



ERICSSON

THE NETWORKED SOCIETY

PER FREDRIKSSON
PRINCIPAL

AGENDA



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The Networked Society – a Vision already in the making

The changing consumer & a new mindset

Opportunities & benefits for society



WORLD LEADING PROVIDER OF TELECOMS EQUIPMENT & SERVICES



- > 40 % OF THE WORLDS MOBILE TRAFFIC GOES THROUGH OUR NETWORKS.
- > 50 % OF ALL SMARTPHONES ARE ON AN ERICSSON NETWORK
- > THE NETWORKS WE SUPPORT SERVE MORE THAN 2 BILLION SUBSCRIBERS
- > BIGGEST SHARE OF R&D IN THE INDUSTRY
- > LTE CONTRACTS WITH 5 OF TOP 10 OPERATORS IN THE WORLD: VERIZON, AT&T, DOCOMO, VODAFONE



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TODAY

2 B Internet users

5 B Mobile subscriptions

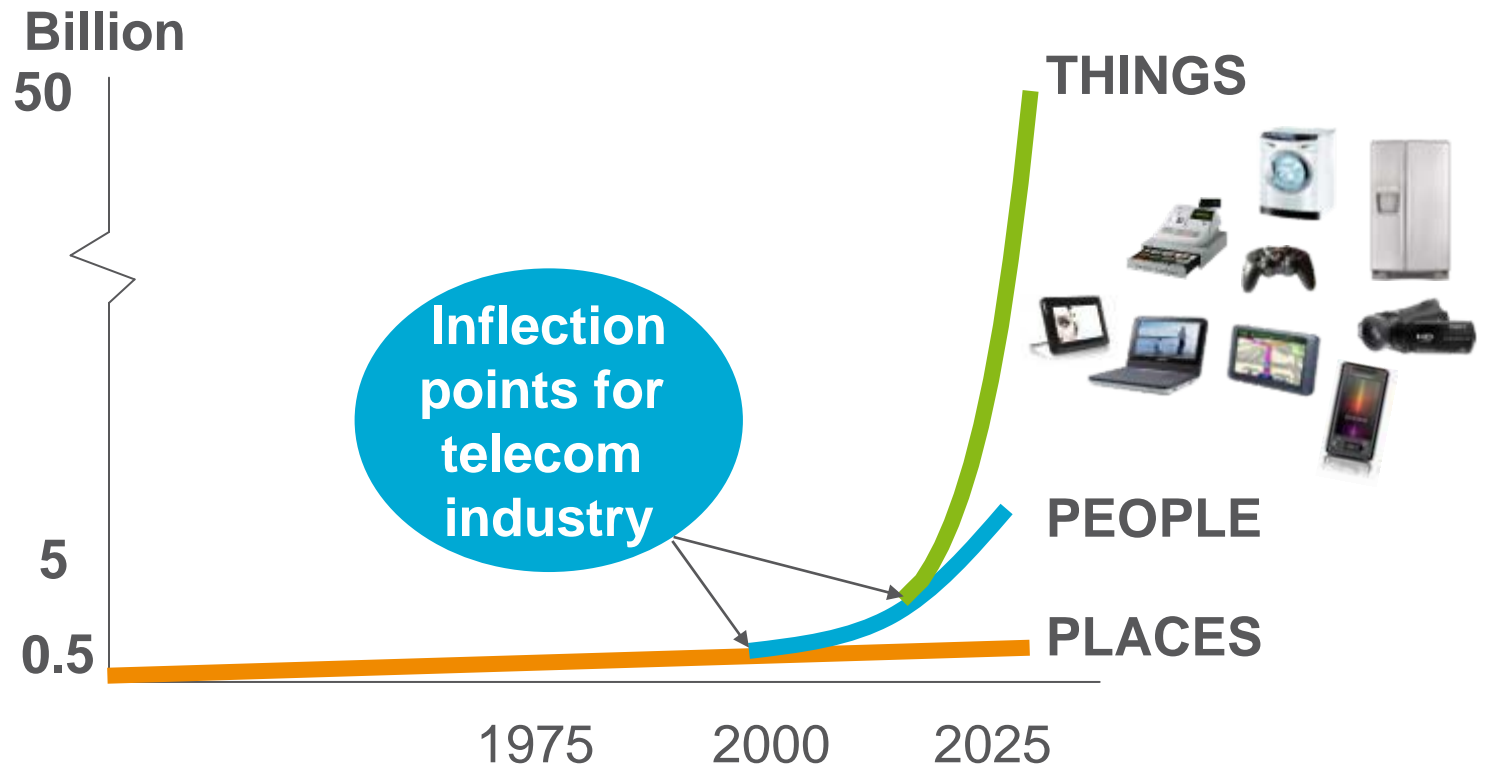
80% Population coverage

200.000 SMS each second

1.4 B Social media users

20 B App downloads

EVERYTHING WILL BE CONNECTED AN INDUSTRY GROWTH STORY



EVERYTHING WILL BE CONNECTED

Drivers

- Entertainment, security, health
- Productivity, new revenues
- Sustainability, regulation

Connected consumer electronics



Intelligent transport, industry and society, smart utilities



- Broadband ubiquity
- Declining cost of connectivity

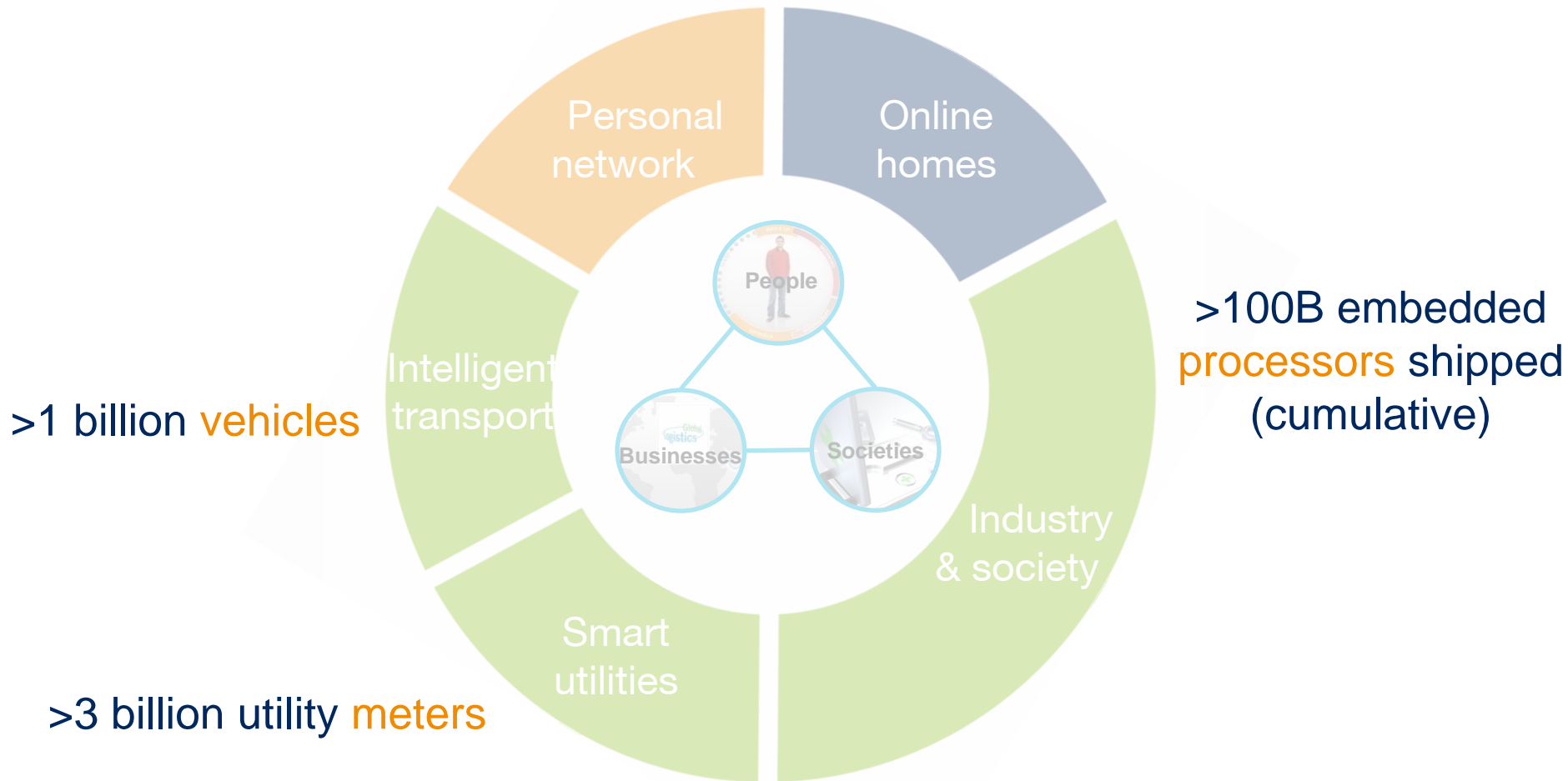
Enablers

CONNECTED DEVICES



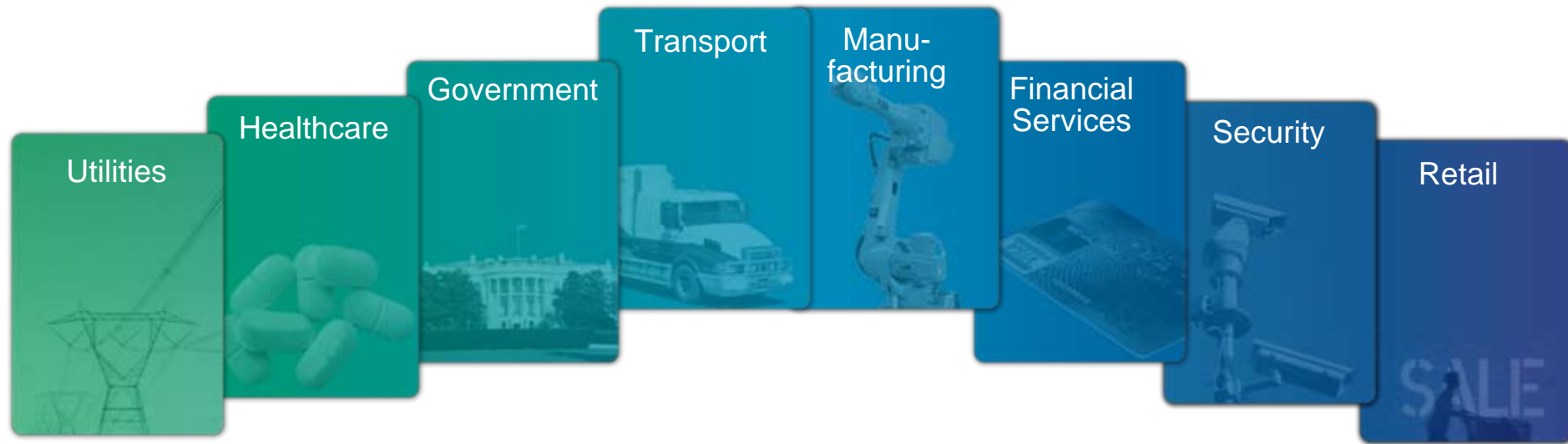
50 BILLION CONNECTED DEVICES 2020

3B middle class consumers x 10 connected devices
30B **connected consumer devices**



BUSINESS PROCESSES IN 2020

Self service applications, M2M communication and automation will transform business processes



[ICT is critical to secure sustainable competitiveness]

VISION

IN THE NETWORKED SOCIETY **PEOPLE,**
KNOWLEDGE, DEVICES, AND INFORMATION
ARE NETWORKED FOR THE GROWTH OF
SOCIETY, LIFE AND BUSINESS.

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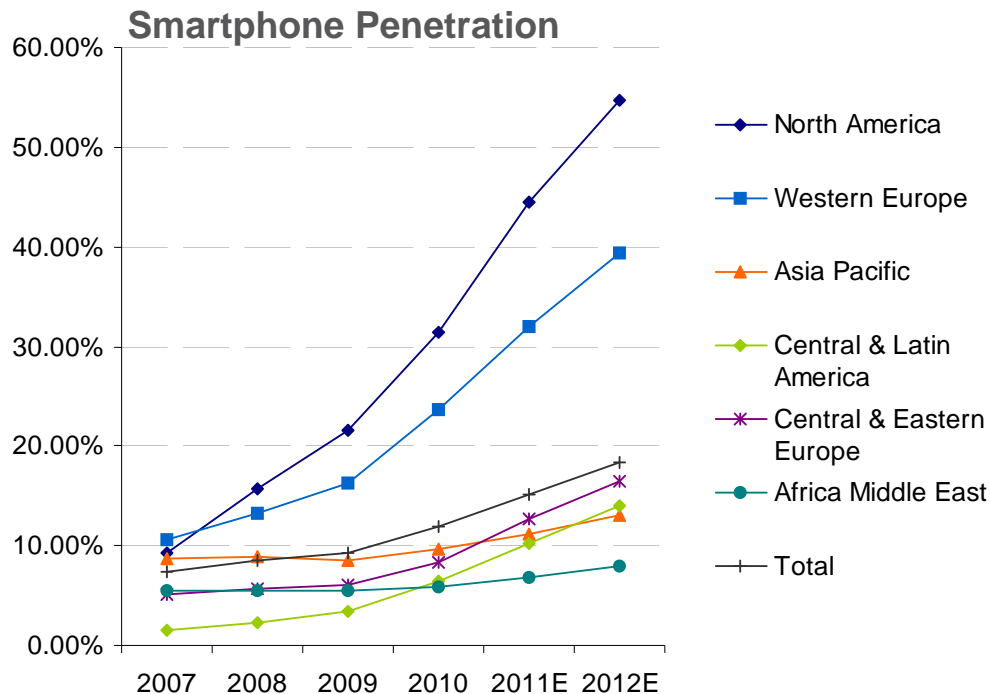


A REVOLUTION DOESN'T HAPPEN
WHEN SOCIETY ADOPTS NEW TOOLS,
IT HAPPENS WHEN SOCIETY ADOPTS
NEW BEHAVIOURS.

Clay Shirky
Associate Teacher for New Media at NYU

SMARTPHONE REVOLUTION

FLOODING THE MARKET AND BRINGING NEW CHALLENGES



In 2015 the smartphone penetration in Latin America will reach 35%.

VoIP applications over the smartphones constitutes a real challenge for operators.

THE APP PHONE EVEN MORE PERSONAL

THE OPPORTUNITY & CHALLENGE

Emotional attachment



Like



Like
very much



Love



The Mobile phone



“The App phone”

› Personal



› Vital functionality



› Metaphor

– Keys



– Wallet



› A reflection of self

› Access to my whole world

› Metaphor

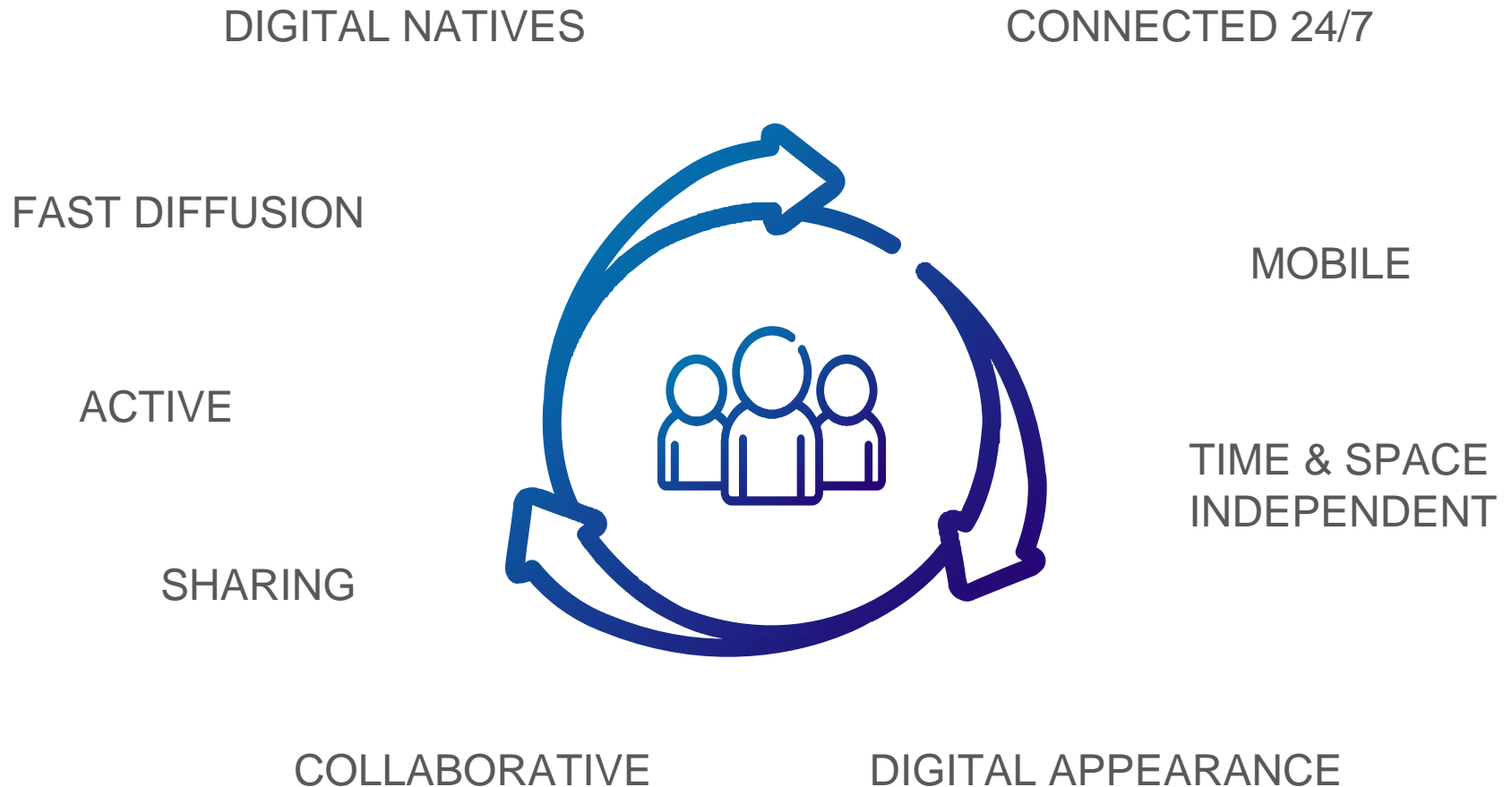
– Right hand

– Mini-me

35 % of Smartphone users in US use apps *before getting out of bed*

18% check their Facebook status

CHANGING BEHAVIOR



NEW MINDSET

MENTAL SHIFT

CHANGING BUSINESS

TECHNOLOGY



OPPORTUNITIES

NETWORKED SCHOOL

NETWORKED HEALTHCARE



NETWORKED UTILITIES



EXAMPLE: PROJECT K-NECT NORTH CAROLINA USA

- › Students are given smart phones with 24/7 Internet access which they can use at home or school.
- › Students have full access to both the Project K-Nect curriculum, as well as the smart phone features including instant messaging, video and photo capabilities, calculators and Internet access

“The smart phone is like a teacher in my pocket.” – Project K-Nect Student

“I can’t go back to the way I taught before Project K-Nect.” Project K-Nect Teacher



TELEFONICA EDUCARED

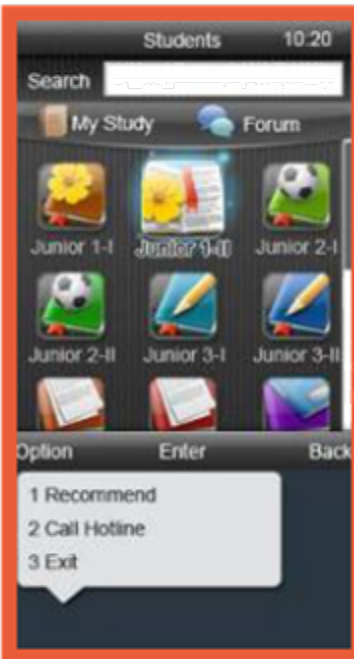
La Red de la Educación 2.0 Educación, Innovación, Colaboración

Educared
Fundación Telefónica

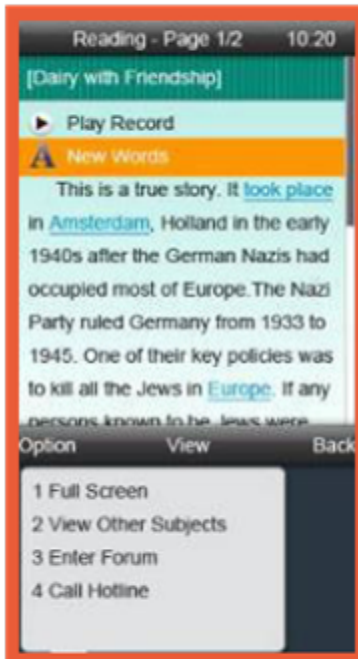


EXAMPLE OF REACHING OUT

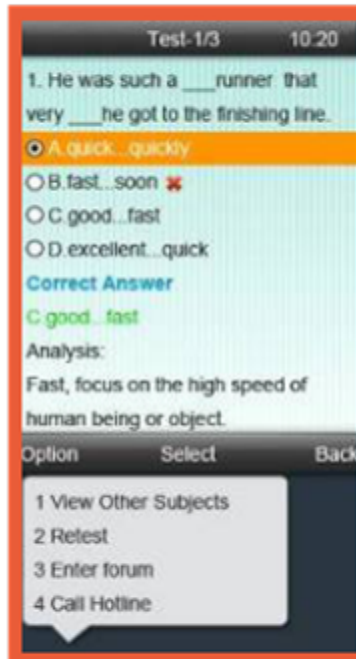
FOR STUDENTS



**SCHOOL
CURRICULUM**

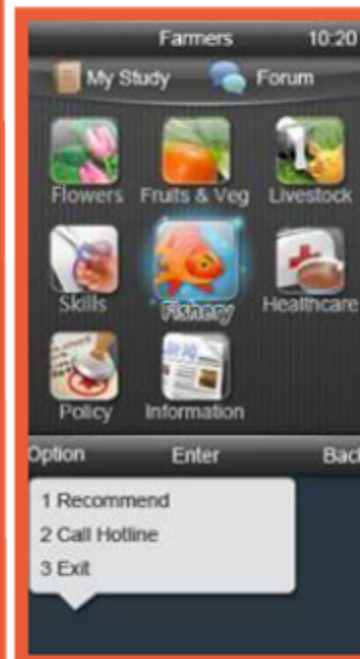


**BRIEF
COURSE**

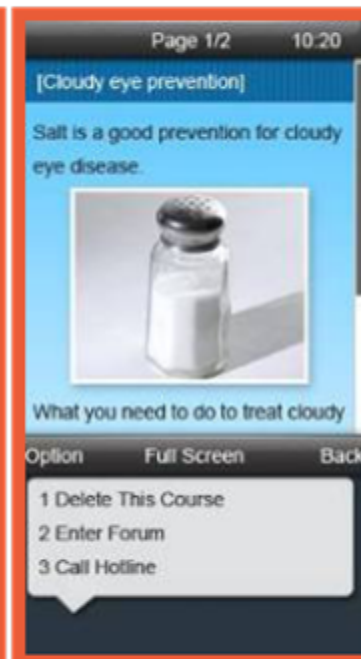


**QUICK
QUIZZES**

FOR FARMERS



**RELEVANT
DOMAINS**



**SIMPLE
SOLUTION**



WHEN AND WHERE
LEARNING
MAKES A DIFFERENCE

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GENERAL CONSENSUS ON ICT BENEFITS

The vast majority of academic research points towards GDP growth partly contingent on broadband penetration

Examples of organizations stating a positive impact of broadband



Quotes

"Broadband has a significant impact on growth and deserves a central role in country development and competitive strategies"

2009

Rossotto et al.

"Broadband has a positive impact on employment "

2007

Brookings Institution

"Several academic studies find that broadband has a positive effect on the environment and society"

Ovum 2008

ICT & TRIPLE-BOTTOM-LINE DEVELOPMENT

Main conclusions from the Ericsson study regarding ICT effects on society have been summarized in terms of economic, social and environmental gains

Not exhaustive

Economic benefits

- › For every 10 percentage points increase in broadband penetration the isolated economic effect on GDP growth is around 1% of GDP
- › For every 10 percentage points increase in mobile phone penetration the isolated economic effect on GDP growth is around 0,5% of GDP
- › For every 1000 additional broadband users, roughly 80 new jobs are created
- › Studies on government efficiency conclude that significant savings are made by transforming offline governmental services into on-line services

Social benefits

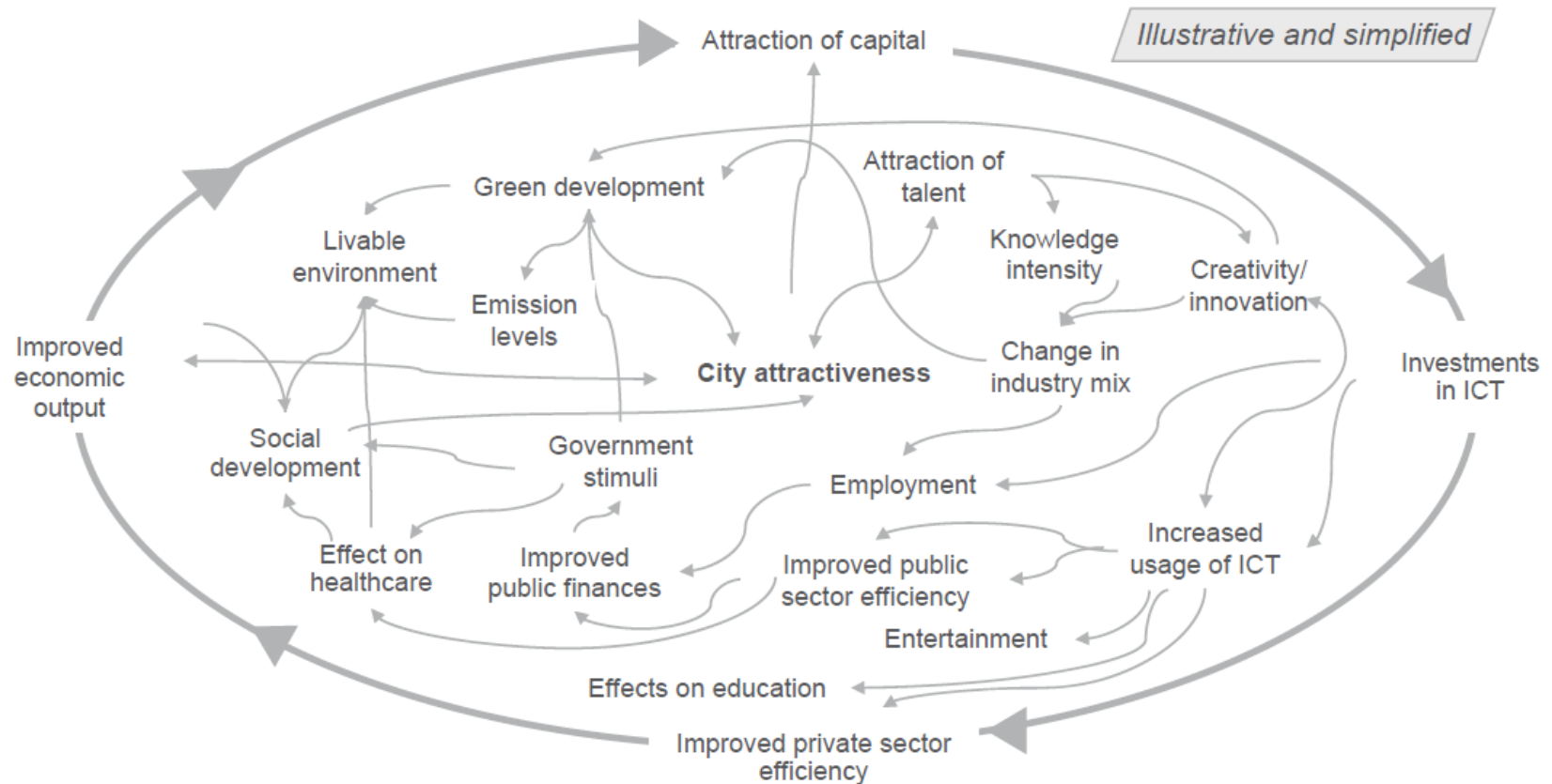
- › Improved pupil attainment and educational performance
- › Increased political participation
- › Increased social interaction and communication
- › Improved health (e.g. reduced infant mortality in developing countries)

Environmental benefits

- › Reduced energy consumption
 - E.g. Smart grid development for improved energy efficiency
- › Reduced greenhouse gas emissions, pollutants and traffic congestion
 - E.g. intelligent traffic systems for congestion reduction
 - Improved possibilities for telecommuting

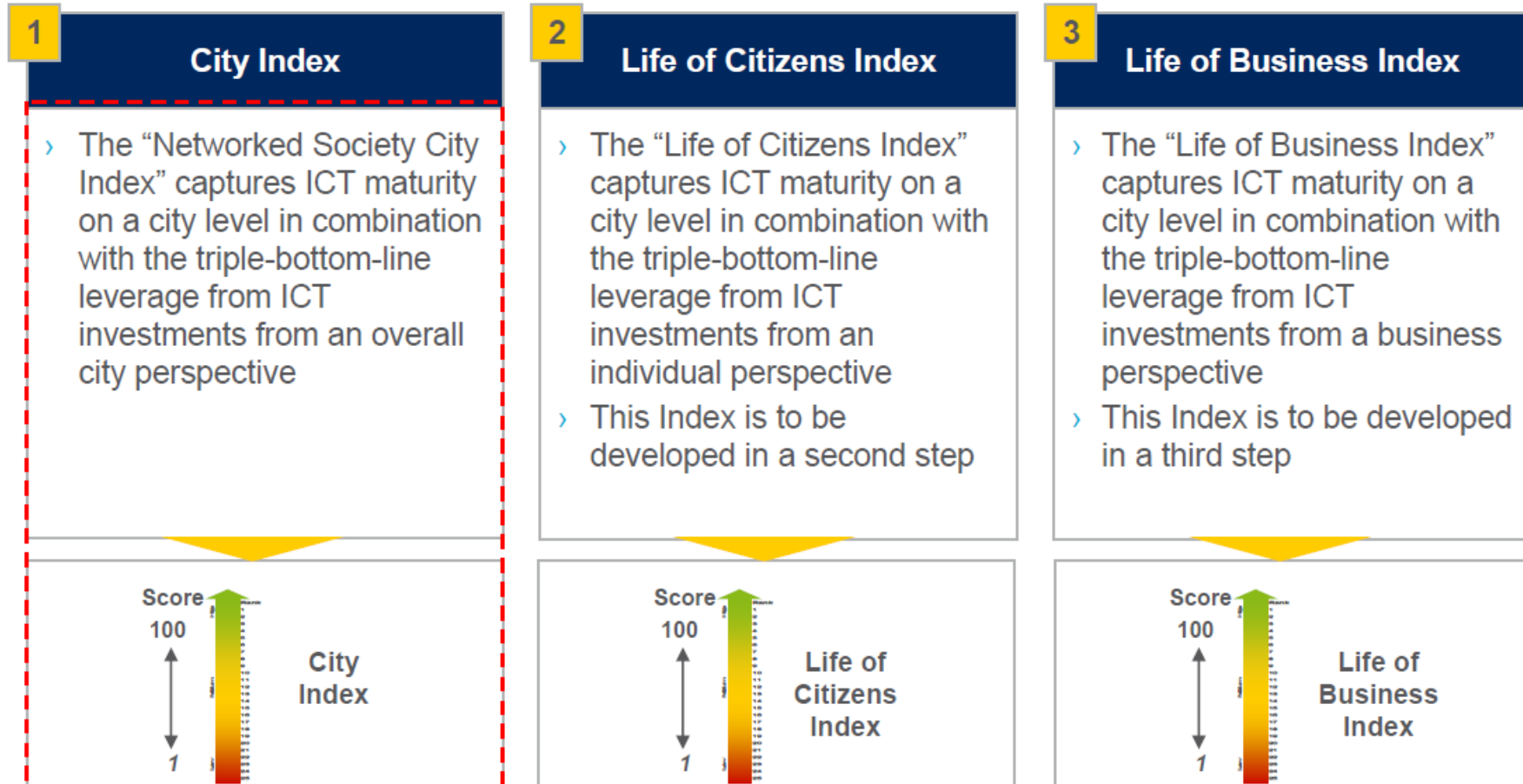
ICT & TRIPLE-BOTTOM-LINE DEVELOPMENT

The linkages between ICT and triple-bottom-line benefits form a complex web of inter-dependencies – effects in one part of a society produce effects in other parts of the society



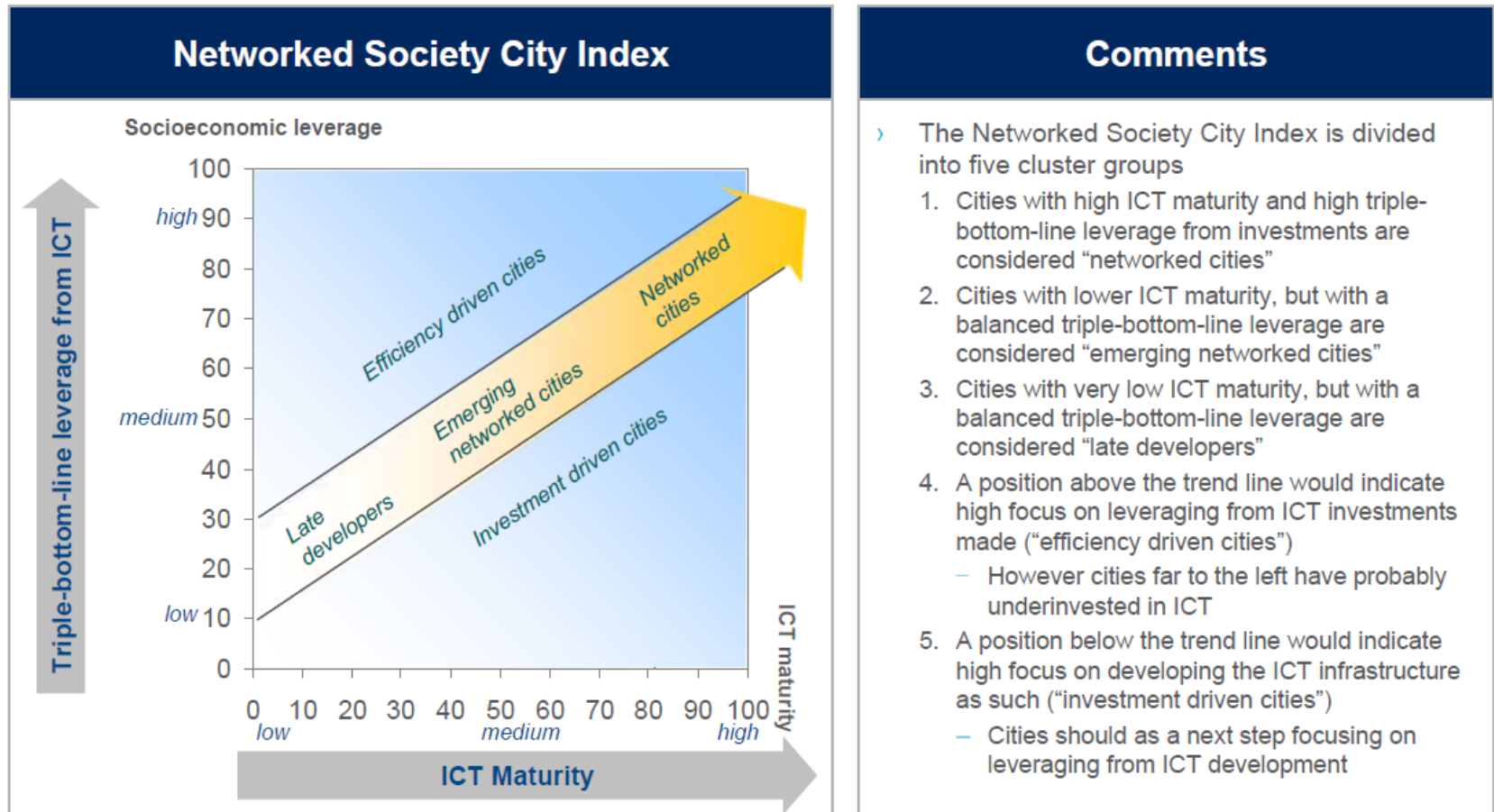
JOINT FRAMEWORK ERICSSON & ARTHUR D LITTLE

A framework including three Networked Society Indexes has been developed – the “Networked Society City Index” is the first study performed in the series of three



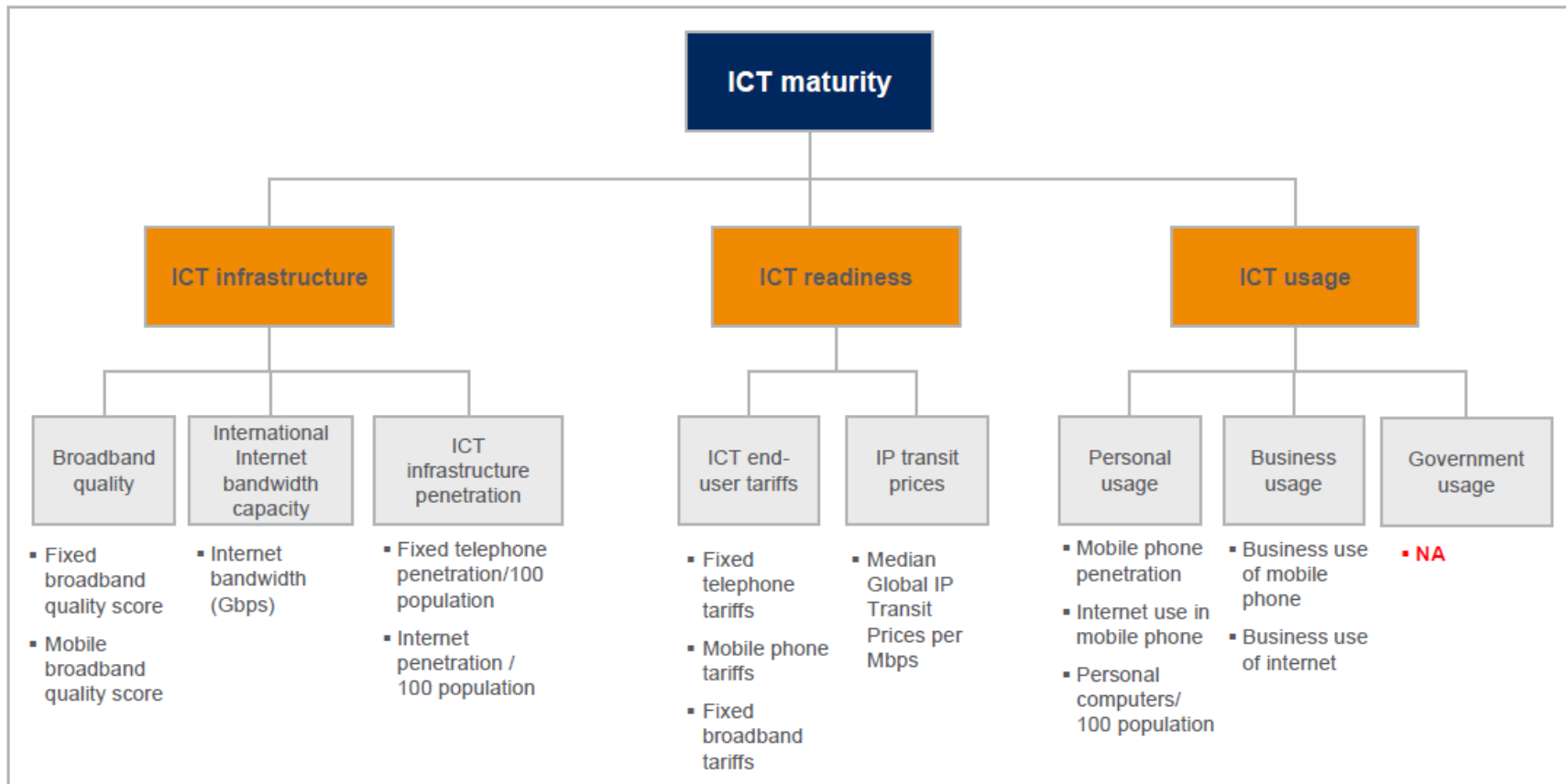
INDEX CONSTRUCTION

The Networked Society City Index is divided into five cluster groups where each city is classified according to its combination of ICT maturity and triple-bottom-line ICT leverage



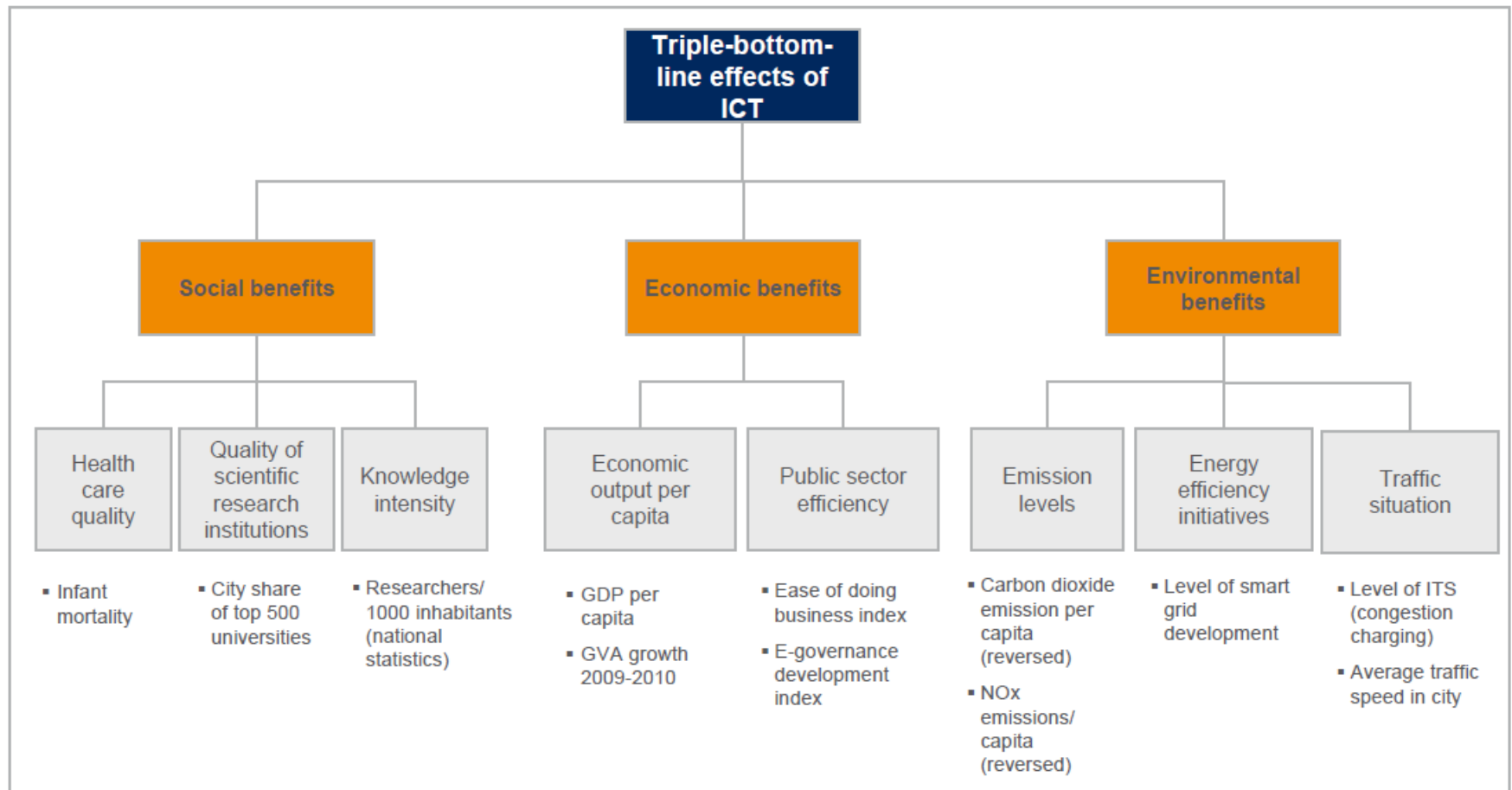
MATRIX VARIABLES

The basic ICT infrastructure index focus is based on a logic similar to the ICT development index on a country basis – however with increased focus on core ICT infrastructure indicators



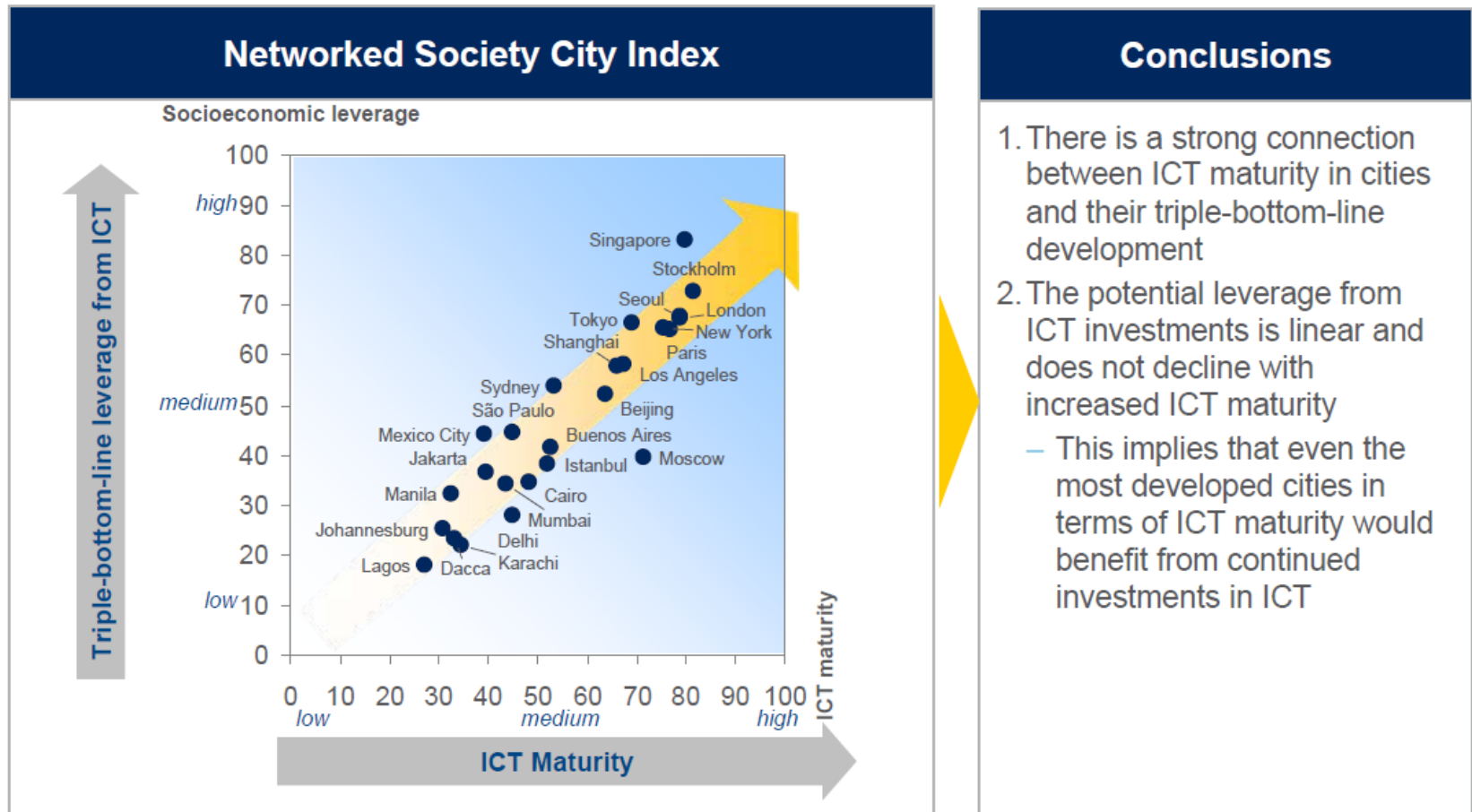
MATRIX VARIABLES

The City Index aims at measuring benefits for the entire city population



NETWORKED SOCIETY CITY INDEX RANKING

The results of the Networked Society City Index clearly shows that there is a strong, almost linear, correlation between ICT maturity and triple-bottom-line development



SINGAPORE : OBJECTIVE-> COMPETITIVE ADVANTAGE

iN2015< IMAGINE YOUR WORLD

Vision

5

**Intelligent Nation and Global City
powered by Infocomm**

- innovation, integration and internalisation
- ➔ enhanced National Competitive Advantage

THE IMPORTANCE OF STATE-OF-THE-ART INFRASTRUCTURE

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iN2015 Goals

7

#1 in the world in harnessing infocomm to add value economy and society

2 – fold increase of the industry to S\$26 billion

3 – fold increase in export revenue to S\$60 billion

80,000 additional jobs

90% home broadband usage

100% computer ownership in homes with school-going children

KEY FACTORS

iN2015< IMAGINE YOUR WORLD

iN2015 Strategic thrusts

8

1. Infrastructure
2. Industry
3. Pool of Talent
4. Cluster Transformation
5. Bridging Digital Divide



THE NEW ICT INDUSTRY



ERICSSON