

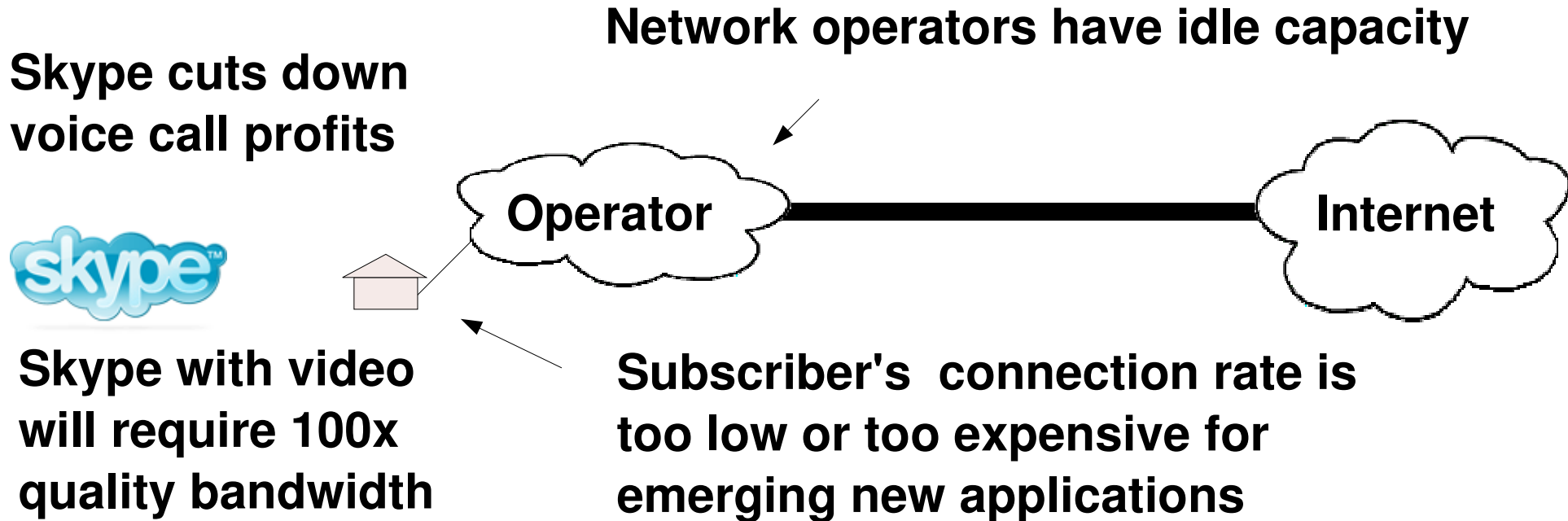


Staseolog

Ensuring Network Traffic

Proposal for a new model of consumer broadband business

- Broadband Operator's Problems**
- What's Causing the Change**
- Solution in Five Steps**
- Operator's New Business Model**
- Operator's New Broadband Product**
- Summary**



- Cheap and expensive subscriptions work equally well for an average subscriber, so the cheapest price wins
- There is virtually one product for all customers
- Operators are selling low-profit *technical* connections per kilos
- Operators have invested in bandwidth they can't sell
- Peer-to-Peer bypasses operator in selling *service* to consumers
- Operators must find ways to produce added value to subscribers

Almost 80% of Internet traffic is P2P

P2P is the main reason to subscribe broadband

Illegal P2P usage common

P2P can take all the given bandwidth with no room for others

P2P gets discriminated by the operators

Microsoft®

SONY

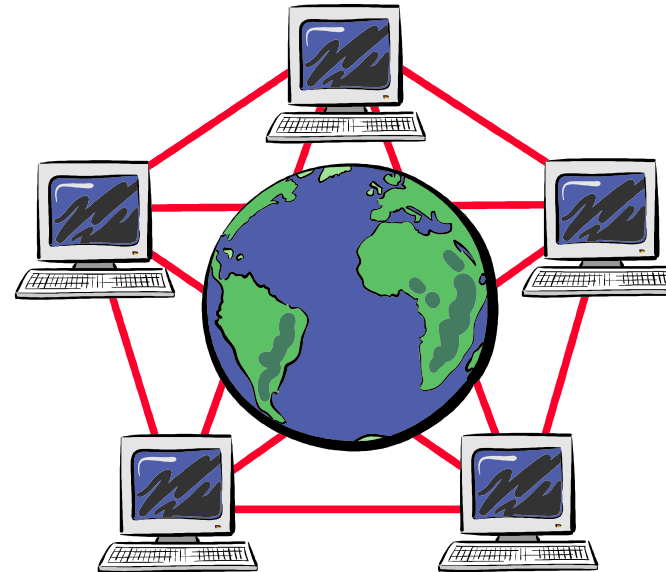
Encrypted P2P can not be limited

Legal P2P shouldn't be limited

Internet traffic will increase 1000-fold



- Peer-to-Peer is a new immaterial (wireless) media
- It is the superior means to transfer data in terms of efficiency, cost, and reliability
- P2P will be the main platform for emerging applications in telephony (VoIP), broadcasting (IPTV), and entertainment (VoD)
- P2P will dominate in business use (Microsoft)
- P2P breaks broadcasting monopolies



Apply the following five steps to find the solution:

- 1. Adapt to the change and improve the odds to win**
- 2. Increase productivity by means of automation to reduce cost**
- 3. Apply product differentiation to attract large customer base**
- 4. Increase the quality grade to get higher price for the product**
- 5. Implement in terms of the competition on the market**

**"Choose the battlefield to get the advantage"
Sun Tzu, The Art of War**

Free Your Network!



- 1. Adapt to the change and improve the odds to win**
 - Use the congestion for your benefit, if you can't eliminate it**
 - Increase the internal connection rates to the maximum (Full Rate)**
 - Sell Internet bandwidth 1000 times instead of 10 times over**
 - Cease limiting unknown (P2P) traffic, ensure known traffic instead**
 - Sell priorities and guaranteed bandwidth to the services**
 - Now you can differentiate products according to type of usage**



https://solo3.nordea.fi/cgi-bin/S953KPMiyp/SOLO0010?A10I_PAGE=HFRAMES

Yrityspalvelut Nordea

Alkuun Posti Uutiset Lopetus Asetukset Ohje Ehdot

Maksut

- Uusi maksu
- Ulkomaille
- Erääntyvät

Tilit

- Tilin avaus
- E-saldotodistus

Rahoitus

Trade Finance

Lainat

Sijoitukset

Vakuutukset

Valuuttapalvelut

Valuuttakauppa

- Tehdyt kaupat

Valuuttatermiini

- Tehdyt termiinit

Hyödyllistä tietoa

[Ainutlaatuinen tarjous e-laskusta!](#)

[Solo-tunnuksilla käytettävien palvelujen yleiset ehdot muuttuvat](#)

Maksutilanne

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[Suoraveloitus- ja suoralaskuvaltakirjat](#)

Käyttely- ja valuuttatilit

Tilin nimi	Saldo	Käytettävissä	Saldon päivä
295018-20574 euro	300.041,00+	400.041,00+	10.11.2005
295018-20582 euro	18.443,20+	18.443,20+	10.11.2005

2. Increase productivity by means of automation to reduce cost

- Let the subscriber to do the work in the net with a browser
- Use automation to receive, activate, and charge requests
- Fast response increases customer satisfaction
- Automation enables subscriber-specific on-line service
- Reduced need for personnel dealing with customers
- No more work needed for identifying and limiting popular traffic

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3. Apply product differentiation to attract larger customer base

- Sell subscriptions according to the intended usage, not by kilos**
- Home, Family, Game, Movies, Office, Custom, Telecommuting etc.**
- Segmentate subscribers, e.g., <http://www.lawersonline.co.uk>**
- Low entry price for basic subscription plus profile upgrade options**
- Offer attractive third party applications to each group**
- Ally with application developers, support diversity**

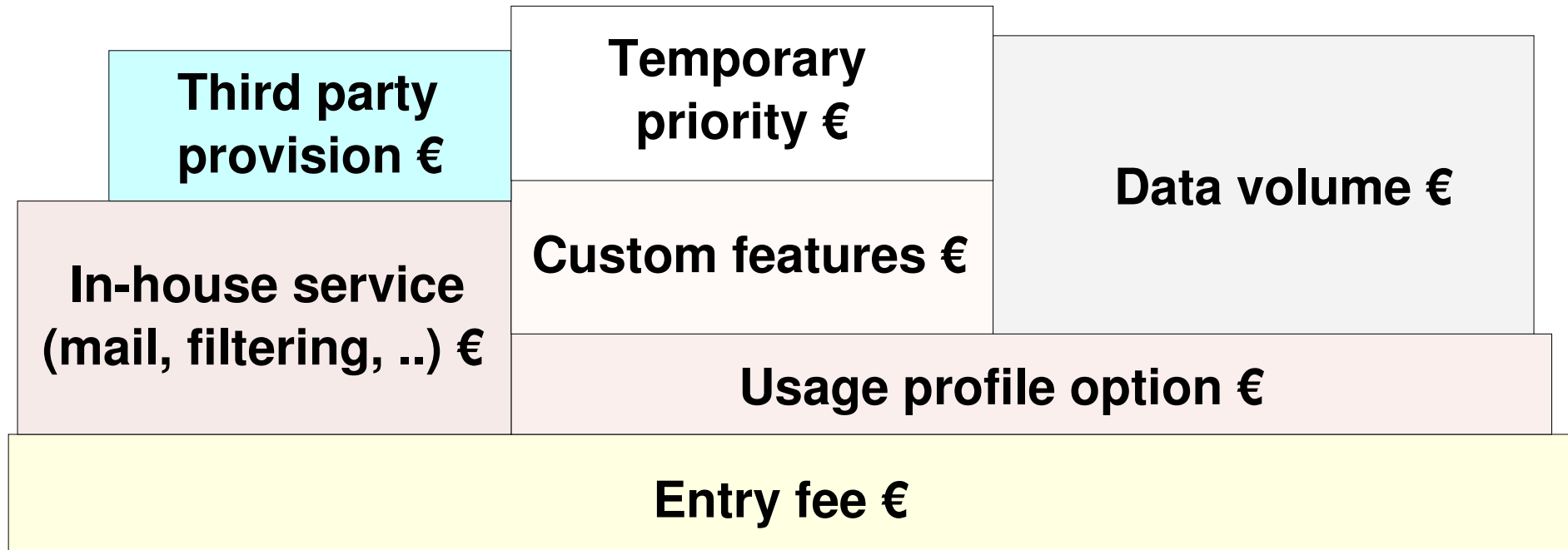


4. Increase the quality grade to get higher price for the product

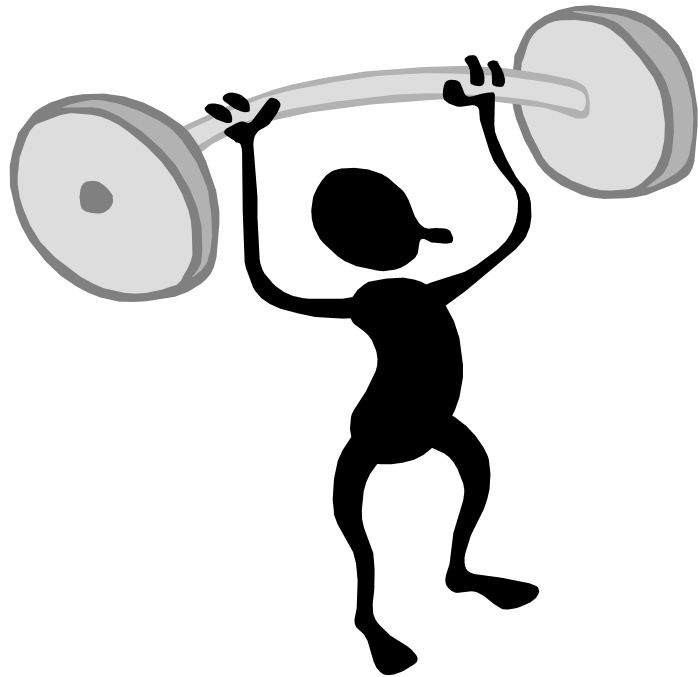
- Develop more sophisticated products using new technology**
- Listen to the customer, the trend is towards on-demand**
- Enable instant and interactive on-demand requests**
- Apply Pay-Per-Use, charging according to usage**
- Apply gradual charging**
- Look for killer applications, support immediately**

Focus on Customer**5. Implement in terms of the competition on the market**

- Apply low entry price (market price) for monthly subscription
- Get the rest of the cash flow from supplement sales
- Monthly options, temporary options, provisional sales
- Apply highest best effort rates, the Full Rates, thus enabling the emerging applications
- Few subscribers are engineers - "so what" instead of "what"



- **Core Competence in Service instead Technology**
- **Applications are *safe* and *easy to use*, guaranteed by the operator**
- **Focus on application *delivery*, not on application *production***
- **Higher priority for higher price in congested networks**
- **Customer segmentation and product differentiation**
- **Sophisticated provisioning and gradual charging**
- **Choosing own (battle)field, different to competitors**



<i>Product Features</i>	<i>New</i>	<i>Old</i>
Top rate in Mbps.....	1000.....	1
Guaranteed bandwidth...YES.....	YES.....	NO
Monthly fee, entry level...4 €.....	4 €.....	20 €
VoIP support.....	YES.....	NO
P2P support.....	YES.....	NO
Gaming support.....	OPTION.....	NO
VoD support.....	OPTION.....	NO
Customized support.....	OPTION.....	NO
Availability.....	Minutes....	Months

- Home, Family, Nerd, Video, Game, Office etc. instead of "2 Mbps"
- Technical features optimised according to the intended usage
- Unlimited traffic on Full Rate connections
- Low entry price complemented with supplement sales
- For additional price, more demanding applications will work
- Easy and secure access to third party services
- Interactive subscription modifications in Internet

Next Generation Bandwidth Management



"Network Solution of the Year"

- Competing with the lowest *price* only really doesn't pay off
- P2P is a business opportunity but requires new business models
- New applications require high quality beyond Best Effort
- Sophisticated service instead of technology: Simple, Safe, Secure
- Fill the network with Full Rate subscriptions, sell priorities
- Combine a low entry price with *options* to increase revenues
- Options can be associated with the service of a third party