Nokia 3.0

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User devices:
China takes it all (cost advantages, credit lines attached to subscription period)

Network devices:
China takes it all (cost advantages, credit lines attached to amortization period)

Network installations:
European companies still strong (there are no cost advantages for China).

Possible Strategic Responses

1) move towards a service forcused organization
(like Ericsson is installing Huawei equipment by telcos)

2) move towards a knowledge focused organization
(as in: delivering China brand/IP/markets/tech/marketing knowledge services)

3) move towards a sales focused organization
(as in: branding China unknown brands as Nokia due proven market access)

4) deliver a new software environment to telcos/cablecos/screencos
(as in: delivering a complete new segment to the market)

Responses 1, 2 and 3 are currently considered, but offer limited sustainable perspectives.
Response 4 is the most attractive: it offers a complete new Nokia 3.0 business model.

No longer operating by turnover/margin repressing high 'us too' levels, but taking the lead again. A complete new blue ocean. The winner takes it all.

Bye continuous increasing market price pressure, hi massive monthly recurring income.

Hi Apple, hi Microsoft, hi Google, hi Wall Street, hi World, here's Nokia again.

Nokia 3.0

1.0 : industrial product conglomerate
2.0 : telecom product conglomerate
3.0 : ICT services based conglomerate

Imaging that there was a company could say in Q4 2010 to all the telcos of the world: you can offer next month all your customers a virtual online computer in the cloud as new additional product. Imaging that this company not only could say this to telcos, but also to cablecos, ITcos, banks, insurancers, TV-manufacturers and to literally every third party huge customer base. Would they take this extra ARPU opportunity?

Imaging that this company could make in Q3 2010 deals with all the software manufacturers of the world and issue monthly licenses. This would dwarf in turn-over and functionality the Apple AppStore. Imaging that the billing will be done virtual branded for all these huge customer based third parties.

Video Calling/Meeting for Everyone

Imaging that this company would be able to offer in Q1 2011 also facilitation of video communication (calls/meetings). Imaging that everybody and every company will have/share storage or data/calls/meetings by this company. Communication is about inviting people. Low cost video communication will spread as fast as the fax, gsm, sms, msn, hotmail and facebook has spread over the world.

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Imaging that this company would be able to offer a real screen (not RD) ICT model in Q3 2011. And by the fact that they facilitate all the telcos of the world will become t.h.e. ICT company of the world. The new ICT model (as in: the new Microsoft) for the next decades.

Would this company be able to close deals with any telecom operator? Would this company be able to contract each interesting software manufacturer (with out ANY needed change of software code)? Would this company have a build-in customer lock-in by look and feel and by data storage?

Theoretically this company cloud say the same to (large) companies and governments. But than the ARPU argument will be replaced by the cost reduction argument. But doing that is not very smart, even if this is offered under another brand operating on the same basic platform: Never compete with your customers.

The future of telcos? Telcos just will become marketing organizations. The future of Nokia? Facilitating ICT services for the telcos. Becoming the 21st century Microsoft.

What needs the telcos to do? Only bringing up a dns record (cloud.) in their dns file (as in: typing 10 characters). The rest is handled by the company. Invoicing can be done under their brand dedicated/separated, or by the CDR/roaming model.

Fact: Philips nettv manager has only one question: When can this be delivered on our screens?

So: The HTML5 tech will also serve video calling/meeting with attached services.

So: The HTML5 tech will also serve XML models (make it accessible for light devices).

Delivery Planning

Phase 1: (ready Q3 2010)
Basic Technological SW/HW Structures plus RD model

Phase 2: (ready Q1 2011)
Video calling/meeting within/plus delivery on the HTML5 model

Phase 3: (ready Q3 2011)
Full XML based IT (real screen/session) model within the HTML5 model

Functional Diagram - Phase One

telco marketing / virtual marketing tools

cloud.telconame.com / virindus.com/telconame / virtual branded portal

choose your platform (linux/windows/apple) / choose your applications (*n*)

(dwarfing the AppStore concept: ANY linux/windows/apple application can be contracted)

(monthly recurring income by facilities/applications/storage fees)

directory services / billing services

client linux/windows/apple

virtual computer in the cloud / storage in the cloud / printing in the cloud

Deal

Newco (virindus.com)

Virindus (by Nokia)
Joint Venture of 50% Nokia / 50% Planck Foundation

Nokia pays during the development time each month E 1 mio plus an E 1 mio increasement.
May – E 1 mio
June – E 2 mio
July – E 3 mio
August – E 4 mio
September – E 5 mio
Going Operational
October – E 6 mio
Start of sending invoices (telcos by CDR or newco virtual for them)
November – E 7 mio
Start of receivement payments
December – E 8 mio
Cash Flow Positive (earlier in the escrow model)

Based on a deal with the telcos that they can pay cash flow neutral (as in: pay the company in the within a week after their customer have paid). The cash flow of the company will be positive mid December 2010. If not (due to slow payments of the telcos: they will try this of course: can be prevented by escrow account) it can be artificial made positive by a quarter period of factoring (better said: escrow finance).

Hardware and software will be acquired based on margin sharing, so that will not need finance.

The development teams can use (as much as desired by Nokia) techpeople of Nokia.

Nokia can deliver also board positions (like the CFO) of the newco company. Nokia will of course have 50% vote in the Management Board and the Supervisory Board.

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Activities Phase One

virtual portal
virtual marketing
virtual billing (roaming-cdr and full-dedicated)
virtual marge sharing
virtual desktop serving
virtual application serving
virtual process resources (deployment, redundancy)
virtual storage resources (deployment, redundancy)

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