



# Returning to Growth

**Paul Oncescu**

**Area Sales Manager**

**Public Sector and Service Providers**



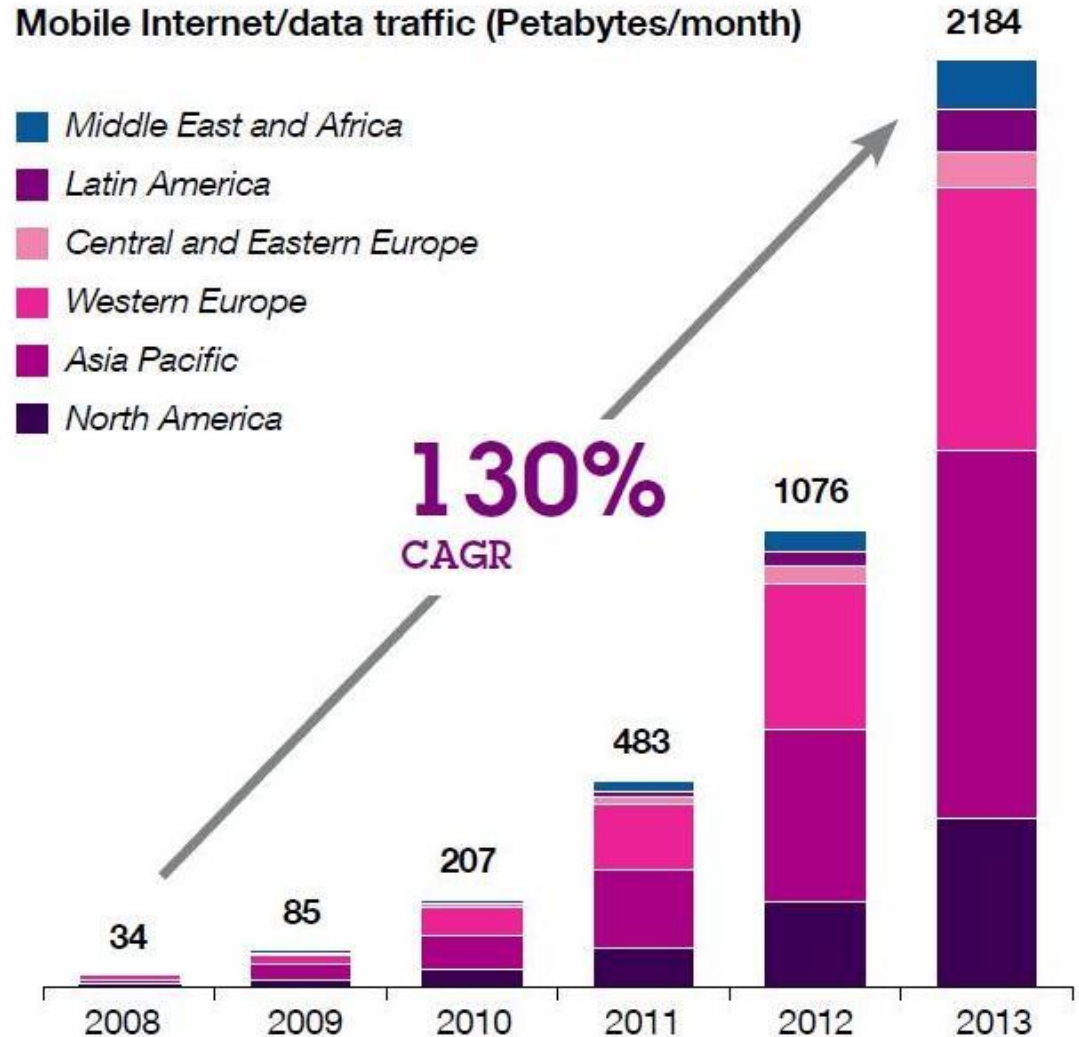
# Service Providers



# SP – The Trends



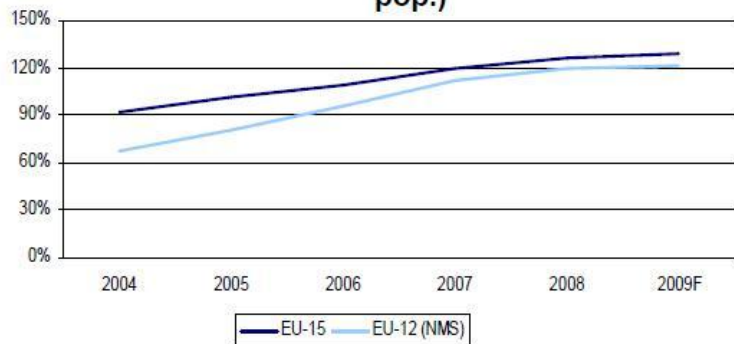
# SP – The Trends



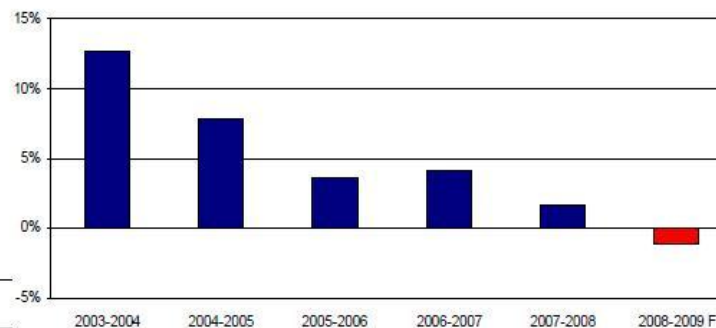
Source: Cisco Visual Networking Index, June 2009, [http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/ns827/white\\_paper\\_c11-481360.pdf](http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/ns827/white_paper_c11-481360.pdf);

# SP – EU vs Ro

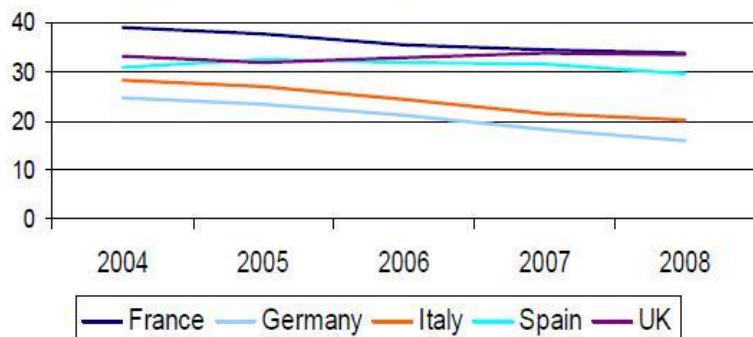
**Mobile market penetration Europe (% pop.)**



**Mobile revenue Growth in EU 5**



**Mobile ARPUs (€/month)**



**Evoluția venitului mediu lunar pe utilizator (ARPU) al Vodafone România (euro)**

	ian. '09	mar. '10	ian. '10
ARPU abonați	15,8	13,9	14,3
ARPU prepay	2,6	2,3	2,4
ARPU total	8,1	6,7	6,9

SURSA: Vodafone Group

# John Chambers @ Mobile World Congress

- Moore's Law: double the number of components on a piece of silicon every 2 years
- Manufacturers create devices that are better and faster; Customers are demanding more and more data for lower prices
- Over the past 5 years:  
ARPU (mobile): -42%;                      Data traffic: x1,000
- Over the next 5 years:  
Revenues are forecasted to be flat                      Data surge: x30 times current rates

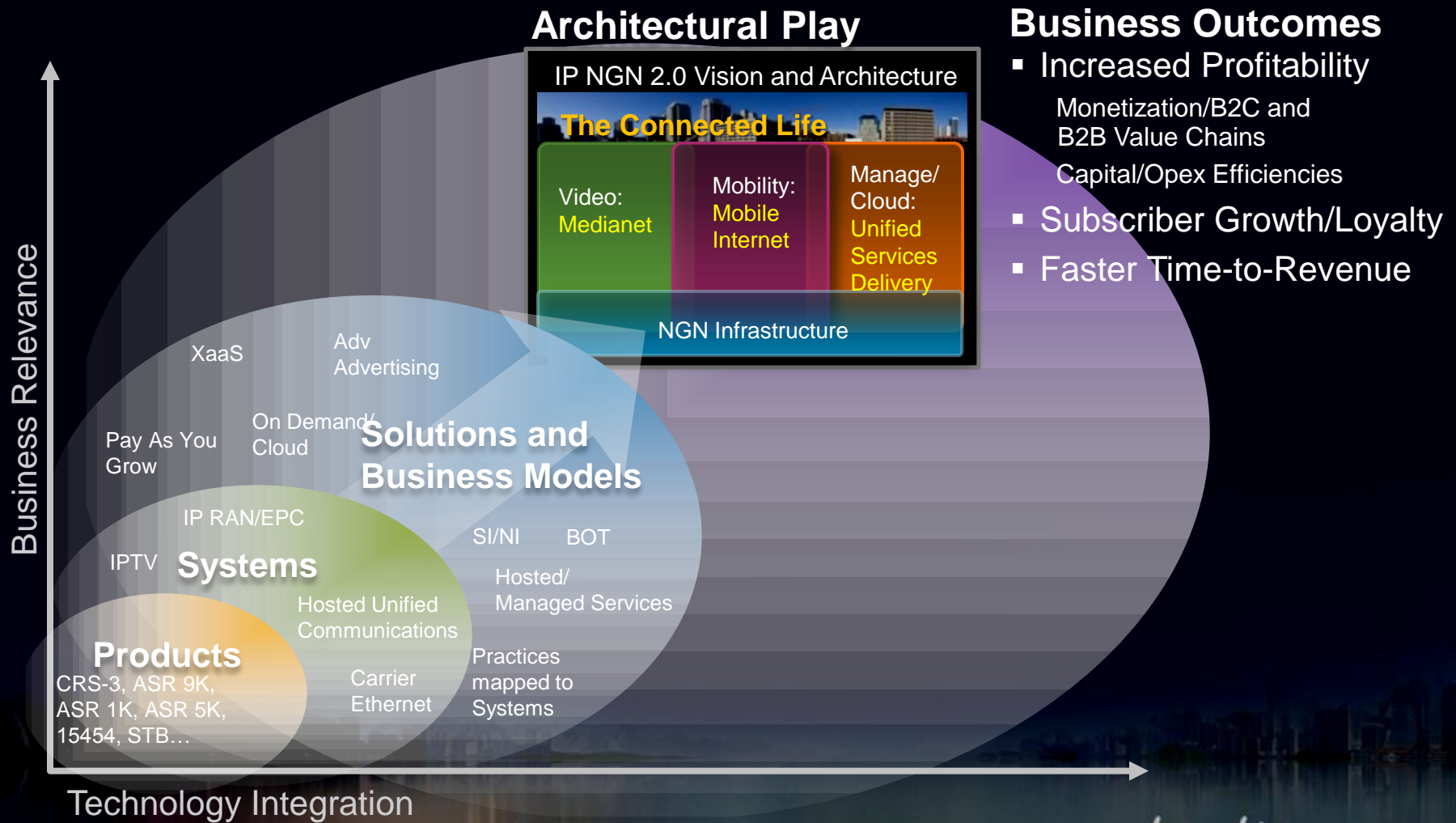


VIDEO

[http://money.cnn.com/2011/02/16/technology/chambers\\_otellini\\_mwc/index.htm](http://money.cnn.com/2011/02/16/technology/chambers_otellini_mwc/index.htm)

# Service Provider Architectural Play

## Transforming Customer Relationships



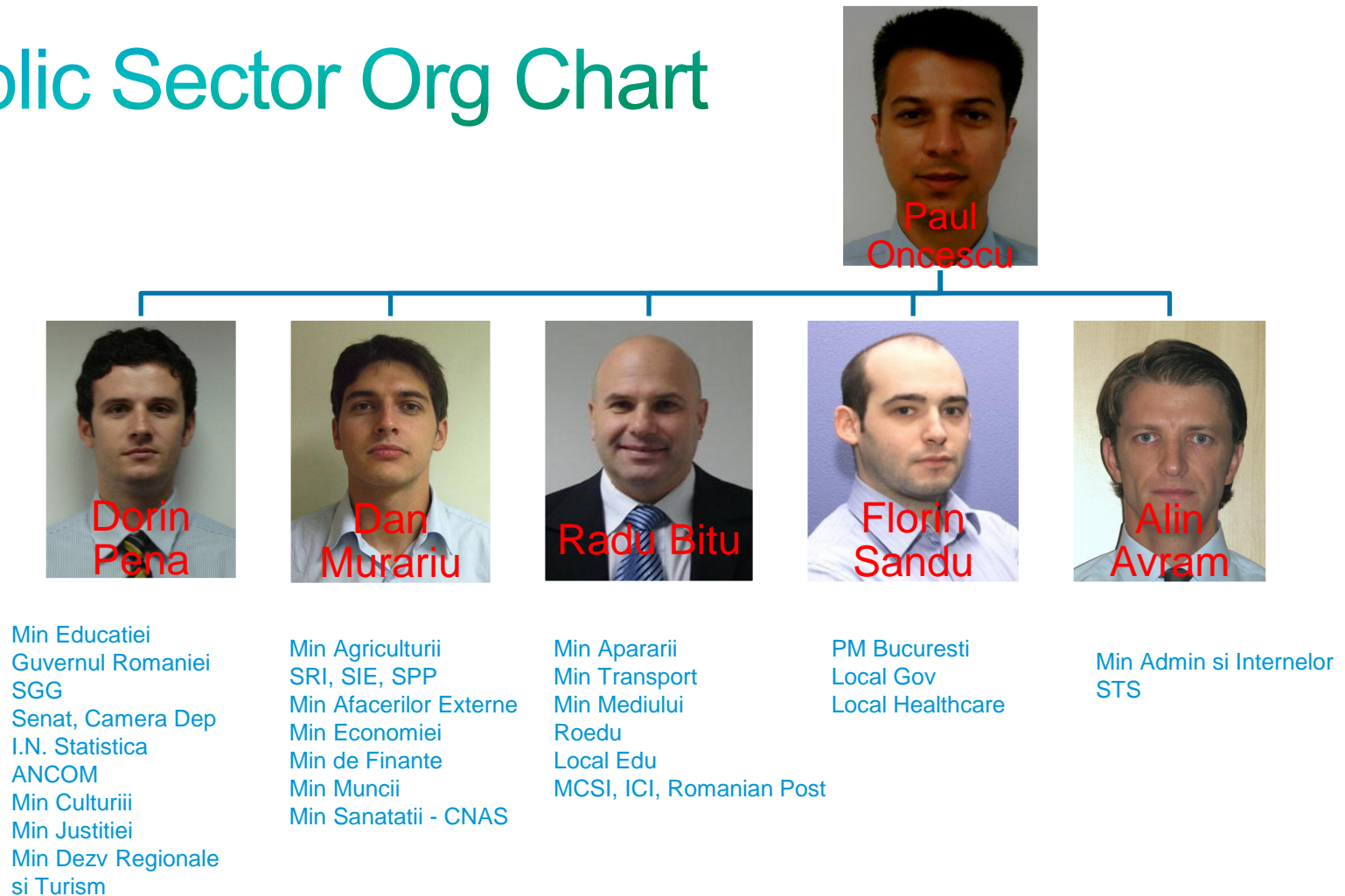
*together we can...*

# Public Sector





# Public Sector Org Chart

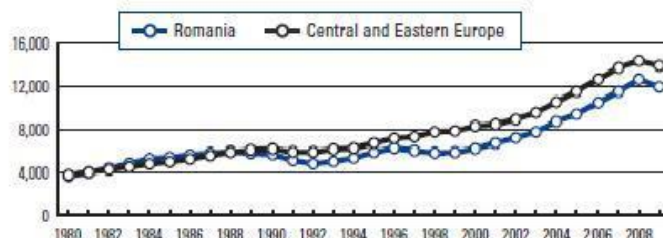


# Romania

## Key indicators, 2009

Population (millions)	21.3
GDP (US\$ billions)	161.5
GDP per capita (US\$)	7,542
GDP (PPP) as share (%) of world total	0.36

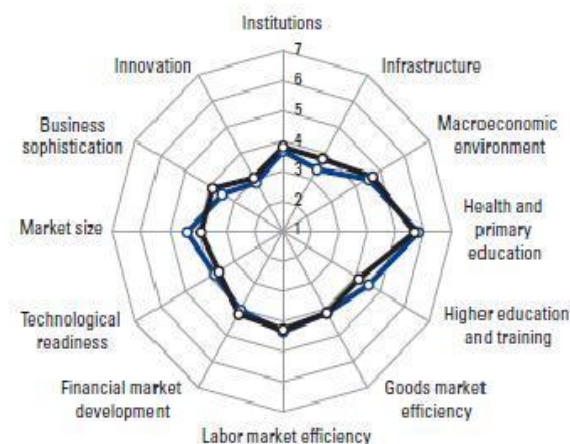
GDP (PPP) per capita (int'l \$), 1980–2009



## Global Competitiveness Index

	Rank (out of 139)	Score (1–7)
<b>GCI 2010–2011</b>	<b>67</b>	<b>4.2</b>
GCI 2009–2010 (out of 133)	64	4.1
GCI 2008–2009 (out of 134)	68	4.1
<b>Basic requirements</b>	<b>77</b>	<b>4.4</b>
1st pillar: Institutions	81	3.7
2nd pillar: Infrastructure	92	3.4
3rd pillar: Macroeconomic environment	78	4.5
4th pillar: Health and primary education	63	5.8
<b>Efficiency enhancers</b>	<b>54</b>	<b>4.2</b>
5th pillar: Higher education and training	54	4.5
6th pillar: Goods market efficiency	76	4.1
7th pillar: Labor market efficiency	76	4.3
8th pillar: Financial market development	81	4.0
9th pillar: Technological readiness	58	3.8
10th pillar: Market size	43	4.4
<b>Innovation and sophistication factors</b>	<b>91</b>	<b>3.2</b>
11th pillar: Business sophistication	93	3.5
12th pillar: Innovation	87	2.9

### Stage of development



The Global Competitiveness Report 2010-2011

2010 World Economic Forum

### 9th pillar: Technological readiness

9.01	Availability of latest technologies .....	99
9.02	Firm-level technology absorption .....	108
9.03	FDI and technology transfer .....	70
9.04	Internet users* .....	62
9.05	Broadband Internet subscriptions* .....	43
9.06	Internet bandwidth* .....	16

### 10th pillar: Market size

10.01	Domestic market size index* .....	41
10.02	Foreign market size index* .....	49

### 11th pillar: Business sophistication

11.01	Local supplier quantity .....	93
11.02	Local supplier quality .....	96
11.03	State of cluster development .....	113
11.04	Nature of competitive advantage .....	96
11.05	Value chain breadth .....	110
11.06	Control of international distribution .....	105
11.07	Production process sophistication .....	77
11.08	Extent of marketing .....	78
11.09	Willingness to delegate authority .....	81

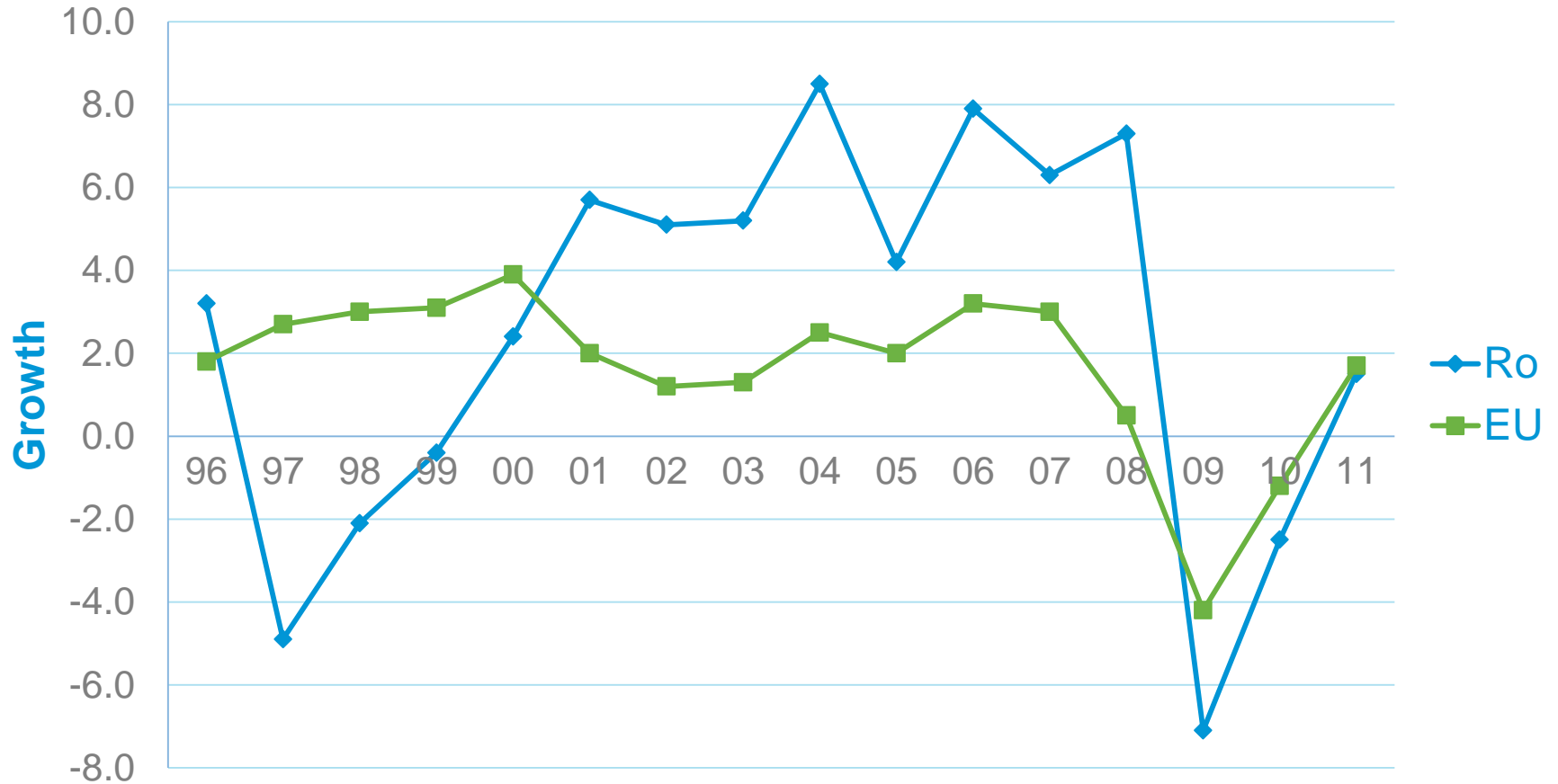
### 12th pillar: Innovation

12.01	Capacity for innovation .....	72
12.02	Quality of scientific research institutions .....	83
12.03	Company spending on R&D .....	103
12.04	University-industry collaboration in R&D .....	103
12.05	Gov't procurement of advanced tech products .....	105
12.06	Availability of scientists and engineers .....	55
12.07	Utility patents per million population* .....	62

The Global Competitiveness  
Report 2010-2011

2010 World Economic Forum

# Ro and EU – Economic Growth



Source: Eurostat

# European Public Sector

"Longer-term, Public Sector spending will be curtailed in Europe as governments struggle to bring budget deficits under control during the next five years and to reduce debt during the next 10 years,"

Richard Gordon,  
research VP at Gartner  
July 2010

# Romanian Public Sector

În linii mari, obiectivele noului acord cu FMI se referă la consolidarea fiscală, stabilitatea financiară și creșterea economică sustenabilă. Pe de altă parte, creșterea economică trebuie să fie susținută de evoluția unor segmente importante ale economiei românești, cum ar fi transporturile, energia, tehnologia informației și agricultura, care va trebui să joace un rol important în dezvoltarea României.

Mihai Tanasescu,  
reprezentantul României la FMI  
February 2011

## European Public Sector

- 45% of the European economy
- employs 24% of the workforce
- 13% of European ICT spend

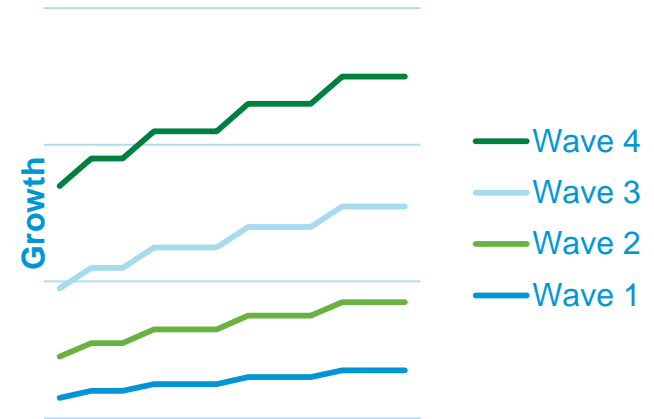
## Romanian Public Sector

- 40% of the Romanian economy
- employs 31% of the workforce
- 14% of Romanian ICT spend



- Increase share from GDP
- Further workforce reduction

# Waves of Growth



## Wave 1 - Existing budget, Cisco oriented

Run rate (Business as usual)      Product selling  
Effort is low

## Wave 2 - Existing Budget, non Cisco oriented

Expanding share of wallet      Product/Solution selling  
Addressing competition share and other IT&C areas

## Wave 3 - No Budget

Financing to be identified      Solution selling  
Creativity required      Customer focus

## Wave 4 - No Market

New technologies      Solution/Product selling  
Understanding customer business challenges



# Growth accelerators

- Architectural Plays

Borderless Network  
Collaboration

DataCenter and Virtualization  
IP NGN

- Go-To-Market priorities

Next Generation Government  
Healthcare  
Smart and Connected Communities

Education  
Defense

- Other resources

Worldwide, regional & local knowledge  
Joint engagement

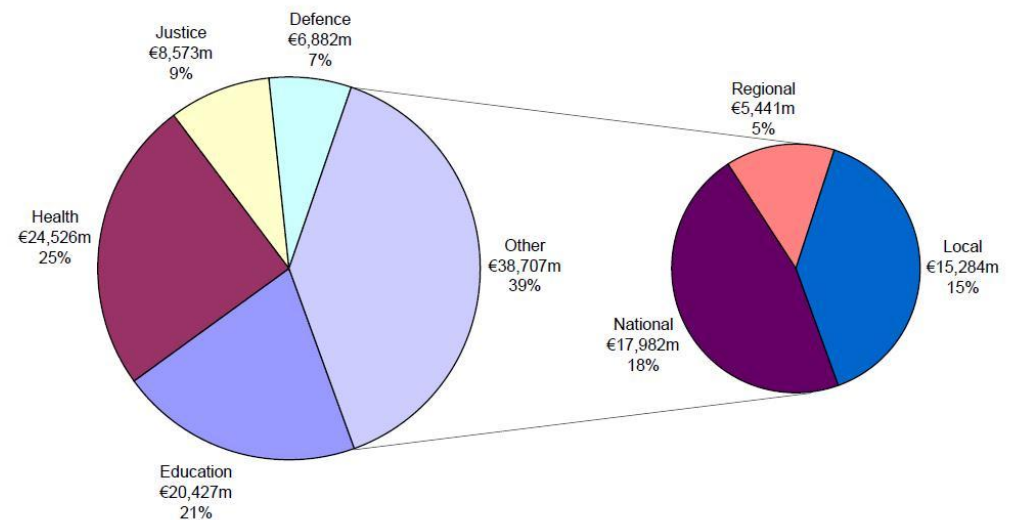
Common Planning  
Funding





# Available funding

- State budget
- Structural Funds (300M Euro+)
- EU funds (central)
  - FP7, EU programs with specific targets
- OPEX reduction



European public sector ICT spend by vertical

