

Thrive in the age of mobile disruption



Contents

Introduction	3
Four disruptive mobile trends	4
Three important characteristics mobile space	7
How to get more and spend less to thrive	10
Corona Cloud	11
Norwood Systems	12



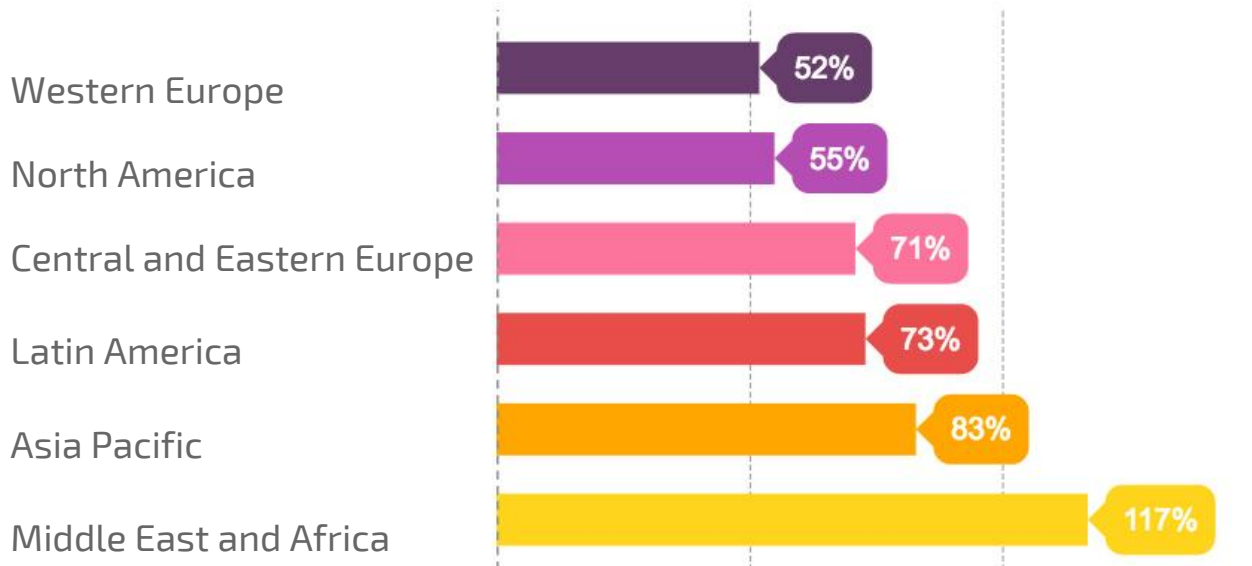
Introduction

“Telecoms is changing dramatically, and the promise of big savings for businesses is on the horizon. But that horizon is still a long way off. What can businesses do to reduce telecoms costs right now?”

Have you looked at your company’s telecoms bill lately? If you do, you’ll probably find that it is not radically different in content to your telecoms bills from a decade ago. Maybe a bit more broadband into the office, maybe a few more mobiles in the fleet, but otherwise no big change: pages and pages of itemized calls, all priced out by destination, duration, tariff type, plan type and other things.

However, the world has changed a lot more than your telecoms bill suggests. And these big changes should be reducing your telecoms spend substantially.

Four disruptive mobile trend



Mobile Traffic Growth 2015

Source: Cisco VNI Mobile, 2016

1. Third-party dialer apps are about to take off

The market price of voice will atrophy. Android has allowed a user to replace the native Android 'Phone' app with a third party app on their screen, so they make their calls through an app rather than over the regular phone network. At Apple Worldwide Developers Conference (WWDC) in June 2016, Apple announced the same freedom with iOS. You can use Apple's 'Phone' app to make calls like normal if you want, but there plenty of alternative apps too. This type of open market for dialers is already driving more voice traffic onto the data network, and will spur yet more dialer apps.

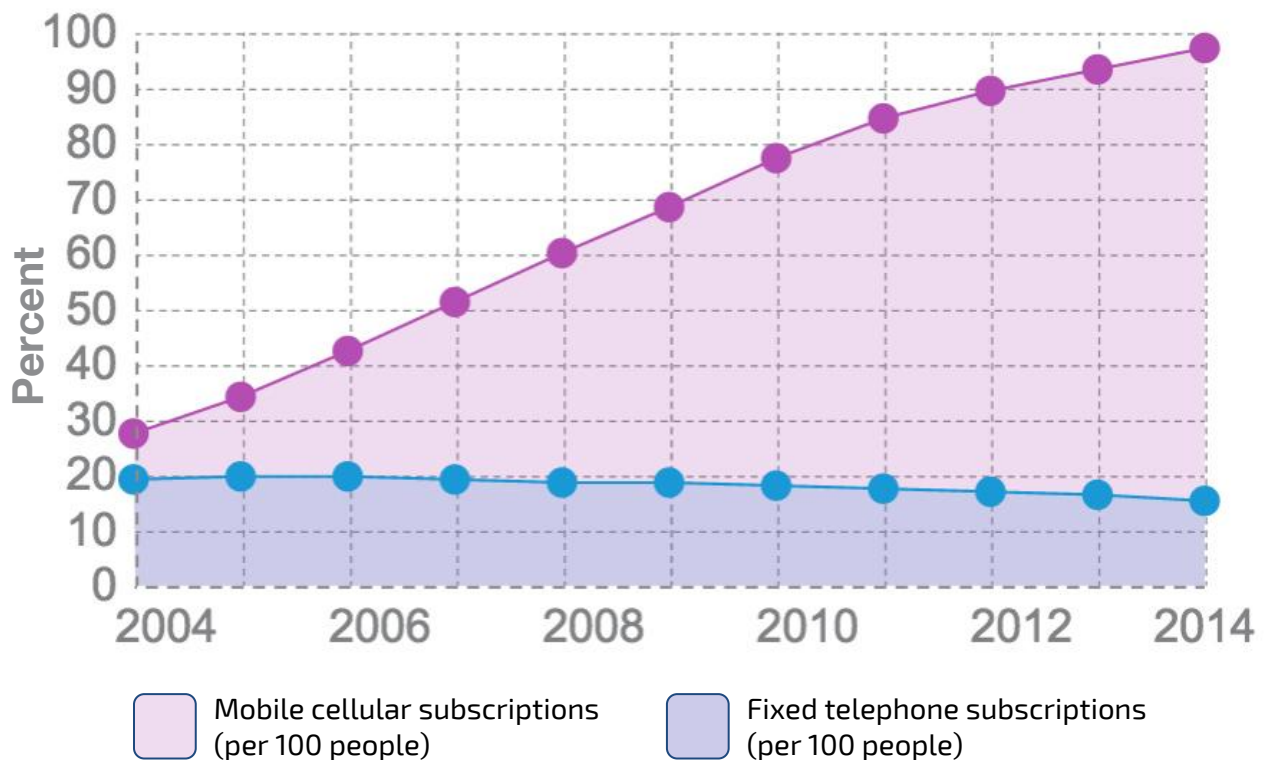
2. The proliferation of wi-fi and cellular

This is a symptom of a larger trend. Both cellular and Wi-Fi speeds are advancing at incredible rates. The chart above provides a snapshot of the correlated mobile traffic growth in 2015.

Where the pricing of the two starts to converge, people start to operate in a mobile-first (or mobile-only) manner. This is already the case in developing markets, and is now happening in developed markets too.

Mobile vs Fixed Telephone Subscription Growth

Source: The World Bank, 2016



3. Mobile pricing plans are moving away from voice

Data usage is growing much faster than voice usage. The chart above illustrates the rise of mobile and steady decline in fixed telephone subscriptions globally over the past 10 years.

Today, voice is just one of many means of person-to-person communication, that are themselves only one of many uses of a smartphone. This, plus the arrival of IP-based calling apps, has caused a relative decline in total voice traffic, and a market expectation that it should or could be free. To mobile phone companies, the obvious solution is to gradually skew charges away from voice and more towards data.

4. Mobile, young and developing-world workers don't use desk phones

Numbers are becoming more important, not less important. For business, voice communication (especially with clients) is often more important than any other medium. As businesses become more mobile-oriented and less desk-phone oriented, the importance of phone numbers actually increases. Contact is less about 'the office' and more about the individual, making the number a critical business asset.

*"In a future where...
All voice is free"*

Together, these four trends are likely to eventually result in a future where:

- all voice is free,
- all phones are mobile and all calls are app-based,
- phone numbers disappear, and
- your telco becomes a utility, with a simple bill like an energy bill.

However, this future is still a long way off. Between now and then, the telecoms world is in an intermediate state where there is a lot of innovation, but not much that can immediately and materially help businesses to reduce their telecoms costs.



Three important characteristics of the mobile space

Telcos continue to charge for voice as long as they can

For telecoms companies, voice may be in slow decline, but it continues to provide massive revenues. For them, this vast capital asset can continue to be exploited for revenue for many years to come, and price and revenue erosion will be resisted for as long as possible.

Consumers may have figured out ways to make voice calls for free (with calling apps, for example), but businesses in general have not. Telecom companies will continue to maintain all possible barriers to protect their voice revenue in the business market, including complex price and tariffing plans, complex corporate billing and rebate structures, bundled mobile services and many more. Your telecom company has no intention of becoming a utility any time soon.



Lots of free calling apps, most are walled gardens

If you want free voice calling today, you are spoiled for choice. A flock of VoIP apps are out there today and mostly offer free calls between users of the same app. WhatsApp, Skype, Facetime, Viber, Line and many others are wildly popular with consumers. By some analysts' calculations, Microsoft became the world's largest telephone company in 2013 (Skype reportedly carried more call minutes that year than any traditional phone company), and the size and popularity of all these services continues to grow.

Almost all of these systems are consumer-oriented. Their interfaces are not designed for business use, and they are preferenced toward app-to-app calling (calling another person who is using the same app). Some have a limited capability for calling out of the 'walled garden' to a regular telephone number, but typically this is an add-on rather than as core capability.

Business is resistant to using calling apps.

So why haven't all these calling apps taken off in business?

Businesses, above all, need two key attributes in a calling app: ease of use, and contactability. However, these two things are vastly different for businesses than they are for consumers.

For businesses, ease of use means being able to make and receive calls in a natural 'just-like-normal' way, including with full integration of contact lists. A typical business person may have many hundreds of contacts, sometimes over a thousand, mostly stored in a contacts system which is either exported or synced with the mobile phone contacts list. Everybody you've ever known is reachable by name, right from the phone. For salespeople in particular, anything less than this is unacceptable.

In a business context, the only contact mechanism that every contact will have is a phone number. This is not true with the individual user IDs for different calling apps. And, given the number of different calling apps in the market, it is unlikely to ever be true. Apps that do addressing with their own User ID system ('walled garden addressing') cannot meet this critical business need.

On contactability, the situation with calling apps is just as problematic: a model that works fine for consumer is wholly unsuitable for business. For an individual business person, being contactable is everything. In particular, that means being reachable by a phone number. If you're using a calling app for everything, it's unlikely such a customer would know that, and instead would reach you by phone number. That might be fine most of the time, but it means that some of the benefit of using the calling app is lost. Now the business person must constantly switch between the native 'Phone' and the calling app. And in cases where the receiving party pays (international roaming, for example), there is a price penalty too.

To make matters worse, what happens when a person leaves the business? If all their customer contacts are via user IDs on their personal calling app, then those contacts are likely to walk out the door with the departing employee. They might return the company phone, but the user ID contacts are gone.





So what's needed?

As more and more aspects of business increasingly go mobile, the weapon of choice for all business people becomes the smart phone.

But a smart phone comes with a bill. Not just a bill for the underlying connection and data, but an old-style 20th century bill for all the voice calls, with each call as a separate, chargeable item. For a business, this causes both administrative pain and cost pain.

Mobile calling apps can help, but most are just not suitable for business needs.

A mobile calling app for business needs to:

1. Connect calls in the most cost-effective manner possible, not just to other app users but to any telephone number anywhere.
2. Be so seamless to use that it feels almost exactly the same as the native phone app.
3. Fully incorporate the entire phone's contact list, so all contacts (and corporate services) are accessible and usable; and
4. Identify itself by a phone number rather than by a User ID (so that it can be dialed from the phone network just the same as any other phone number).

With these attributes, a business can easily eliminate a significant part of its telecom bills, without the disruption and loss of contactability risked with a standard consumer calling app.

Get more and spend less to thrive



Implement a business-wide mobile calling app. Make sure it's an app designed for business, not consumer.



Consider rationalizing away your fixed-line telephone infrastructure and consolidating on a mobile-only environment.



Look for a system with an integrated management console and real-time reporting, so you can easily and quickly manage your mobile fleet costs.



BYOD starts here

Corona Cloud enables BYOD to its fullest and checks all the boxes. It is the award-winning communication solution for business.

- Dramatically reducing hardware costs, this cost efficient system can also save up to 60% of international call and roaming costs.
- With an easy and seamless integration, your business will feel the benefits of Corona Cloud quickly.
- Get your own dashboard to add, move, monitor and update your mobile users as you want.
- Generate expense reports automatically and precisely, saving your team countless productive hours.
- Control your telecom spend with real-time transparency.

To learn more, please contact yes@norwoodsystems.com or visit our website at www.norwoodsystems.com.

Awards and recognition



The West
Australian





Changing the way we globally connect

At Norwood Systems, we're passionate about revolutionising your telecommunications. To actualise this goal, we have developed amazing platforms that realise the world's largest federated telco network. By connecting your smartphone effortlessly and simply to local networks around the world via our award-winning Apps, you get high quality connections, clear and secure conversations for a fraction of international roaming costs.

www.norwoodsystems.com

Phone: +61 8 9200 3500

Email: info@norwoodsystems.com

Norwood Systems (Aust) Pty Ltd. ABN 85 149 094 039.
4 Leura Street, Nedlands, WA 6009, Australia.