Preparing for New Growth: Harnessing Broadband Technologies and Innovation

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Cisco Expo
Serbia
Rough Guide to Recovery: Sector Phasing

Early Stages
- Public Investment in Critical National Infrastructure
- Healthcare and Education
- Energy
- Transportation Services
- Telecommunications

Late Stages
- Consumer Durables
- Major Capital Equipment
- Housing
- Commercial Real Estate
- Financials

The New Normal
What is **The New Normal?**
Technology and Business Decentralization

**Business/Financial**
- Globalization
- Scale → speed
- Productivity

**Administration**
- Compliance
- Governance
- Policy
- Security

**Society**
- Digital Divide
- Mobility
- Consumer-driven
- Green

**Technology**
- Continuous connectivity
- Real-time information
- Web 2.0 and richer content/applications

**Competitive**
- Empowered employees
- Consumers demanding more
- Borderless enterprise
The New Normal: In Action
...in a street or website near you now...
...powered by the network...

Engaging Citizens: UK FixMyStreet

Challenge
- Not enough public employees to identify all neighborhood issues

Solution
- Transform citizens into public sector agents and supervisors

Results
- Problems are fixed more rapidly, with comprehensive report delivered by the City on actions to solve them

New Generation Netpreneurs: Alibaba.com

- B2B global online marketplace matching sellers and buyers; online business, technology, marketing services
- 1.1 M new jobs in last 3 years
- 42 million registered SMBs from 240 countries

Source: Cisco IBSG, 2008
The New Network Drives → National Productivity
Drives → Standard of Living

- Standard of Living Doubles in 14 Years (3% growth)
- Standard of Living Doubles in 24 Years (5% growth)
- Standard of Living Doubles in 72 Years (1% growth)

Source: Net Impact Study, 2002; adapted by Cisco IBSG, 2007
## Collaboration in Action
### Cisco-on-Cisco Use Case

<table>
<thead>
<tr>
<th>Productivity</th>
<th>Customer/ Talent Engagement</th>
<th>Environmental Citizenship</th>
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</table>
| ▪ Increased specialist productivity 22%  
▪ Reduced air travel 37% per person  
▪ $43M savings from productivity gains  |
| ▪ Increased expert interactions 45%  
▪ TelePresence usage up 300%  
▪ WebEx usage up 400%  |
| ▪ 27,136,509 m³ emissions saved  
▪ Equivalent to 11,461 cars of the road  |
Broadband is the 4th Utility!
...driving many applications
...affordability and accessibility are key

<table>
<thead>
<tr>
<th>Entertainment</th>
<th>Productivity/ Business</th>
<th>Government</th>
<th>Information &amp; Communication</th>
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<tbody>
<tr>
<td>Streaming Music</td>
<td>Collaboration</td>
<td>E-Government</td>
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<td>Data Backup</td>
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<td>Building control management</td>
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Entertainment:
- Streaming Music
- Video Streaming
- IPTV
- DVB
- Video on demand
- HD video downloading
- Online gaming
- EPG
- Gambling
- Virtual world

Productivity/ Business:
- Collaboration
- Emailing
- Virtual world
- Web browsing
- File Sharing
- Data Backup
- Telecommuting
- TelePresence
- Cloud computing
- Remote Surveillance
- Building control management

Government:
- E-Government
- Digital TV channels
- Remote Education
- Collaborative workspace
- Online public services
- Disseminating public information
- Medical File sharing
- Remote Diagnosis
- Telemedicine

Information & Communication:
- News
- Web 2.0 services
- Instant Messaging
- Social networking
- Family Calendars
- Photo & Video albums
Network Readiness Drives Global Competitiveness

Evolve The Operating Model
to Enable Lean and Live Broadband

AppStore open economy in which customers can offer and purchase services on equal terms

Services Exchange connecting users to services

Lean, live and intelligent network

Passive Infrastructure layer leveraging right of way and Utility economics

VSPs and End Users
Open Services Economy

Open Services Exchange Operator

Open Services Exchange Network

Passive Fiber Network

Services Exchange
connecting users to services

Lean, live and intelligent network

Passive Infrastructure layer leveraging right of way and Utility economics
Example Broadband Country Model: Economics in Practice

Challenge:
Drive country-wide broadband in a financially viable way

Response:
Design an open access model based on the Open Services Exchange. Experience and analysis shows the financials are stronger than in a traditional model.
Next Steps: Public-Private Collaboration

- New Business Models:
  - drive innovation and removing barriers to entry
  - harness country assets and potential
  - support sustainability and productivity

- Transformation requires political, policy, and managerial leadership – change management

- Cisco is working with organisations and nations across the world to bring new Business Models to life…I look forward to supporting Serbia’s future acceleration
Where to Begin …
Getting the Fundamentals In Place

1. Broadband: the 4th Utility
2. Affordability and Accessibility
3. Citizen and Business Centric Services For Productivity & Growth

Source: Cisco IBSG, 2008
Thank You!
&
Enjoy
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