Technical Convergence and Network Development

Thorsten Heins, Chief Technology Officer, Siemens Communications

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September 17, 2005 – The Economist announces the death of the traditional telephone business

How the internet killed the phone business
Say goodbye to the traditional phone business?
Say hello to new services!

- Audio/video on demand, Personal video recorder
- Internet on TV
- Home security
- Messaging (SMS, MMS)
- Home control
- Gaming

Stefanie: What do you think about this movie...?
The transformation of our industry has major implications

**Key industry trends**
- Overall trend toward mobility
- IT rules now apply to telecom
- IP technology drives voice/data convergence
- Software displaces hardware
- Open standards displace proprietary technologies
- Increasing demand for broadband
- Borders between carrier and enterprise domains disappear

**Implications for network operators**
- Consolidation of operations
- Increasing competition among CATV companies, ISPs, fixed and mobile network operators
- Eroding prices for voice services (VoIP)
- Need for new competitive offerings, e.g. Home Entertainment

**Implications for enterprises**
- Telcom investment must reduce costs
- Security is a major concern
- Demand for outsourcing
- Customer requirements are becoming more industry-specific
- Demand for workforce mobility
From closed to open systems

**Yesterday**
- Mobile services
- Fixed services
- Enterprise services
- Monolithic solution to the device
- A few open standards

**Today**
- Solutions
- Services
- Applications
- Enabling Applications
- Control
- Routing / Switching
- Transport, Access
- Horizontal, modular
- Open standards at all levels

**Attributes**
- TDM phone
- 2G cell phone
- TDM switch (e.g. EWSD, MSC)
- Transport, Access

**Services**
- Clients and devices
- Control and applications
- Network infrastructure
Levels of convergence

- Devices
- Applications
- Network
- Access
A wide variety of coexisting access technologies
IMS is a powerful convergence tool
The Siemens LifeWorks vision – leveraging the intelligence of the converged public network

The network provides seamless access to all applications and services.

Unified domain
Unified user experience

Mobile workers
Cellular
WAN/Internet
Corporate network/VPN
Public telephony network
Headquarters
Branch office
Home office
Personal/Family
A wish list for regulators

- Stable, predictable and feasible legal and regulatory provisions
- Light regulation that gives market forces as much latitude as possible
- Fair and equal opportunities, not only in Europe
- Foster innovation by supporting new technologies and businesses
Thank you