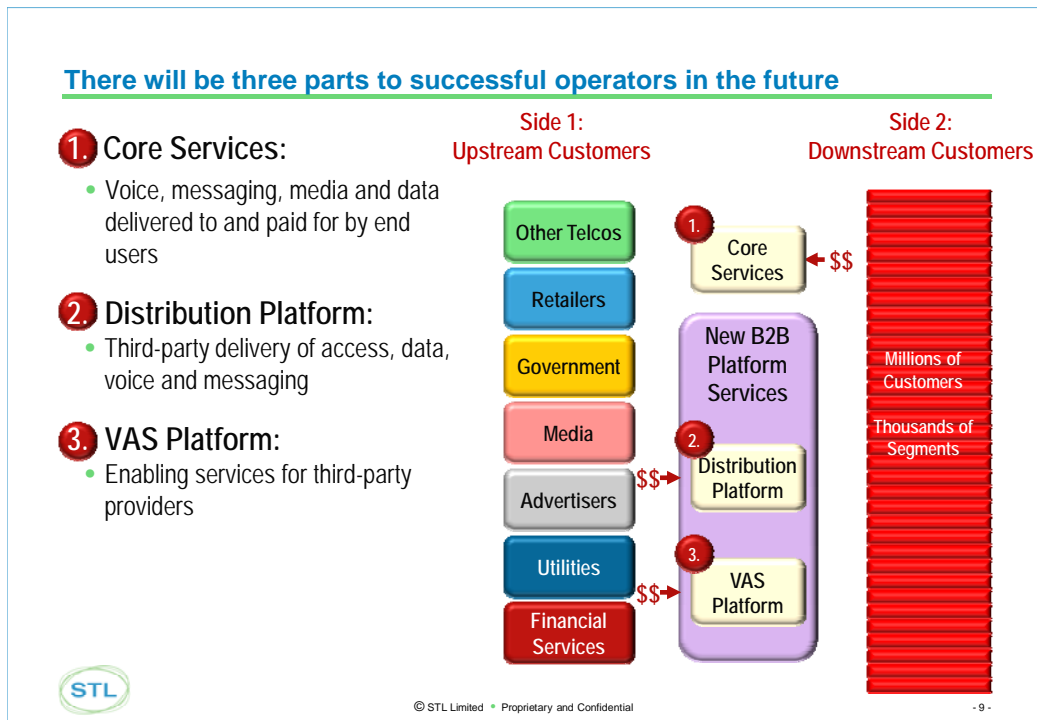
Broadband Best Practice Innovation and 'Telco 2.0' Opportunities

Following the introduction and market overview, the report contains chapters of detailed analysis of best practice innovation (e.g. pricing, propositions, technologies, etc.) and 'Telco 2.0' new business model opportunities in:

- Fixed Retail Broadband
- Mobile Retail Broadband
- Advanced Wholesale Broadband business models.

The 'Telco 2.0' propositions are based on the 'two-sided' telecoms business model theory that broadband capacity can sold to "upstream" media or application providers. The report examines theoretical use cases and some compelling potential business models.

Figure 3: the Two-Sided Telecoms Business Model



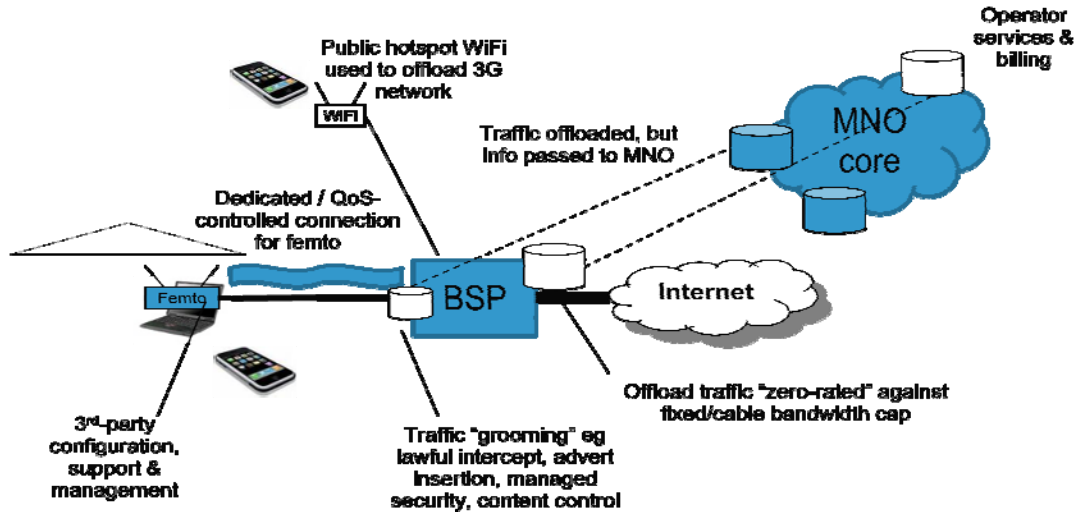
Source: Telco 2.0 Analysis

(NB. Further detail on the 'two-sided' telecoms business model can be found [here](#).)

'Managed Mobile Offload' Use Case

Taking one of the specific opportunities identified, the report details a 'Use Case' for offloading excess mobile traffic to fixed operators. This represents a wholesale opportunity for fixed BSPs and an opportunity for Mobile BSPs to manage the rising costs of carrying large volumes of (primarily video) data traffic.

Figure 4: Forms of managed offload from fixed/cable operators

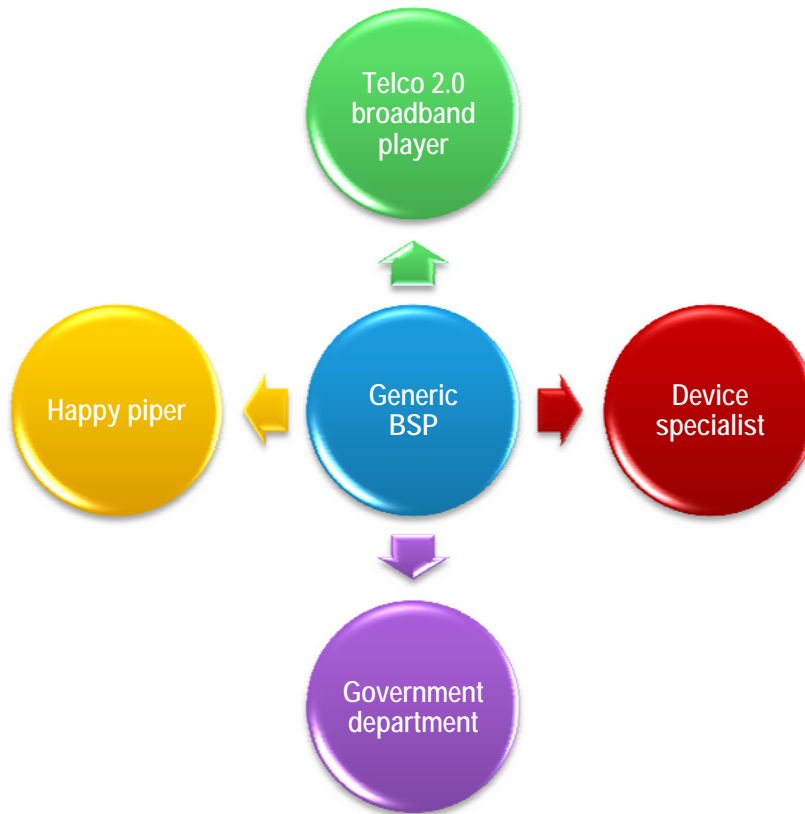


Source: Telco 2.0 Mobile and Fixed Broadband Models

Future Scenarios

The report describes four possible scenarios for broadband service providers and the benefits and risks of pursuing each strategy.

Figure 2: Potential scenarios for BSPs



Source: Telco 2.0 Mobile and Fixed Broadband Models

Forecasts and Conclusions

The report is completed by global forecasts for each of the core business models for broadband service providers (detailed below), conclusions, and an overview of the relative attractiveness of the scenarios.

A Single User License is priced at £1,995 (+ VAT for UK buyers). To order, and for prices for multi-user / corporate wide licenses, please email information@disruptive-analysis.com.

Who is the report for?

- Telecoms Operators' and other Broadband Service Providers'
 - Strategy departments
 - Central research libraries & market research functions
 - CTO office, Strategic Marketing, Business Development
 - Wholesale Departments
 - Government & Regulatory Affairs departments
 - Network architects & planners
 - Broadband services marketing departments (fixed, cable and mobile)
- Vendor audiences, typically marketing / business development / strategy
 - Fixed broadband access equipment vendors
 - Wireless network radio & transport vendors
 - IP core suppliers
 - Fixed-broadband terminal suppliers
 - Mobile broadband device suppliers
 - Policy management, DPI & control specialists
 - Billing & OSS suppliers
 - Silicon and "enabler" providers
- Regulators and other Government departments
- Investors
- Consultants & integrators

Detailed Report Contents

A full table of contents and figures can be downloaded [here](#).

- Executive Summary
- Part 1: Background to the Broadband Industry
 - Market adoption of broadband and the four scenarios
 - Fibre and next-generation access: the missing business model
 - Video: killer app, or network-killer?
 - Mobile broadband: Hype & realism
 - Convergence of fixed / mobile broadband
 - Evolving regulation: help or hindrance?
 - Government & 'National Broadband'
 - Broadband in the developing world
 - The vendor landscape
- Part 2: Fixed retail broadband business models
 - Retail broadband scenario options
 - Cable vs ADSL vs Fibre – same models, or fundamentally different?
 - Pricing options: capping and tiering, application-specific caps and tiers, specific zero-rated / unmetered sites & services
 - Video: providers: the power-brokers? Triple-play / IPTV.
 - Incremental services, cross-network Internet services, prepay fixed broadband
 - Fibre
 - Future value-add services? Smart grids, telemedicine and 'The Cloud'
 - The impact of local-loop unbundling and structural separation
- Part 3: Mobile Broadband Retail Business Models
 - Mobile broadband computing
 - Smartphone business models
 - M2M broadband business models
 - Do revenues reflect costs?
 - Wholesale mobile broadband and MVNOs
 - Enablers and technologies
- Part 4: Advanced broadband wholesale business models
 - Bulk broadband wholesale models
 - Creating next-gen wholesale

- Telco-Telco wholesale 2.0
- Broadband capacity 'slice and dice'
- Marketing & selling wholesale
- Part 5: Use Case: Managed Offload of Mobile Broadband
- Part 6: Forecasts and Conclusions

A full table of contents and figures can be downloaded here[[link to PDF download](#)].

Key Figures and Forecasts

- Global broadband access lines, 2000-2020
- Global broadband access lines by technology, 2005-10
- Global fixed broadband by region, mid-2009
- Global broadband traffic
- Ultra-fast broadband availability in developed markets
- Global mobile broadband computing users
- Examples of government broadband-related stimulus plans
- How uptake of broadband impacts GDP
- Global fixed broadband lines
- Wholesale within global fixed broadband, 2010
- The Global Online Video Market (\$Billions)
- European fibre penetration forecast 2013
- Mobile broadband active user base
- Global 3G data traffic by device type, mid-2009
- Global mobile broadband computing users
- Vodafone UK mobile broadband pricing trends
- Traffic volumes for mobile broadband vs. revenues
- Fixed and mobile broadband wholesale revenues
- Global mobile broadband computing subscribers
- Forecast broadband wholesale revenues by category
- Global retail broadband subscribers 2005-2020
- Global average retail charges for broadband 2005-2020
- Broadband Retail Market Value 2005-2020
- Percentage of broadband lines supplied via bulk wholesale 2005-2020
- Average global wholesale prices 2005-2020

- Global bulk wholesale access market 2005-2020
- Global slice-and-dice revenues per line 2005-2020
- Global slice-and-dice incremental wholesale access revenues 2005-2020
- Global active users of broadband without a subscription 2005-2010
- Active broadband users including 'comes with data'
- Global non-subscription upstream revenues per user per year 2005-2020
- Global 'comes with data' broadband access 2005-2020
- Global wholesale revenues 2005-2020
- Global broadband access market 2005-2020
- Breakdown of global wholesale revenues 2005-2020

A Single User License is priced at £1,995 (+ VAT for UK buyers). To order, and for prices for multi-user / corporate wide licenses, please email information@disruptive-analysis.com.

Fit with other Telco 2.0 Broadband Reports

This report is one of the Future Broadband Business Models Report Series of in-depth analyses of the Broadband market.

Companion Reports:

- "[Beyond bundling: winning the new \\$250Bn delivery game](#)" examines the structural opportunities and potential technical strategies for the next 10 years, including the more infrastructure-oriented aspects of wholesale such as IP data transit, renting-out of fibre/towers and local-loop unbundling, and identifies an overall \$250Bn opportunity over this period.
- "[The impact of video on broadband business models](#)" analyses the development of online video, identifies possible market winners and losers, and sets out three interlocking scenarios depicting the evolution of the market. In each scenario, the role of Broadband Service Providers is examined, possible threats and opportunities revealed, and strategic options are discussed.

NB We also offer packages of reports - please email contact@telco2.net or call +44 (0) 20 7247 5003 for details.

Report Extract – Overview of Broadband Trends and Challenges

Introduction

This is an extract from the Overview section of the Telco 2.0 report 'Mobile and Fixed Broadband Business Models: Best Practice, 'Telco 2.0' Opportunities, Forecasts and Future Scenarios'.

Overview

This section of the report provides a backdrop to the rest of the study. It highlights the key trends and developments in the evolution of broadband, which fundamentally underpin the other aspects of business model innovation discussed in the subsequent chapters. It also introduces Telco 2.0's main 'end-game scenarios' for broadband service providers (BSPs), and gives a round-up of some of the key background statistics.

There are three main macroscopic trends in the broadband market:

1. A focus on improving the reach and profitability of existing low/mid-speed broadband in developed countries, especially with the advent of inexpensive mobile data, and new methods of monetising the network through wholesale options, value-added services and better segmentation;
2. Deployment of next-generation very high-speed broadband, and the building of business models and services to support this investment, typically involving video services and/or state backing for nationally-critical infrastructure projects;
3. Continued steady rollout of broadband in developing markets, balancing theoretical gains in social and economic utility against the practical constraints of affordability, PC/device penetration and the need for substantial investment.

Cutting across all three trends are five recurrent themes:

Maturing products and business models

- The global broadband market is maturing fast. In developed countries, baseline penetration rates are starting to level off as saturation approaches. Coupled with price erosion and increasing capacity demands, this deceleration is pressuring margins, especially in the recession;
- The pivotal role of video in driving both costs and revenues, given its huge requirement for bandwidth, especially in high-definition (HD) format.
- An awareness of the need for retail and wholesale business model evolution, as revenue growth plateaus and current attempts at bundling voice and/or IPTV (fixed) or content (mobile) show only patchy success.

Convergence of fixed and mobile technology and product offerings

- The impact of mobile broadband, either as a substitute or a complement to fixed broadband. This goes hand-in-hand with the advent of more powerful personal devices such as smartphones and netbooks.

Greater state intervention in deploying and controlling broadband access

- Intensifying regulation, focusing on areas such as facilities and service-based competition, unbundling and structural separation, Net Neutrality, spectrum policy and consumer advocacy;
- Increasing government intervention in areas, such as broadband roll-out and strategy, outside the (traditional) scope of the regulatory authorities. This is conducted either through subsidy and stimulus programmes, or broader initiatives relating to national efforts on energy, health, education and the like;
- A growing belief that broadband networks should also support 'infrastructure' services which may not be delivered by the public Internet – for example, remote metering and 'smart grid' connectivity, support for healthcare or e-government, or education services. A major battle over the next 10 years will be whether these are delivered as 'Telco services', 'Internet services' or as distinct and separately-managed network services by providers using wholesale access to a Telco network.

A more complex broadband ecosystem

- The increasing role of major equipment vendors in facilitating new business models, either through managed services / outsourcing / transformation, direct engagement with governments on strategic architecture issues, or supply of key 'platform' components. However, many vendors are torn between protecting the legacy heavily-centralised models of their existing Telco customers, and exploring new targets within public-sector or Internet domains.

New consumer behaviour and higher expectations

- Changing user behaviour as broadband becomes a basic expectation (or a government-mandated right) rather than a premium service, with the mass uptake of new applications and the added benefits of mobility.

Defining Telcos and BSPs in the future

One of the largest challenges in identifying Telco business models for the forthcoming era of next-generation access is the question of what actually defines a Telco, or a Broadband Service Provider (BSP).

In fixed networks, especially with new fibre deployment, the situation is becoming ever more complex because of the number of levels at which wholesaling can take place. If an incumbent ADSL operator buys, packages and rebrands wholesale dark fibre capacity from a municipally-owned fibre network, which one is the BSP? Or are they both BSPs?

The situation is a lot easier in mobile, where there still remains a fairly clear definition of a mobile operator, or a mobile virtual network operator (MVNO) – although in future network-sharing and outsourcing may also blur the boundaries in this market.

It is possible that there isn't an appropriate strict definition, so a range of proxy definitions will start to apply – membership of bodies like the GSMA, possession of a 'mobile network code', access to certain number ranges, ownership of spectrum and so forth. In an era where Google buys dark fibre leases, Ericsson manages cellular networks, investment consortia contract to run a government-sponsored infrastructure and mobile operators offer 'over the top' applications – it all becomes much less clear.

In this report, BSPs are taken as a broad class to include:

- Owners of physical broadband access network infrastructure – taken as either physical cabling or fibre (wireline) or spectrum and radio cells (mobile). Telco 2.0 does not include rights-of-way owners or third-party cell-tower operators in this definition;
- Owners of broadband access networks built using wholesale capacity on another provider's wires or fibres, but with their own active electronics, E.g. basing a network on unbundled loops or dark fibre;
- Providers of retail broadband access, perhaps bundled with other services, using bitstream, ethernet access or MVNO models based on wholesale from another network operator.

These definitions exclude 2G-only (non-broadband) mobile operators and MVNOs, PSTN or cable TV access provided without broadband connectivity and non-retail access providers, such as microwave backhaul operators and content delivery networks (CDNs) Etc.

Market adoption of broadband

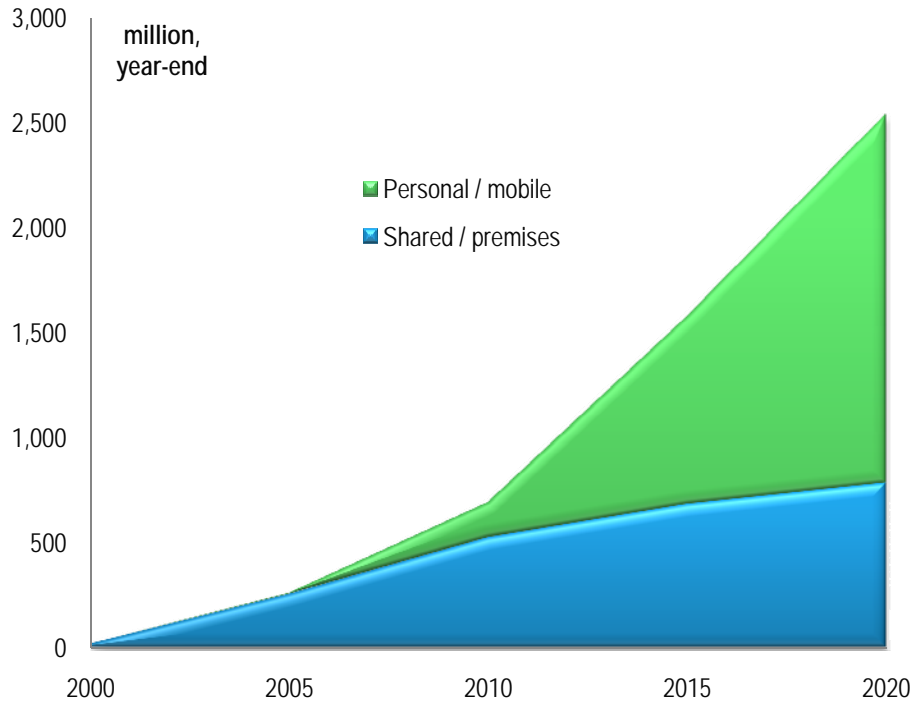
The global broadband access market has grown from fewer than 10 million lines in 1999, to more than half a billion at the end of 2009, predominantly through the growth of DSL-based solutions, as well as cable and other technologies. Although growth has started to slow in percentage terms, there remains significant scope for more homes and businesses to connect, especially in developing economies, such as China. Older fixed broadband services in more industrialised economies will gradually be replaced with fibre.

The other major area of change is in wireless. Since 2007, there has been rapid growth, with the uptake of mobile broadband for 'personal' use with either smartphones or laptops, often in addition to users' existing fixed lines. This category of access will grow faster than fixed connections, reaching more than one billion active individual users and almost two billion devices by 2020 (see Figure 1). Although a strong fixed/mobile overlap will remain, there will also be a growing group of users whose only broadband access is via 3G, 4G or similar technologies.

There are a number of complexities in the data:

- Almost all fixed broadband connections are 'actively used'. The statistics do not count copper lines *capable* of supporting broadband, but where the service is not provisioned;
- Conversely, many notional 'mobile broadband' connections (E.g. 3G SIMs in HSPA-capable devices) are, in fact, not used actively for high-speed data access. The data in this report attempts to estimate 'real' users or subscribers, rather than those that are theoretically-capable, but dormant;
- At present, most broadband usage is based on subscriptions, either through monthly contracts or regular pre-paid plans (mostly on mobile). Going forward, Telco 2.0 expects to see many non-subscription access customers who have either temporary accounts (similar to the WiFi single-use model) or have other forms of subsidised or bundled access as described later in the report;
- Lastly, the general assumption is that fixed broadband can be shared by multiple people or devices in a home or office, but mobile broadband tends to be personal. This is starting to change with the advent of 'shared mobile access' on devices like Novatel's MiFi, as well as the use of WiMAX and, sometimes, 3G broadband for fixed wireless access.

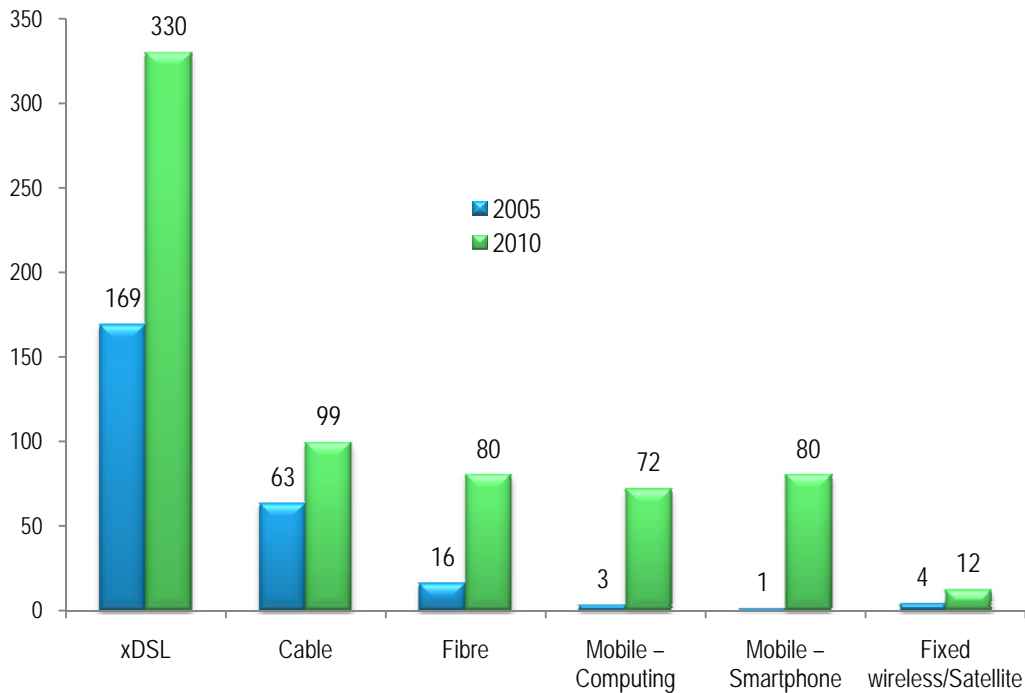
Figure 6: Global broadband access lines, 2000-2020



Source: Telco 2.0 analysis

Breaking the data out further shows the recent growth trends by access type (see Figure 2). Mobile use has exploded with the growth of consumer-oriented 3G modems (dongles) and popular smartphones, such as the Apple iPhone and various other manufacturers' recent devices. DSL growth has continued in some markets, such as Eastern Europe and China. Conversely, cable modem growth, entrenched in North America, has been slow as there has been limited roll out of new cable TV networks.

Figure 7: Global broadband access lines by technology, 2005-10

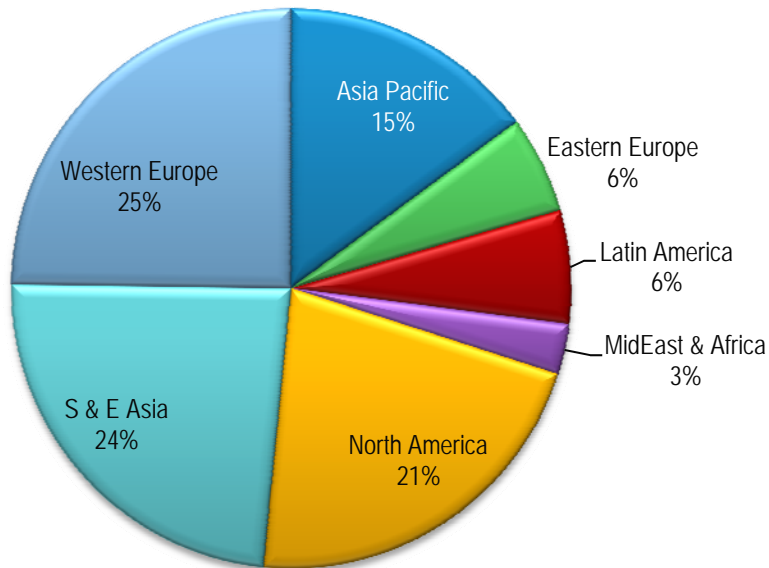


Source: Telco 2.0 analysis

It is important to note the importance of Asia in the overall numbers (see Figure 3). Although many examples in this report focus on developed markets in Europe and North America, it is also important to consider the differences elsewhere. Fibre is already well-established in several Asian markets, such as Japan and Singapore, while future growth in markets, such as India, may well turn out to be mobile-driven.

An alternative way of looking at the industry dynamics is through levels of data traffic. This metric is critically important in determining future business models, as often data expands to fill capacity available – but without a direct link between revenue and costs. In future, fixed broadband access will start to become dominated by video traffic. Connecting an HDTV display directly to the Internet could consume 5GB of data *per hour*, orders of magnitude above even comparatively-intense use of PC-based services, such as YouTube or Facebook.

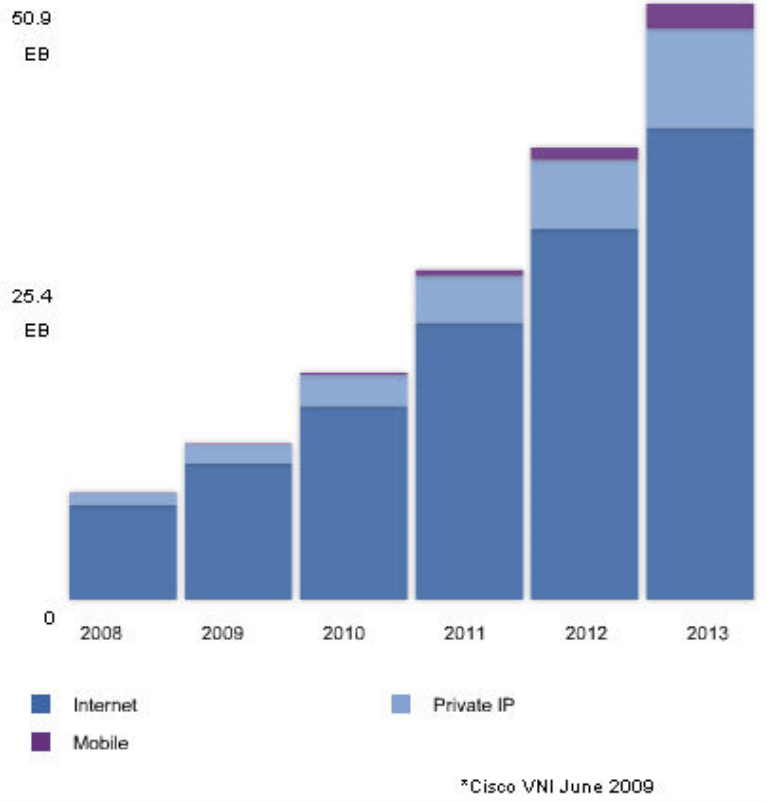
Figure 8: Global fixed broadband by region, mid-2009



Source: Broadband Forum

The dynamics of mobile traffic growth (see Figure 4) are somewhat different, and likely to be dominated by a sustained rise in the device/user numbers for the next few years, rather than specific applications. Nevertheless, the huge ramp-up in aggregated data consumption will put pressure on networks, especially given probable downward pressure on pricing and the natural constraints of cellular network architectures and spectrum. The report looks in depth at the options for ‘offloading’ data traffic from cellular devices onto the fixed network.

Figure 9: Global broadband traffic



Source: Cisco Systems

Note: EB = Exabyte. 1 Exabyte = 1,000 Petabytes = 1 million Terabytes

Four scenarios

Given the broad diversity of national markets in terms of economic development, regulation, competition and technology adoption, it is difficult to create simplistic categories for the BSPs of the future. Clearly, there is a big distance between an open access, city-owned local fibre deployment in Europe versus a start-up WiMAX provider in Africa, or a cable provider in North America.

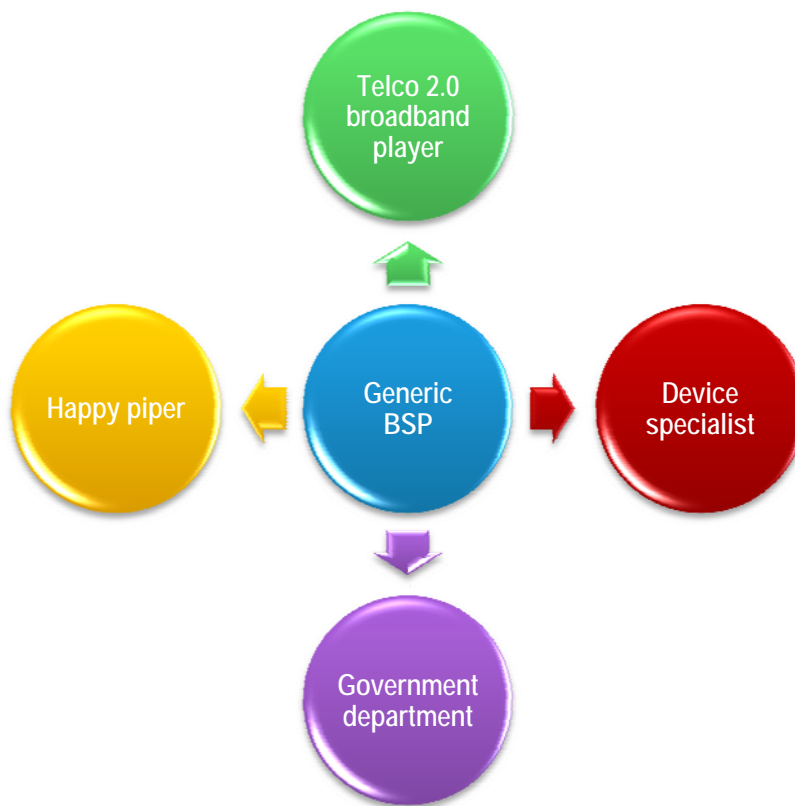
Nevertheless, it is worth attempting to set out a few scenarios, at least for BSPs in developed markets for which market maturity might at least be in sight (see Figure 5 below). While recognising the diversity in the real world, these archetypes help to anchor the discussion throughout the rest of the report. The four we have explored (and which are outlined in summary below) are:

- Telco 2.0 Broadband Player
- The Happy Piper
- Government Department
- Device specialist

There are also a few others categories that could be considered, but which are outside the scope of this report. Most obvious is 'Marginalised and unprofitable', which clearly is not so much a business model as a route towards acquisition or withdrawal. The other obvious group is 'Greenfield BSP in emerging market', which is likely to focus on basic retail connectivity offers, although perhaps with some innovative pricing and bundling approaches.

It is also important to recognise that a given operator may be a BSP in either or both mobile and fixed domains, and possibly in multiple geographic markets. Hybrid operators may move towards 'hybrid end-games' in their various service areas.

Figure 3: Potential scenarios for BSPs



Source: Telco 2.0

To buy the report:

- A Single User License is priced at £1,995 (+ VAT for UK buyers). To order, and for prices for multi-user / corporate wide licenses, please email information@disruptive-analysis.com.

The Telco 2.0™ Initiative

What is the Telco 2.0™ Initiative?

Telco 2.0™ is a collection of research, brainstorming and consulting services designed to catalyse change in the Telecoms-Media-Technology sector.

- **Telco 2.0™ Research & Analysis**
- **Telco 2.0™ Executive Brainstorms**
- **Telco 2.0™ Consulting**

The Initiative stimulates new ways of thinking about **Business Models**, Service Portfolios and Technical Architectures.

Created by boutique analyst and consulting company, STL Partners, the Telco 2.0™ Initiative was launched in May 2006 and is supported by the GSM Association, among other organisations around the world.

Since we launched the concept of the '**Two-Sided Telecoms Business Model**', the approach has been finding increasing resonance at senior levels in both mature and fast growth markets.

Why does it exist?

Key challenges for strategists who work in or with the telecoms industry are:

- **Overall Strategy:** How is the digital economy evolving, what are the best strategic responses and the most profitable market opportunities?
- **Voice and Messaging:** How best to innovate core service offerings to add value and grow revenues?
- **Data and Broadband:** How to ensure incentives and rewards are better aligned across the [digital content] value chain?
- **New Communications Services:** How can latent telecoms capabilities be better exploited to address new market opportunities?

Conventional Answers are Unsatisfactory

Leading strategists now agree that today's predominant 'one-sided' telecoms business model does not provide sufficient answers to these questions, for telcos or for other players in the digital economy. Something new is needed.

Challenges to the Telecoms Industry

IP has changed the game and many growth markets are maturing rapidly. The lines between industries are blurring and everyone is after the same consumers. This is causing disruption in the telco industry, for operators and their partners. Greater levels of creativity are needed to address the following issues:

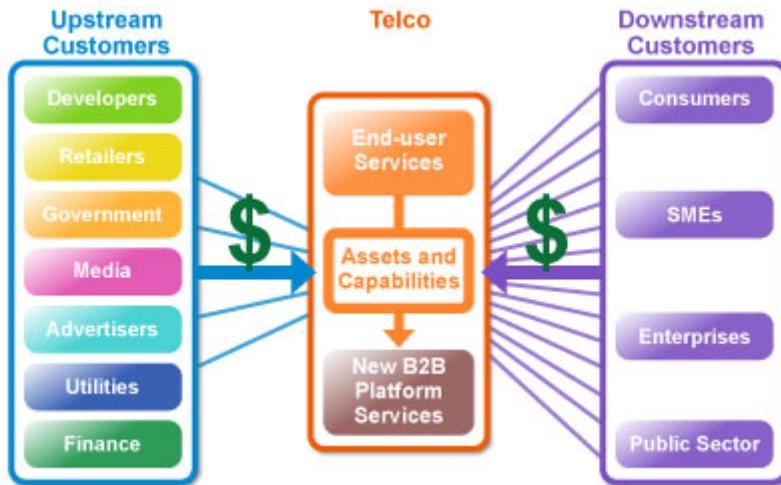
- The vertically integrated Telecoms business model is under attack from all sides: tougher regulation, new technology (most notably VoIP and open spectrum), disintermediary new entrants, and advancing customer expectations.

- P/E ratios suggest little investor belief in this improving. They have low confidence in 'converged' or triple/quadruple-play bundles providing high returns.
- Operators are making investment decisions in Network & IT, Products & Services, and Mergers & Acquisitions without a clear view of the future.
- 92% of respondents to an STL online survey replied that *'re-thinking the strategic role of the operator'* is a key priority.
- 85% of senior execs said the current telco business model will no longer deliver sufficient growth. (Telco 2.0 Survey, November 2008)
- There is an urgent need for all players in the telecoms value chain to review and renew their **business models**.

The Opportunity

Fortunately telecom's companies possess a whole host of assets that could be exploited much more to support new, sustainable market growth. The key is for telcos to create open platforms that help other service providers (enterprises, SMEs and government) interact with end-users in more efficient ways than they can today.

Figure 10: Telco 2.0™ 'two-sided' telecoms business model



We call this the 'two-sided' telecoms business model, delivering value to and generating revenue from 3rd party service providers as well as end-users. The 'two-sided' business model has consequences for the design of existing services such as conventional voice, messaging and data/broadband products (e.g. see [Voice & Messaging 2.0](#) "What to learn from - and how to compete with - Internet Communications Services") and also creates opportunities to create new revenues and B2B Platform Services.

Our analysis shows that in 10 years time this new business model could deliver up to 30% growth in annual revenues to operators and dramatically enhance the value of the industry to the wider 'digital economy' (Please see: [Future Broadband Business Models](#) "Beyond bundling: winning the new \$250Bn delivery game" and [The 2-Sided Telecoms Market Opportunity](#) "Sizing the new \$125Bn platform services opportunity")

To realise this ambition we need to re-think not only our organisational and technology structures, but also how we collaborate across a wider ecosystem.

How to get involved?

- To start to explore the opportunities in more depth see our [reports](#) or attend one of our Executive Brainstorm [events](#)
- To access our searchable knowledge base of information, case studies and learning, please see our Executive Briefing Subscription Service [here](#)
- To engage and act with the industry we invite Telcos to join the Telco 2.0™ Operators Club and Vendors join the Telco 2.0™ Partners Programme (email: contact@telco2.net)
- To explore the strategies appropriate to your organisation arising from these developments use our [consulting](#) services
- We also use our insights, contacts and experience to help clients evaluate and implement innovative strategies and applications, and to create new business opportunities - email contact@telco2.net
- To keep up to date with the latest news please see our widely read [blog](#) or sign up to our [newsletter](#)

For more detail, please see the full [Telco 2.0™ Manifesto](#)

Who to contact?

Enquiries to: contact@stlpartners.com