

Transformation

A CIO's View

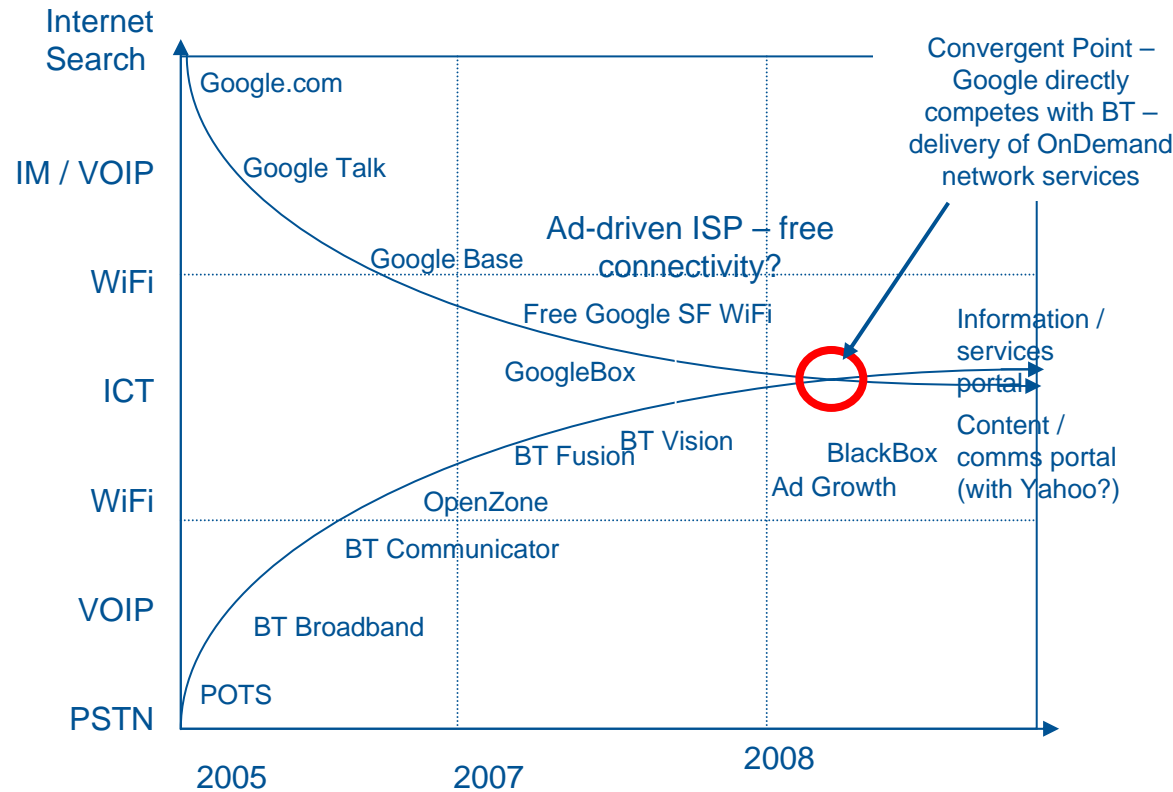
Al-Noor Ramji
CIO, BT Group plc



New Competitors Emerging

Google-Telecom Collision Timeline

Google forcing changing market and customer expectations



2006 Reality

Dark Fibre & Wi-Fi

Buying up miles of unused optical fibre from wholesalers (e.g. AboveNet)

- Strategic alliance with Wi-Fi startup and Wi-Fi hotspot as 1st mile
- Purchasing wavelengths



GoogleCube

Shipping container with petabyte data-centre inside

- World beating IP telephony technology with these 300 units



Black Box

Free plug-n-play connectivity for all devices in a home to a central hub, mesh network play

- Enables Google's play into telecom space of IPTV/entertainment/VOIP

Mashing

Mashing starts new S curve for innovation

Microsoft-managed mashing networks

Creates massive network effects, e.g. mashing on mashing

Communities

650M users \$8 ARPU now becoming developers, issues with trust.

The next killer web service is the identity management broker

SDK's for ease of use

The platforms that win are easy to use. Customers want privacy and trust built-in; but that is HARD.

Using an SDK makes it easy

Changing Customer Demand



Changing customer expectations....

“4 C’s” is “tablestakes” not differentiator in Web 2.0 world.

- **Greater Control:** create customized applications and customized process flow.
- **Greater capability:** personalization to individual, build customized services, long-tail exposure, mashing platform (e.g. Jot Spot)
- **Reduced Complexity:** drag-and-drop, plug-and-play, just works (e.g. protopage.com)
- **Reduced Cost:** free, pay for only what I need, utility model

...enabled by Web 2.0 shifts

Internet is the platform for service development, customer collaboration, content creation and massive personalization

- **Web is a platform:** delivering new services, capabilities and tools
- **Massive personalization to each individual user:** profiling, self selection, mass filtering
- **Platform for collaboration:** partnership and innovation enabled, social networks, opensource models extended
- **Creation and distribution moved to edges:** everyone can create a new service, everyone can create new content...

...impacting traditional models

Blurred boundaries between customers, suppliers and competitors with new rules and models

- **New models:** free services funded by third parties
- **Customer is also supplier and/or competitor:** multiple relationships need to be managed
- **Channel proliferation:** everybody is a potential reseller (e.g. Amazon 2006)
- “Innovation will happen, but it will happen outside...”

- Scott McNealy

One IT Transformation Operating Principles

- Relentless Customer Focus
- Business Alignment
- Teamwork
- Technology



Mashing has massive impacts on current strategies and business models

M&A Integration Engine

“Build, Buy... or Mash”



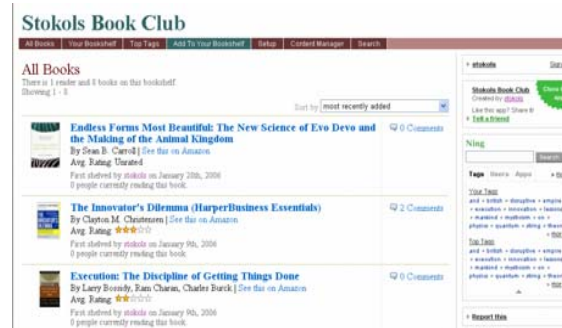
Build, buy or mash:
SalesForce mashed with
Skype to make conference
calls directly

Significant Impacts to Channel Strategies

Today's Customers are Tomorrow's Resellers



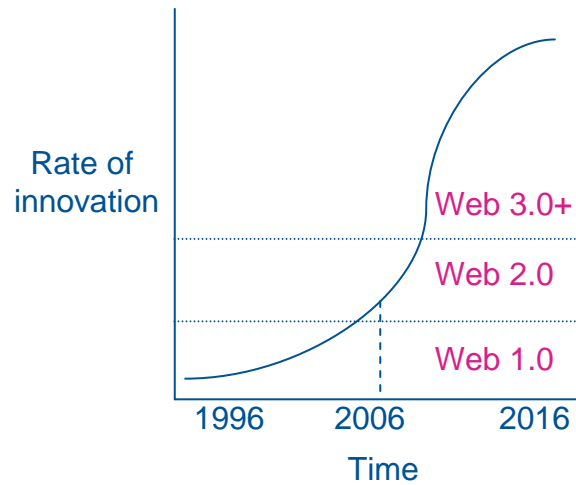
Mashing Amazon with
search provides “degree of
separation maps” to provide
21st century shopping
experience, with ability to
share and rate maps



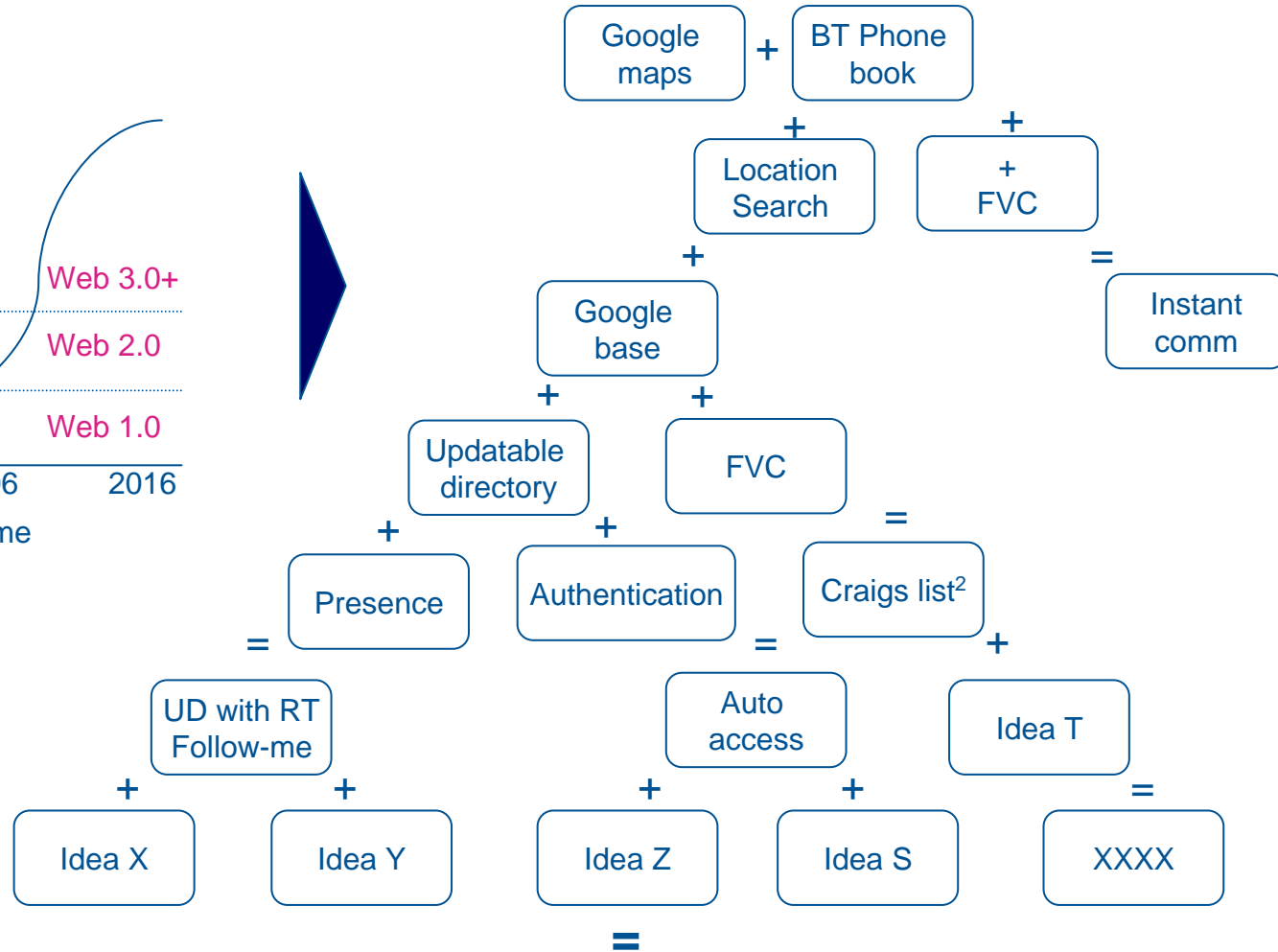
Customer X Book Club is
instant reseller to friends/family
<http://stokolsbookclub.ning.com>

Mashing results in significant network effects and exponential evolution

Web Innovation S curve

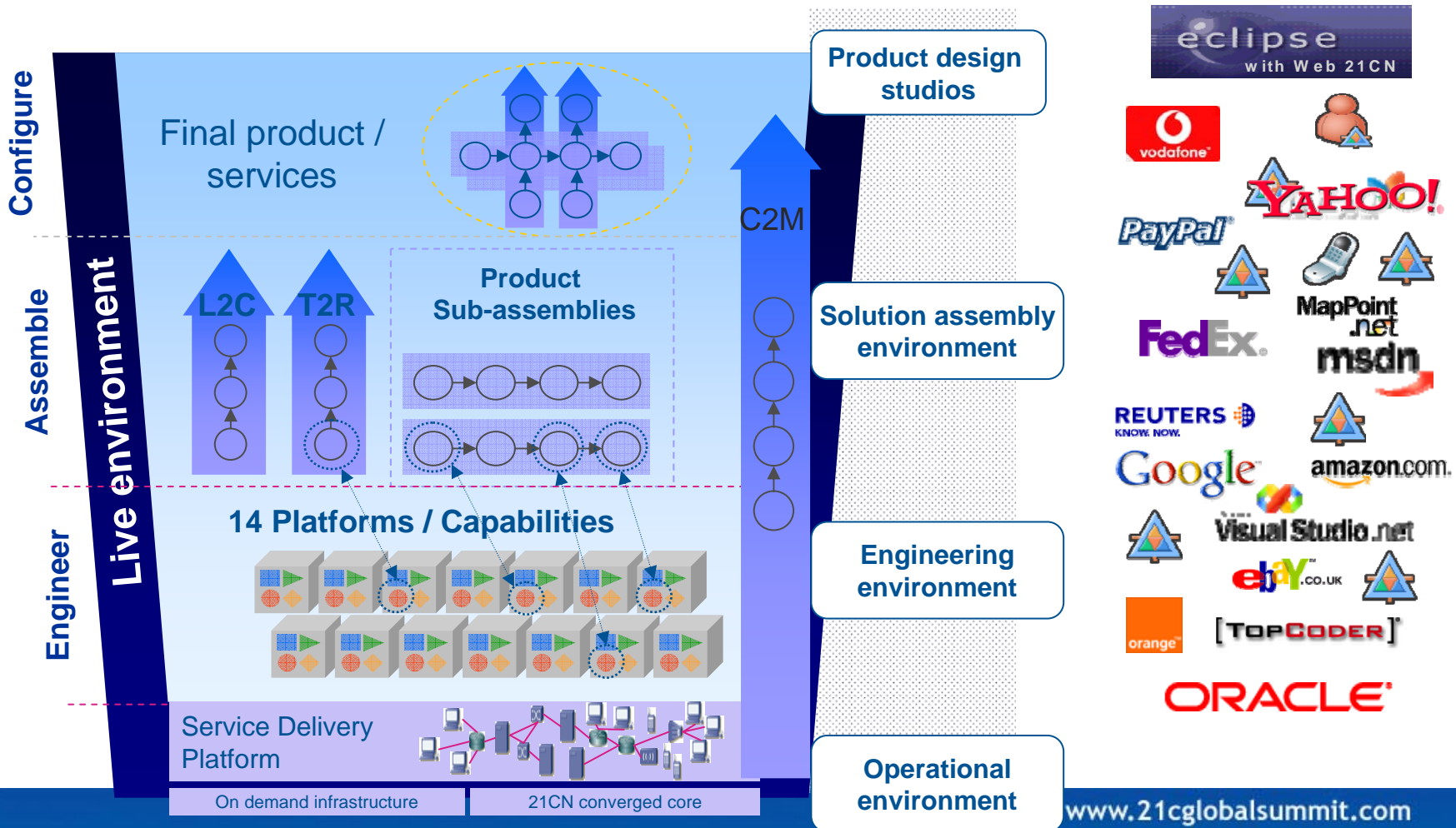


Mashing + Mashing = Unforeseeable Invention



Unimaginable new services and capabilities resulting from the collective minds of billions (vs. the minds of thousands within competing walled gardens)

21C Vision: The Ecosystem



21st Century
Global Summit²⁰⁰⁶

© 2006 Identity Events LLC . All rights reserved.

This presentation is for informational purposes only. Identity Events LLC makes no warranties, express or implied, in this summary.