

Voice Leadership Forum

Transformational Duality

The NBN and the Digital Economy

Paul Budde, Industry Analyst and Consultant
Paul Budde Communication Pty Ltd



Introducing myself

- Leading international consultant in fast broadband, smart grid and trans-sector policies

Australian Government, Obama Administration, New Zealand Government, Department of Economic Affairs Netherlands, Secretary General ITU, ITU/UNESCO Broadband Commission for Digital Development, most international investment houses

- CEO of BuddeComm

Largest web-based strategic research site on the Internet – 190 countries, 500 companies, 200 technologies, including telecoms, wireless, broadband, smart grids

- Founder and Executive Director Smart Grid Australia, Founding Board Member Global Smart Grid Federation

Over 150 blue chip members: electricity companies, telcos, IT providers, renewable, clean energy, electronic vehicles, universities, government, user organisations

Transforming society & economy

Social and Economic Transformation

- No linear solutions anymore for:
 - Healthcare (age care, chronicle diseases)
 - Environmental problems
 - Energy (renewables, smart grids, EVs)
 - Continuous education
 - Other government services
 - E-commerce - disruptive to incumbent models (telcos, utilities, financial institutions, media, retail)

Smart people, smart communities, smart cities

The Digital Economy

- More complex societies – flatter communications
- More complex economies - user direct, overseas
- Customer interaction, personalisation, fragmentation
- E-commerce – Ebay, PayPal, Web 2.0, Digital Media
- Customer in driving seat – people power – bypassing traditional channels.
- Importance of social behaviour sciences - interacting with the right customers.
- The need for far more sophisticated data – targeting the right services.

Trans-sector Model

Trans-sector

- Government and businesses are operating in silos.
- This is not maximising productivity, efficiency and profits.
- Customers don't operate in silos and are frustrated.
- Digital Media allows them to cut through silos (bypass them).
- Connected media undermine incumbent models (less flexible)
- NBN offers trans-sector infrastructure (saving costs)
- New (internat.) businesses will exploit this new playing field
- Disaggregation of old model – new customer focussed models are needed
- Many organisation are more interested in protecting their incumbent business rather than exploring new ones.

NBN essential infrastructure



- 40 governments, see broadband as essential infrastructure (ITU)
- Smart Grids – E-health – E-learning – Smart Transport – Public Safety – Fast Broadband all depend on communications.
- Government leadership is needed to make the transformation happen. Trans-sector policies will provide an infrastructure multiplier effect for the delivery of social and economic benefits.

Leadership from Prime Minister

A blue, 3D-style vertical cylinder representing a silo. The word "EDUCATION" is written vertically in white capital letters on its side.A blue, 3D-style vertical cylinder representing a silo. The word "ENERGY" is written vertically in white capital letters on its side.A blue, 3D-style vertical cylinder representing a silo. The word "HEALTH" is written vertically in white capital letters on its side.A blue, 3D-style vertical cylinder representing a silo. The word "TRANSPORT" is written vertically in white capital letters on its side.

The key obstacle in such a policy is the silo structure.

Over the last 50 years we have become highly specialised within each sector. However we have lost the ability to connect horizontally.

Only by working above these silos can a trans-sector approach be taken. And the only one in a position to do that is the Prime Minister

This is happening - Progress Report:



- Strategic NBN plan with Aus. Govt since 2005
- Discussion with New Zealand Government – UFB Plan
- Reports for Obama Transition Team Open Networks and National Purpose (FCC)
- Dutch Government Trans-sector Innovations
- Discussions with Secretary-General ITU October 2009
- ITU/UNESCO Broadband Commission for Digital Development - 2010



Australian National Broadband Network

www.budde.com.au

NBN so far

- \$36 billion project
- NBN Co established – networks are rolled out
- Open network = competition, new entrants (trans-sector)
- Utilities based infrastructure = user affordability
- Google and others are ramping up e-commerce
- Smart Grid Australia and NBN Co
- \$400 million for e-health

NBN Rollouts



- Tasmania went live in August 2010
- Five mainland pilot sites - July 2010 – live 2011
- Green fields ongoing (part of NBN)
- 30 projects planned for 2011

Transformation Opportunities

How are business responding to the transformation?

- **Corporates**
- Banks and Airlines – 70% of transactions online
- Telcos and utilities less than 5%
- Retail finally catching up
- Response traditional and conservative
- **Medium sized companies**
- Lagging behind – no specialised staff depend on 3rd parties
- Lack of innovation – small thinking syndrome
- Cloud computing might take off here
- **SME**
- 30% up there with the rest of the world
- 70% lagging behind
- 50/50 split before 2015

Rethink Business Models

- Structural separation – focus on customer service.
- Digital economy – customer is in charge.
- Customer selects comms channels.
- Social media, blogs – not controlled by traditional media nor by the companies.
- Sophisticated customers want sophisticated comms. tools that they can control themselves.
- Smartphones a new tool for customers.
- Customers demand security, reliability, personalisation



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