

## OVERHEARD

WATERCOOLER TALK FROM THE METASWITCH OFFICE



## GOOD CALL

### METASWITCH POINT OF VIEW | BY STEVE GLEAVE

#### THE VALUE'S STILL IN THE WHISKY, NOT THE ICE

Voice was the first ever application to operate on a mobile phone, and has proven to be its most compelling. So ubiquitous, it's invisible. So familiar that, ever since, consumers have fascinated themselves with all the other stuff mobile devices can do.

The subsequent explosion in mobile broadband and advanced applications will witness 2.5 billion mobile internet subscribers by 2014. The mobile internet is growing at a rate significantly faster than the 'original' internet ever did, and it's transforming the role of voice before our eyes.

The mainstream media likes to get excited about mobile because it's the kind of accessible technology that everyone understands. Yet while those same mainstream publications saw the inevitable and inexorable prominence of futuristic WiMax, 4G, LTE and other network acronyms to come, and chose to foretell 'how the internet killed the phone business' and 'the death of the phone call', the industry remained fascinated on sticking 'Voice over' (Vo) in front of them all. Like the whisky, not the ice, in a scotch on the rocks, voice still matters the most. As the future has become the present, it seems the fortune-telling harbingers of doom didn't hang around at the bar long enough to see how the story unfolded.

The battle for voice is a three-way contest between wireline, wireless and Over The Top (OTT) service providers. However, over the next ten years the competition will not be which of these access-specific transport mediums will win. It is a race to be the voice provider of choice, regardless of the access type. Technology that everyone can understand, remember?

Wireline carriers are resisting revenue and service attrition from their wireless competition, by developing and deploying rich applications that provide many deeper layers of capability and utility to the traditional voice service. They are taking their services deeper and more mobile, deploying UC solutions incorporating smartphones, tablets, TVs and Web apps. Wireless operators watch their subscriber counts increase, but the competition they face on the voice application battle-ground is intense. Disruptive OTT players like Google Voice and Skype are squeezing the others too, delivering vast or unlimited numbers of minutes and text messages for free, all delivered through Web 2.0 applications, and desktop/mobile clients.

Customers will shop around, and in this application-based world, the challenge is: who can deliver the best mobile UC offering, accessible across any device and any network, giving the best user experience and most valued productivity gains? The measure of success therefore, for any service provider type or application developer, will be in how the subscriber values the application on the phone. Which service provider can get the user to put its application front and center on their iPhone, Android or Windows Phone 7? Who'll get their brand onto the subscriber's digital real estate, and keep it there?

This future is not dependant on the roll-out of technology that may or may not be deployed. It's not a competition that will affect some service providers and not others. In many ways, this future is already upon us. With over 550 million users, Skype could be construed as the world's largest service provider, and it's gotten that big by delivering a unified voice offering over any device; any network.

Whether you are a wireless provider, a wireline provider, MSO or another voice service provider, the market for voice is shifting. Everyone really does need voice. The trick will be in making those customers need you in order to get it. Would we all raise a glass to that? Thought so...

Good call...

**Steve Gleave is Vice President of Marketing at Metaswitch Networks.**



## ON METASWITCH METASWITCH NEWS

**ON WITH THE SHOW, AT THE BELLAGIO. FORUM 2011: 3RD TO 6TH OCTOBER.**

Hopefully you all bet the spread when I suggested that the next Metaswitch Forum would take place in the week of September 19th, 2011 :) As seems unavoidable in these instances, the date is never firm until the hotel admits that they actually made a double booking for your intended week and that plans would have to change! So, we changed the week, and the hotel! Obviously we're a long way out, but you can finally mark your calendars for next year's event:

Theme, agenda and the winning lotto numbers to be communicated early in the New Year. In the meantime, ink these dates into your diary - it's going to be epic.

Steve

### **COLUMBUS NETWORKS BUILDS ON METASWITCH**

Leading regional operator deploys Metaswitch for IP telephony services in Panama

Operating in more than 21 countries, Columbus Networks is a telecommunications company whose business is providing high-speed internet access, digital telephone and internet services. In addition, Columbus operates an undersea fiber optic network offering high-bandwidth, high-capacity transport of telecom services and inter-connection to operators in the Caribbean, Andean and Central American regions.

Columbus Networks is now using Metaswitch Media Gateways and the MetaSphere Call Feature and Application Server for its new voice service operations in Panama. [READ THE FULL PRESS RELEASE \)\)\)](#)

### **CELEBRATE VALENTINE'S DAY WITH METASWITCH!**



For the first time, Metaswitch will participate in the GSMA Mobile World Congress, the must-attend annual gathering of the mobile industry, that runs from February 14-17 at the Fira de Barcelona. If you are planning to attend, contact us to set up a meeting.

## HANG UPS INDUSTRY DEBATE

Accepted wisdom dictates that the eventual ubiquity of ultra high-speed (100Mbps+) broadband access will herald a new era in innovation with communications services that were previously impossible. But if you didn't build it, would innovation still come?

For this edition of 'Hang Ups' we ask: "Does a lack of bandwidth constrain innovation?"

In the debate chairs for this topic are Diane Myers, Directing Analyst, Service Provider VoIP & IMS, at Infonetics Research, and Metaswitch's VP of Product Marketing, Brian Searl.

### Brian Searl

The last couple of decades have programmed subscribers to understand why they need to pay more for better infrastructure. "Why should I get cable TV?" There will be more channels. "What's with this 3G thing?" You will be able to get more...stuff?

Before we get deep into this debate, let's make sure we understand that fat pipes in themselves will absolutely drive innovation. Whether we are talking processor speed, local PC storage, or Internet pipes to the home, as soon as there is more capacity, someone clever thinks of an interesting way to fill it. Increasingly popular video streaming services like Netflix are creating exceptional demand for more bandwidth, but it will take time to roll out enough capacity to meet that demand.

But I'm not convinced that innovation will just stand still and wait for the pipes. More likely it will happen regardless, and just fill in the gaps of current availability.

### Diane Myers

Finding the answer to this debate question does depend on what you mean by 'innovation'. There are clear pathways to greater services revenue when service providers harness the full potential of the bandwidth available. However, if the emergence of social media has taught us anything, it's that you don't need a lot of bandwidth to develop engaging applications and services.

Video streaming is a major bandwidth hog that attracts a lot of subscriber revenues, but what's especially innovative about throwing large content at the network?

The fact is that innovation in communication today is happening at an extreme rate, far ahead of bandwidth. People are coming up with the ideas, then figuring out how to shoehorn them into the available space. Video telephony is a good example. Facetime, Skype, Fring and Yahoo Messenger are all leading the race toward two-way video, despite the absence of the bandwidth levels and QoS needed to make the experience totally satisfying. It will be very interesting to see how these can be monetized as they become steadily more mature.

### Brian Searl



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Video needs as much bandwidth as it can get, in order to generate the quality that could attract and sustain premium service costs. Today, video services are still commonly low-resolution and quite choppy, yet this doesn't seem to dissuade subscribers. We saw much the same when cellular services were first introduced. Indeed, even now, people's expectations for cellular calls still aren't quite 'toll-quality'. These same subscribers will accept less than perfect video for some time; then yell for more bandwidth to improve it.

Demand for video is accelerating the arrival of a ubiquitous, high-bandwidth access environment where innovation can arise from any quarter to take advantage of it.

## Diane Myers

SMS is another good history lesson. Now there's a service that could barely use any less bandwidth, yet for a couple of years the usage levels were enormous, and still continue today. Similarly Twitter is a good example of a service that embraces the bandwidth limitations that would ordinarily threaten its own pervasiveness. In fact it even constrains its own users' capacity to communicate, via the 140 character limit. None of this has prevented the corresponding tide of innovation from application developers and service providers to paint upon the canvas that Twitter has created.

As yet of course, Twitter isn't much of business model, at least not for itself. Revenue generating services need to present a proposition whereby subscribers know what extras they are paying for. However this doesn't always necessitate more bandwidth, particularly if innovation is targeted at the intuitiveness of the user interface. Apple, for example, represents extraordinary commercial success largely through the popularity of its interface design.

## Brian Searl

The Twitter example shows how innovators respond when you give them constraints. They love a challenge! And here again with Twitter you see the value of the interface. Developers have poured innovation into the usability and control of various competing cross platform interfaces and monitoring systems in particular. Most are free of course, but all ultimately drive more traffic onto the networks of service providers.

'No fat pipes = no innovation' doesn't stand up as much of a defense for why a service provider isn't driving forward and trying to push the envelope. Bandwidth increases beget new innovation. New innovation is, in turn, driving more bandwidth.

## NEWS DIGEST

Margins are shrinking, as competition and demand for capital investment increases. That's the cheery summary of AlixPartners' delve into the \$1.65 trillion global telecom industry. It reserves the worst news for North America's highly developed market where EBITDA growth trails revenue growth by 90%.

In other research, Analysys Mason reports that the CALA telecoms market is set to double within a five year period, growing from \$134bn in 2009 to a projected \$214bn in 2014. Brazil will be the powerhouse, predict the analysts, and consumers there will benefit from more attractive services and lower prices.

Let's hope bandwidth hungry services like video streaming will have room to grow in Brazil, unlike in Canada where the arrival of US-based Netflix's movie service has led commentators to speak of Internet meltdown.

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Meanwhile, in the UK, consumers have proven themselves to be among the most avid adopters of all new communications technology, with the possible exception of VoIP. A new study records that Brits are just about the best connected for broadband, mobile and digital TV, but only 5% of the population bothers grumbling about the weather and such like over IP. That compares to 26% of the French.

Speaking of French technological breakthroughs, elsewhere in French Guiana, the space-port launch pad is still warm from the Ariane-5 rocket sent up last month. The pinnacle of Europe's often overlooked space program took an EU-funded satellite as its payload which, when fully operational, promises to eliminate broadband not-spots from Aberdeenshire to Zaragoza.

Back down to earth in Brussels, the European Commission has exhumed a 10 year old plot to establish an EU-wide phone number prefix that would enable easier, more efficient and altogether tidier access to trans-continental pizza delivery services (amongst other things). Commissioner "Steelie" Neelie Kroes is behind plans to dust off the '3883' prefix, and finally get people using it.

Happy holidays one and all!

## NOW AND THEN BIG NUMBERS

### FROM THE NEWS VAULTS: "NET PHONE CALLS COULD SOON CATCH ON"

Technological innovations and public offerings sparked heavy interest in Internet telephony this year. But even as its popularity begins to grow, making phone calls over the Net is still a novelty for most people.

Phone calls routed over the Internet jumped from 200 million total minutes in 1998 to 2.5 billion minutes this year, according to analysts.

Although that number is small compared with the 7 trillion total minutes people spent on traditional phone networks in 1999, it's a sign that consumers and businesses are starting to warm up to Web-based phone calls, said Probe Research analyst Hilary Mine.

"It's still a tiny drip in the bucket, but the market is absolutely exploding," she said. )))

### 471,600,000 MOBILE VOIP MINUTES BY 2015

A UK-based research group says the total number of mobile VoIP minutes will jump from 15 billion in 2010 to 470.6 billion by 2015, thanks to the proliferation of 3G and 4G networks. Juniper Research says the biggest boost will come from the U.S., which will account for 135 billion mobile VoIP minutes by 2015. Juniper recently forecasted that there will be 100 million mobile VoIP users by 2012.

"There are several flavors of mobile VoIP," says Anthony Cox, Senior Analyst at Juniper Research, noting that operators fear losing traffic to Wi-Fi networks most: "Wi-Fi mobile VoIP is potentially the most damaging of all VoIP traffic, as it bypasses the mobile networks altogether," he says. "We forecast that mobile VoIP over Wi-Fi will cost operators \$5 billion globally by 2015."

## VOICE PROS PEOPLE TALK

### OVER THE TOP

'Over the top' could mean treetops to Martin Price, Metaswitch's Interoperability Test Group Manager.

Martin has turned a childhood obsession with aircraft into an award-winning hobby of competitive aerobatics. For the past 4 years, Martin has gone wing-to-wing with the best in the region, first flying in the Primary category in a Super Decathlon and now flying at Intermediate level in a Pitts, the iconic aerobatic biplane pictured above.



Martin has also become a director of the Northern California Chapter of the International Aerobatic Club, which hosts the largest regional aerobatic contest in the country. Flying and testing high-tech gear requires focus, discipline and attention to detail, but flying itself can't be beat.

### INTO THE BBQ PIT WITH SUREWEST'S BRAD LIGGETT

Whether working at SureWest or in command of a BBQ pit, Brad Liggett knows what it means to go "whole hog" against the competition.

Recently celebrating 10 years with SureWest Communications, Brad is Senior Sales Engineer, Business Sales, in the Kansas City region, supporting sales reps and authorized dealer agents selling enterprise solutions provided by Metaswitch.



Brad's pastime of cooking BBQ in his backyard turned competitive 6 years ago. Teamed with a colleague from work, the duo competes in 6-10 contests each year and have won in several categories, including Reserve Grand Championship. Pictured above is Brad winning 1st place for a 90 pound pig in the Whole Animal category at the Kansas State Championship in June of this year.



## ONE MINUTE IN VOICE DAVID PECKHAM

**IN THIS ISSUE, BEN MET UP WITH INTERNATIONAL SOCCER SUPERSTAR, SPICE BOY AND ALL ROUND STYLE ICON, DAVID PECKHAM.**

**DP** Good morning America

**BM** Hi, actually it's Ben from Metaswitch

**DP** Sorry Ben, I was talking to the TV. It says Good Morning America a lot at this time of day

**BM** Right, no problem. How are you liking US TV? It's a bit different to the BBC do you think?

**DP** Well it screens a lot of British shows over here, so it reminds me of home. Things like The Simpsons, Family Guy, CSI Miami. I didn't think that the humor would translate over to Americans, but obviously it does.

**BM** Let's talk about communications David. Are you a good communicator?

**DP** On the soccer pitch, communications with team-mates is vital at all times. If one of our strikers is making a run into the penalty box, he calls me on my iPhone. I always pick up on the first couple of rings, and 'telegraph' my passes accordingly.

**BM** Wow that's funny. Hey, you know there's probably an app in the AppStore you can download for that!

**DP** Yeah, but the clicks-to-goals ratio is too patchy. Plus I had to integrate some XML codecs with the call control function set to override voicemail forwarding, but it's just a quick fix at this stage. I'm leading a development team to sort it out during the off-season.

**BM** Er...I'm speechless

**DP** Oh, you'll probably want a Blackberry then

**BM** Thank you David

**DP** Thanks. Wicked.

