

Industry Summary: Information & Communication Technologies

By Alpa Shah

Research Manager

Information & Communication Technologies

Frost & Sullivan

The mission of the Information and Communications Technology track at the Growth, Innovation and Leadership Global Congress on Corporate Growth was to uncover new growth strategies in the fastest growing markets in our industry – Customer Contact, Unified Communications, Mobility and Digital Media. Growth strategies included ideas from the vendors, end users, venture capitalists, and principal analysts.

The track revealed emerging opportunities in the ICT market, unique growth strategies from companies that have shown stellar growth, innovative technologies that should be watched in 2009, and end user feedback on what is needed from the ICT industry. We also heard from VCs and C-level executives on what's next in mobile & wireless. Trends such as SaaS, SOA, and the increased proliferation of mobile devices were a recurring theme throughout the day. The below encapsulates some of the most salient topics by presentation.

The CEO 360 Degree Perspective: Turning the Perfect Storm into a Competitive Advantage

Ronald Gruia, a Frost & Sullivan Principal Consultant, led the first discussion and identified the following emerging opportunities:

- Digital Consumer: the demand for Internet-enabled services is high and increasing
- Mobile Internet: the advent of higher bandwidth will empower a new generation of mobile devices
- Horizontal Architectures: the emergence of IMS and other flat network topologies and converged network-agnostic applications will expand to the Enterprise
- Emerging Markets are pacing the next wave of technology adoption
- Cloud Computing: the shift to SaaS (Software as a Service) for both consumers and enterprises is increasing quickly
- Collaboration: increased collaboration is becoming a key catalyst for higher productivity in a more globalized environment

He provided a CEO 360 Degree Perspective on the ICT industry identifying global, industry, technology, economic, competitive, customer, and best practices viewpoints that impact all of these emerging opportunities.

Gruia concluded with an analysis of how to apply Frost & Sullivan's Complex Business Model to future growth opportunities. He identified the following areas that ICT companies should keep a close eye on:

- The broadband wireless access (BWA) market is expected to explode and will lead to a new generation of mobile devices such as pocket and "dock-it" devices. These will look more like cell phones but have the power over today's laptops.
- IMS, which is becoming huge in the carrier world, will be applied to enterprises, enabling businesses to move to a horizontal architecture creating opportunities for SOA (Service-Oriented Architecture) in the enterprise world.
- In the Telco 2.0 World, real-time session based applications will enable features such as rich voice, push-to-video, FMC video telephony interactive gaming, push-to-talk, and streamlining audio and video to take off.
- Telcos will drive new initiatives to raise the value for Web 2.0 and IMS services.

Growth Success Story

Paul Segre, CEO of **Genesys, an Alcatel-Lucent Company**, came on next to share insights on how his company was able to grow faster than the competition. We learned that even in good times, a company that wants to accomplish this task must reinvent itself and embrace change. The company's vision for change meant transforming the company's organization, expanding its product offerings and changing the customer conversation. He also went through Six Not So Simple Steps for growth including:

- Set vision and strategy at executive level and clearly communicate
- Create sense of urgency
- Demand that all organizations align to strategy
- Ensure funding, staffing, and organization align to strategy
- Be transparent on how success will be measured
- Establish metrics that force balance between today's and the future needs

This was a very insightful session and got the creative juices flowing in the audience.

Meeting Your Industry's Top Three Competitive Challenges: How Your Customers are Meeting their UC Challenges Head-On

Melanie Turek, Principal Analyst at Frost & Sullivan, then moderated a panel of expert end users - David J. Danto, Director of Emerging Technology, **IMCCA** and Mitch Cohen, Manager - Messaging, Collaboration & Social Computing Collaboration Architecture Team, **Colgate-Palmolive**.

Danto and Cohen confirmed that the return on investment of unified communications is very difficult to measure. There are significant benefits that need to be included in the equation such as reduced turnover and improved customer satisfaction in addition to employee productivity. Another challenge the end users brought forth was that there are a lot of social and organization issues surrounding presence management.

While the technology may provide the means for presence management (and the panel said that not all technologies really do as they say), not everyone is really available when, where, and how it appears in the application. The panel agreed that customer care provides a great opportunity for UC vendors as UC provides the capability to move customer service outside of the contact center as well as to enable the contact center to access better information and improve their communications with customers.

Seizing Your Industry's Top Three Growth Opportunities: How Mobile and Wireless have become a Corporate Strategic Asset and Foundation for Growth

Gerry Purdy, VP & Chief Analyst, Mobile & Wireless, Frost & Sullivan moderated an executive panel including Rajeev Chand, Managing Director, Senior Equity Research, Analyst, **Rutberg & Company**, LLC; Patrick Kenealy, Managing Director, **IDG Ventures SF**; Alan Kramer, President & CEO Jim Swartz, CIO & VP of Information Technology, **Sybase**, Inc.

This session focused on how mobile and wireless technologies used to be something provided to those few who frequently traveled but are now considered strategic assets of the enterprise. The top three growth opportunities include:

- Empowering enterprise employees and customers to be more productive via mobile and wireless technologies
- Understanding the primary requirements users state they need in order to buy from vendors
- Maximizing vendor abilities to provide beneficial mobile and wireless products to their customers and, therefore, maximize their own growth

The panel members believed that we are in a transitional period as we move away from laptop PCs, and towards mobile devices. The greatest challenge is security of such devices. For example, many executives choose to bring in Apple iPhones into the network and move data through this phone. If this phone were to be left on a plane, there is no way for MIS to lock the information on the phone. This is because Apple restricts applications coming into their phones, which increases the risk of using this phone versus a phone like the Blackberry that ties closely to the corporate network. Fingerprint authentication may be one way to handle this problem. One of the panelists believed that device management and device security is very complex and there is great growth potential for a company that wishes to emerge in this product area.

Executive Insight - Mastery of a Marketing-Driven Organization

The ICT track concluded with Widen's Matthew Gonnering, VP of Sales & Marketing, who discussed unique marketing strategies. Gonnering suggests it's all about the "flair." He presented "Seven pieces of flair" that proves why companies should be Marketing-Driven:

- Marketing understands the customer and market conditions
- Marketing can form and lead cross-functional teams
- Marketing proactively addresses the unarticulated demand of marketplace
- Investments in marketing programs during downturns create results
- Firms must empower Marketing to make decisions on technology without I.T. involvement
- Marketing personnel are Change Advocates that spread the organizational mission internally
- Marketing helps everyone understand the customer experience and the value they provide to the customer relationships

There were several takeaways from this presentation:

- 1) Marketing should be given resources such as technology in order to manage growth and be aligned with the information lifecycle
- 2) Significance of digital media –
 - High impact for explaining complex subjects to the masses
 - Social networks are not just beer bongs and keg stands
 - Online Publishers Association's statistics indicate not only that online videos are frequently viewed, but also showed their powerful impact - a survey showed 52% of people viewing the ad took action and 16% purchased something.
 - Viral marketing videos have more "stickiness" than other media
- 3) Importance of Software-as-a-Service Technologies
 - No IT involvement is needed
 - Immediate deployment is possible
 - Focused providers with web services integration (which means they can all talk to each other)
 - Service is as important as technology
 - Infinite scalability is offered
 - Price points are significantly lower
 - Lower total cost of ownership is the overriding factor.

Parting Thoughts

All in all, the event was very well received by the participants. New ideas were generated and the speakers stressed the importance of maintaining a close eye on technological innovations. Most importantly, the audience walked away with a few ideas that they could incorporate in their 2009 business planning. We look forward to seeing everyone next year!