Telecom value chain: analysing the opportunities
IPX summit 2013

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Networks going all-IP challenge telecom business models

Voice as the telecom core business is under on-going erosion

High speed networks such as LTE, new generation devices and innovation from Online Service Providers (OSPs) enable new data demand patterns and services (including voice service from OSPs)

... meaning explosion of data usage and high network investments to keep up

In the new all-IP world, customers still demand best quality of service, high reliability and global reach for all services

Mobile operators must leverage their network assets, quality of service and interoperability being two of them
IPX can help tackle these challenges

- Global reach - interconnect
- Simplify interconnect
- Maintaining value proposition of today’s voice in an IP world
- Unfold new opportunities
IPX can help tackle these challenges: focus on voice

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IPX
IPX is needed to support quality voice evolution

- **Voice over LTE (VoLTE)** is the next evolution of voice

- 4 operators in 2 countries have already launched VoLTE, 35 others planning to do so from next year

- It is essential:
  - to keep the existing voice proposition across networks: end-to-end quality of service, reliability, security
  - to differentiate from competitors, typically with end-to-end HD quality

- Such an end-to-end value proposition will only exist if we have an **end-to-end IP path**, including IP interconnection (vs existing TDM)
GSMA promotes transition towards voice IP interconnect

- Transition towards a full end-to-end IP chain needs to be prepared ahead effective VoLTE launch. GSMA - together with i3F - is promoting the migration of voice interconnect to IPX

- GSMA is facilitating international commercial end-to-end voice pilots organised from 2013
  - Make sure that Voice over IPX works (technical + commercial agreements) with real traffic
  - Migrate commercial traffic or use for new all-IP traffic

- One pilot (Voice over IPX) is nearly completed, another one currently being prepared
IPX can help tackle these challenges: focus on RCS

- Global reach - interconnect
- Simplify Interconnect
- Unfold new opportunities
- Maintaining value proposition of today’s voice in an IP world
IPX is needed to support ubiquitous reach of mobile communications

- RCS is the next wave in personal mobile communications
  - It delivers a consumer experience beyond SMS by providing instant messaging, video sharing and file transfer across any device, on any network
  - 16 operators live with RCS, 67 committed worldwide

- Existing RCS interconnections are all direct and have taken…. long (>6 months) to achieve

- Need of using IPX to provide hub interconnect for RCS:
  - Reduce the number of interconnect from n to 1
  - Simplify technical complexity of SIP interconnect
  - Therefore turn RCS into a truly ubiquitous service
GSMA is investigating the use of IPX for RCS

- GSMA has gathered information on the market availability of such a hub for RCS interconnect

- GSMA is currently evaluating the feasibility of a pilot as well as appropriate support from some mobile operators
IPX can help tackle these challenges: focus on interconnect with OSPs

- Global reach - interconnect
- Maintaining value proposition of today's voice in an IP world
- Simplify interconnect
- Unfold new opportunities
IPX can enable new business models and unfold new opportunities

- Market trends:
  - Mobile operators must embrace speed of innovation from Online Service Providers
  - Complexity of existing service interconnect needs to be simplified
  - End users want to experience future services with chosen quality. Online Service Providers seek assurance for good delivery

- A transport, service-unaware business model, based on **end-to-end quality differentiation** (prioritisation of data) should enable those needs

- **Alternative** interconnect offering that mobile operators provide to Online Service Providers
GSMA is currently defining an alternative interconnect business model

- Such a new business model is only applicable using a managed interconnect network (i.e. direct interconnect or interconnect via IPX)

- Benefits for all members of the value chain
  - End users: premium service
  - Network Operators: enable innovation
  - Carriers: deliver a premium service based on different service classes
  - Online Service Providers: deliver a premium service

- The GSMA is currently working with its members to define such a business model and propose it to the industry
THANK YOU!