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NBN Co paying 'Labor mate' Kaiser \$450k

Mike Kaiser, the senior Queensland Labor government staffer hired by the NBN Co to run its external relations programme – who is at the centre of a growing 'Labor mates' controversy – is being paid \$450,000, according to documents filed with the Senate.

The Opposition Leader in the Senate, Nick Minchin, slammed the appointment, calling it outrageous that "a long time Labor Party spin doctor" could be paid \$100,000 more than the prime minister for a role in a company "that generates no revenue, has no customers and provides no services to anybody."

The Government however said the appointment of Kaiser - presently Queensland Premier Anna Bligh's chief of staff - as NBN Co's government relations and external affairs manager was entirely a matter for the NBN Co, and that no-one from Government was involved.

With the support of cross-benchers Senator Minchin succeeded in getting a motion passed in the Senate on Tuesday demanding details of all communications between the NBN Co's Kaiser and the minister's office, the treasurer's office, the prime minister and his staff.

Special minister of state, Joe Ludwig, tabled a document on Wednesday declaring Kaiser's salary – including superannuation – to be \$450,000, but said the decision was the NBN Co's and had been reviewed by the chair of the company's People and Performance Committee. The statement said Kaiser's salary arrangements were not discussed with anyone from Government at any time.

Senator Ludwig is acting on behalf of communications minister Stephen Conroy, who is this week in Egypt at a United Nations conference on Internet governance. "As is common industry practice, senior roles at NBN Co have been sourced through searches conducted by recruitment firms and the NBN Co," the Government statement to the Senate read. It

added that Kaiser's salary "is consistent with the NBN Co's remuneration approach and the relativity of different roles at NBN and market benchmarking."

"As is normal and appropriate, the Government was aware of the appointment prior to its announcement [and] is confident all of these communications were entirely appropriate and proper. The decision to appoint Mr Kaiser as principal – government relations and external affairs was an independent decision taken by NBN, not by the Government."

Minchin has complained vociferously about Kaiser's appointment, and that of former Conroy staffer, Jody Fassina, to the board of the Tasmania NBN Co two months ago. "These blatantly provocative appointments demonstrate that the Rudd Government has no qualms about using its ill-conceived \$43 billion NBN project as a vehicle to reward Labor mates at the expense of taxpayers," Minchin said earlier this week.

A Government spokesman backgrounding on the Kaiser issue said that, during the previous Government, former ministerial staffer David Quilty had been hired by Telstra for an estimated salary of \$500,000 at a time when the Government owned 51 percent of the company and Nick Minchin had been finance minister. *James Riley*

Prodial: the new kid on the IP telephony service block

Perth-based Prodial has launched into the market for providing IP communications and virtual IP PBX services to medium and large businesses, claiming to be the first and only Australian company to offer wholesale business-grade virtual PBX and IP enabled communications services tailored to existing site infrastructure.

The company has appointed VoIP industry veteran, Bill Marlow, as its managing director (based in Sydney) and is now seeking to appoint a handful of channel partners to help it capitalise on what it believes to be a burgeoning business telephony market.

Marlow was general manager for Australia and New Zealand of VoIP technology pioneer VocalTec in the mid 90s and more recently headed up local VoIP provider TalkNet after a stint as general manager of business solutions at Chi-Telecoms, an international Hong Kong-based telco that supplied Internet voice and fixed line termination services worldwide.

He told ExchangeDaily that Prodial was aiming at a market at the low end of the enterprise market, upper end of the SME market with between 15 and 200 employees, where he believed there to be a gap in the between the market into which residential VoIP providers are trying to move, and the higher end dominated by Telstra, Optus and, lower down, by the likes of Macquarie Telecom and AAPT.

Prodial, he said, would offer a range of services starting with a basic offer that promises no capex and no contracts with the added advantage of giving customers in-house monitoring and management of their service through a web portal. It can interface to an existing TDM telephony system, IP PBX or for those customers that require it, provide a fully outsourced virtual IP PBX service.

At the core of the Prodial network are dual VocalTec softswitches to provide full redundancy. Prodial resells the TPG broadband service to provide DSL access to its customers and works with Soul (the other half of SP Telemedia) for call collection and delivery within Australia. According to Marlow, one of Prodial's key advantages over competing, VoIP service providers is the strength of its network - its agreements with other carriers for termination of overseas calls.

Another key selling point is Prodial's iPhone client which enables an iPhone to be used anywhere in the world to make calls without roaming costs via any accessible WiFi access point. So long as the iPhone has WiFi access it can also act as an extension of the client's phone system, again without roaming costs.

Prodial has already appointed four channel partners: Nortec IT, SpliceCom, J2G and Lorem and Marlow said the company was looking for a number of others - systems integrators, ISPs, telecoms consultants and telecoms service providers, about 15 to 20 in total.

Prodial offers a hosted billing platform, enabling the channel partner to bill the end customer under their own brand and to set pricing. In addition to supplying IP connectivity and services off its VocalTec platform, Prodial also offers CPE, IP gateways, WiFi phones and softphones. The company claims to operate a network with 100 percent redundancy and offers service level agreement with penalties if it fails to meet these. *Stuart Corner*

Macquarie Telecom to insource contact centres in 2010

In a bid to differentiate itself through improved customer service Macquarie Telecom will bring its contact centre operations in-house by April 2010.

Stuart McDonald, group executive for business improvement and revenue assurance, said that the new centre would be managed by Simon Gatward, who has been appointed group executive of telecommunication services. At present Macquarie runs outsourced contact centres, which will gradually be brought in-house.

The company is hiring a team of contact centre staff, who will be based in Sydney, starting about April. A staff of around 30 is currently planned for the contact centre according to McDonald.

"We believe customer service has to be a differentiator," said McDonald who added that until now "the bar has been set low." By bringing the contact centre in house the company hopes to deliver a service that is "recognised in the industry as the best in class."

Earlier this week IP communications supplier Interactive Intelligence announced that it had edged out six other vendors to secure the 25 seat call management deal from Macquarie Telecom. It also said that it believed this would eventually grow to a 500 seat deal.

McDonald told ExchangeDaily that, while Interactive Intelligence was the preferred option, contract negotiations were continuing and a final deal had yet to be locked down. He also denied that Macquarie Telecom had any plans to grow the contact centre to a 500 seat operation.

Brendan Maree, country manager for Interactive Intelligence in Australia and New Zealand, earlier this week said that there had been seven suppliers bidding for the contract, guessing that Cisco was the other company that made it to the final cut along with Interactive Intelligence. Maree explained that the company worked with its reseller partner CallTime Solutions on the bid.

Maree said the deal would be worth around \$250,000 and would involve taking Macquarie's in house call management system and feeding it into Interactive's automatic call distributor.

Beverley Head

Optus first off the blocks with LTE trial

Optus has stolen a march on Telstra - the long time Australian leader in cellular telephony - with the announcement of the first carrier trials of the next iteration of cellular technology in Australia, Long Term Evolution (LTE) which promises greatly increased broadband data bandwidths (with additional spectrum).

The Optus trial is being overseen by its parent, SingTel, and is one component of a multi-country trial to be launched early next year by SingTel in conjunction with other operators in the participating countries: Optus in Australia, Globe Telecom in the Philippines and Telkomsel in Indonesia. (Globe and Telkomsel are partially owned by SingTel).

Telstra's Hong Kong cellular operator subsidiary, CSL, however, announced the first LTE trial in the region outside of Japan in September, with Chinese vendor LTE as its equipment supplier.

The SingTel trials are scheduled to commence in the first half of 2010 and will run for between six and nine months. SingTel says they will help it and the other carriers better understand LTE and determine the best approach and strategy for its adoption in their respective local markets.

"The trials will also lay the groundwork to establish a regionally compatible LTE network to facilitate growth in the mobile broadband business for the SingTel Group. This high-speed network will also allow the Group to deploy new services across the region quickly, giving customers faster access to the widest selection of mobile service offerings in these markets," SingTel said.

According to SingTel "LTE base stations and core network equipment will be installed for detailed field tests that will evaluate the features and end-to-end performance of the technology...Tests will be conducted for a wide range of scenarios and conditions, including different frequency bands and urban environments."

SingTel said that six network vendors have been invited to participate in the LTE trials: Alcatel-Lucent, Ericsson, Huawei, NEC, Nokia Siemens Networks and ZTE, but it gave no details as to what each would supply or in which country it would be involved.

LTE has already been demonstrated in Australia, in 2008 by Ericsson. However this was a very limited demonstration using prototype equipment (the 'CPE' was the size of a wardrobe). *Stuart Corner*

HTC brings Sense to Australian cellphone market

HTC has introduced two Android cellphones into the Australian market, the HTC Hero and HTC Tattoo, the first locally to incorporate its recently launched HTC Sense personalisation functionality.

HTC Sense was introduced in Europe in June with the launch of the Hero. The Tattoo debuted overseas in October and the Sense 'user experience' has also been offered on a Windows Mobile phone, the HTC HD2.

According to HTC, Sense revolves around three fundamental principles of personalisation that were developed by "quietly listening and observing how people live and communicate." They are 'Make it Mine', 'Stay Close' and 'Discover the Unexpected'. The company says the concept of Sense will eventually be extended to its entire range of cellphones.

Make It Mine, is about personalisation of the user interface. Stay Close embodies functions that bring together details of contacts and communication with them; phone calls, text messages, emails and communications via social networking sites such as Twitter and Facebook. Photos posted to Flickr are also embraced within this process.

Discover the Unexpected seem hard to define. HTC says "It can be something as basic as turning the phone over on the table to silence the ring or as simple as improving the smart dialler for making calls quicker."

Both the Hero and the Tattoo are touch screen based phones with minimal mechanical input options (six buttons plus a volume control). The Hero is the more sophisticated product with higher resolution camera (5Mp v 3.2 in the Tattoo), larger and higher resolution screen (3.2 inch 320x480 v 2.8 inch 240x320). Both feature a dedicated search button that "goes beyond basic search, providing you with a more natural, contextual search experience that enables you to search through Twitter, locate people in your contact list, find emails in your inbox or search in any other area."

Both have GPS, and digital compass. The Tattoo has an FM radio, the Hero does not. Neither will operate on the 850MHz of Telstra's Next G network but both will operate at the 900MHz frequency being used by Optus and VHA for network expansion. Both will support HSPA at 7.2Mbps downstream but the Hero has a higher upstream bandwidth (2Mbps compared to the 384kbps of the Tattoo.)

The key differentiating feature of the Tattoo is the ability to order, for \$29.95, personalised covers. Users can choose from a wide range of standard options, or upload their own images for use on the cover.

The Hero will go on sale at the beginning of December, initially through Harvey Norman for \$799 with other retail outlets to follow a couple of weeks later. The Tattoo will launch shortly afterwards at a recommended retail price of \$599.

HTC's sales and marketing director ANZ, Anthony Petts, said discussions were underway with mobile operators regarding them offering the products. HTC is also gearing up to ramp up its marketing in Australia under a new tag line "quietly brilliant"

Stuart Corner

Optus on reforms: O'Sullivan goes to Canberra

The telecommunications reform proposals before the Senate were a "once-a-lifetime opportunity" to correct a fundamental flaw in the Australian industry and shape the sector for decades to come, Optus chief executive Paul O'Sullivan has told a Canberra audience.

Following an afternoon of meetings with senators – including Family First's balance of power senator, Steve Fielding – O'Sullivan said the reforms were nowhere more important than regional Australia, which had been consigned to broadband backwater status by "more than a decade of policy failure."

"The last 12 months, and indeed this month, is among the most critical in our industry since competition was introduced," O'Sullivan told an informal gathering of senators and political staffers at Optus' Parliament House Christmas function. "Right now we are standing on the edge of what is probably going to shape the industry most fundamentally for at least the next decade if not the next two to three."

The Senate is still expected to consider telecommunications reforms next week, despite the lengthy negotiation and debate on the emissions trading scheme (ETS) putting pressure on the Government's legislative timetable. If an agreement can be reached on the ETS by Sunday, the conventional thinking is that there remains time to debate the telecommunications reforms – albeit in a fashion more hurried than some would like.

O'Sullivan said that separating Telstra would have clear and immediate benefits for competition in the fixed market and a healthier regulatory structure would lead to the same kind of improved customer choice, affordability and innovation that has characterised the local mobile phone market.

He pointed to the launch of the iPhone just 12 months ago as an example of – with mobile broadband services – how quickly new applications, new services and new business uses can transform a market. The NBN, with market reform, would have the same transformative effect, he claimed.

"We also very warmly welcome the Government's landmark decision to reform the regulatory environment in which our industry works," O'Sullivan said. "We actually see this as a crucial piece of reform. Just as the NBN will change the landscape, this reform legislation will change the landscape forever. We would urge the Senate to vote in favour of this very much needed reform." *James Riley*

Virgin Mobile offers call and text credit "rollover"

Virgin Mobile has launched a suite of capped mobile plans under which unused call credit can be rolled over into the following month. If its survey results are to be believed, they should see customers flocking to Virgin Mobile in droves, but the reality is likely to be rather different.

Virgin Mobile's Rollover Cap Plans allow post-paid Virgin Mobile customers to roll over any unused talk and text - but not data - credits into the following month.

Virgin Mobile has conducted a survey of survey of 1,020 people, as a result of which it claims that "87 percent of Australian mobile users feel cheated when they don't use their entire cap plan and a staggering 93 percent would consider switching carriers for a plan which allowed them to rollover unused value."

However while the new plans might be a clever marketing ploy they are less appealing than first seems. Unused credit can be rolled over only into the immediately following month at the end of which it expires, and it is only used after that month's credit is exhausted. Thus the Virgin Mobile offerings simply replace plans that offer \$Y amount of credit in one month with plans offering 2 x \$Y amount of credit in two months.

Virgin Mobile also says its survey showed that "Two thirds [of respondents] say they would feel less worried about making calls; 38 percent would talk for longer and 36 percent would make more calls." If they fully understood the nature of the offer they should be adopting this approach only in a month where they have credit rolled over from the previous month.

According to Virgin Mobile, its own research "reveals that those on a monthly cap plan, on average, use their full talk & text allowance less than twice a year, with the rest of their credit going to waste." So

its rollover plans are likely to produce only a marginal reduction in this 'wastage', and the survey results suggest that users might do better to switch to alternative plans.

If they want to stay with Virgin, they might well do better on a prepaid plan. All the rollover offers are on 24 month contracts and call charges to non-Virgin Mobile standard Australian fixed and mobile numbers are 90 cents per minute charged by the minute with 40 cent flagfall. Virgin Mobile's prepaid rates are an order of magnitude cheaper: 10 cents per minute with 25 cent flagfall.

Stuart Corner

'Context-Aware Computing': a \$US12b market in three years?

'Context-Aware Computing' is a term you probably haven't heard of, but if Gartner is correct, that is about to change. Context-Aware Computing is a Gartner-invented name for a market it expects will be worth \$US12 billion in just three years.

Beyond simple dollar values, Gartner also forecasts that: by 2012, there will be at least two global context providers with more than 100 million subscribers each; "the typical global 2000 company will be managing between two and 10 business relationships with context providers;" and "By 2015, context will be as influential in mobile consumer services and relationships as search engines are to the Web."

Meanwhile IBM has just announced a massive, internal cloud computing project that, from its description, appears to be an implementation of context-aware computing to improve the efficiency of IBM personnel by adding 'context' to internal information. (See footnote at end of this article)

Gartner defines context-aware computing as the concept of leveraging information about the end user to improve the quality of the interaction - specifically the interaction between an enterprise and its customers.

According to Gartner "Emerging context-enriched services will use location, presence, social attributes, and other environmental information to anticipate an end user's immediate needs, offering more-sophisticated, situation-aware and usable functions."

Context-aware computing has the potential to solve a wide variety of business problems. Gartner believes that, as more users employ a greater variety of applications, operating systems, browsers and devices, user experience problems will increase; new business opportunities will emerge, by virtue of knowing the customer more intimately; and

productivity will improve as systems eliminate complexity for the user.

Gartner also believes advances in networks, mobile hardware capabilities, social computing, service-oriented architecture (SOA), and unified communication will make it easier to build and use context-enriched services. "This will present a significant business opportunity for service providers, mobile device manufacturers and suppliers of communication infrastructure."

Anne Lapkin, research vice president at Gartner, spoke on the topic at the annual Gartner Symposium/ITxpo event in Sydney this week. "Although the rudiments of context-aware computing have been around for some time now, it is a disruptive technology that has the potential to be a real 'game changer' in terms of competitive advantage," she claimed.

"Many organisations employ some context-enriched services today; however, while some are quite sophisticated, they tend to be disparate implementations," Lapkin said. "Location-based services, presence and portal personalisation are common, if simple, manifestations of context today. Many enterprises are beginning to experiment with social networking, which can also provide significant context information as well as use context information to achieve better results."

She predicts that, by 2011, "Type A enterprises (technology aggressive) will begin to integrate multiple contextual components to provide a richer user experience that enables top-line growth as well as workplace efficiencies."

According to Lapkin, initial implementations of context-enriched services are already in play, but the real promise of context-aware computing will be realised when context information from multiple sources and multiple applications can be used simultaneously — and when trust and privacy issues are addressed.

Lapkin says the promise of context-aware computing is such that many types of vendor are vying to be context providers and secure a piece of this growing market: web vendors, handset manufacturers, social networking vendors, mobile operators and global communications equipment vendors.

For enterprises, the challenge will be not only to identify the right business opportunities to leverage context information, but also to choose the right partners and context providers. "These are by no means trivial challenges, but those enterprises that begin to explore solutions now will be better positioned to exploit the 'game changing' potential as

context information and context-enriched services become widely available and used," said Lapkin.

Blue Insight: IBM's context-aware system?

IBM has implemented a company-wide cloud computing service called 'Blue Insight' that, according to IBM, "democratises information, providing access to a variety of client and market data regardless of where an employee sits in the company. It gathers information from nearly 100 different information warehouses and data stores, providing analytics on more than a petabyte of data [and] by turning that data into insight for IBM's sales force and development communities [will enable IBM to deliver more value in the solutions and services it offers to its clients."

Examples given of what Blue Insight can do include:

- Sales teams will have a deeper understanding of a client's relationship with the whole of IBM from around the world - not just their region or product group - and be able to better predict which products and services would deliver the most client value based on this view.
- Product development teams will be able to quickly analyse sales information, industry trends and customer perceptions, and adjust product planning and development specifications accordingly.
- A manufacturing process engineer will be able to evaluate real-time data on the plant floor to identify trends and adjust manufacturing processes as needed to improve yields and reduce shipment delivery times.

Stuart Corner

Australian unified comms market: \$609m, with 5.7 percent CAGR

Frost & Sullivan has estimated that the Australian market for unified communication services reached a record value of \$608.7 million in 2008, driven by increased demand for cost-saving technologies such as video and collaboration.

However it has warned that the market is getting tougher for systems integrators as a result of mergers

and acquisitions among major players. According to F&S - in its Australia Unified Communications Services Report 2009 - "Government, education, healthcare, retail and financial services organisations led demand while several large multinationals also significantly reduced travel expenditure and are now encouraging the use of videoconferencing solutions."

F&S is forecasting compound annual growth rate for the sector of 5.7 percent between 2009 and 2015, thanks in part to the complexity of interconnecting UC technologies. As UC technologies are increasingly integrated with video, social networking and web 2.0 applications, mobility, contact centre and business process applications, F&S predicts a corresponding increase in demand for consulting, design and managed service capabilities.

However it says that systems integrators playing in the market are likely to find the going getting tougher. According to Audrey William, F&S's research director for ICT, "The UC services market saw some very high profile mergers and acquisitions during 2008. This has caused a narrowing of market participants and as a result, is heightening the competition. We expect that some systems integrators will find this newly-reduced environment challenging, especially as they are called upon to compete with more established UC services players."

F&S says that, at present consulting services account for seven percent of total UC services revenues, with other offerings in the category including network and infrastructure assessment and voice and wireless assessment.

It expects managed services to be an important growth area with large and medium sized organisations looking for external parties to manage all UC applications, 24 hours a day, seven days a week. "These organisations will also require easy accessibility to technologies such as telepresence and videoconferencing, both of which will further drive demand for end-to-end managed services."

Stuart Corner

BRIEFS

NZ Gov't gets 38 responses to FTTH Eol

New Zealand's communications and information technology minister, Steven Joyce, says there has been a high level of interest from parties seeking to participate in the government's urban fibre roll-out. Last month the government issued an invitation to participate in the partner selection process for the government's \$NZ1.5 billion plan to take fibre to 75 percent of New Zealand homes and businesses. It says that some 38 groups have expressed an interest, including several 'significant' international players and a strong selection of local companies. Joyce said: "We are now getting very close to identifying the private sector partners who will build the infrastructure and get the roll-out underway. From my perspective the right partners will share in the government's vision of the transformative ability of ultra-fast broadband. They will have the credibility to step-up and deliver this critical piece of infrastructure in a cost-effective manner, and they will be patient and realistic investors." The 38 groups have until 29 January 2010 to lodge their full proposals.