Always Connected: Strategies for Fixed Mobile Convergence

Moderator: Bill Esrey, Jr., Vice President – Sprint Wholesale Solutions
Wireless Service is a Key Productivity Tool for Businesses, and Employers are Investing in it

Employees in more than half of all small businesses use a mobile device of some kind for work. Half of those mobile devices are selected and paid for by the employer, with most of the rest reimbursed.

Small businesses are optimistic about growth in 2010, and tend to view wireless service as a key productivity resource.


U.S. Census Bureau, 2007
The Struggle for Mobile Integration

Business Customers
- 2 phones and 2 networks creates problems
- Duplication of IT & network related costs
- Employees aren’t reachable – despite proliferation of communications mediums
- Loss of productivity & inability to communicate effectively outside the office

Wireline Service Providers
- Need a wireless offering but want to be more than a “me too” wireless provider
- Want to deliver a seamless user experience for voice services – regardless of mobile or wireline
- Build a compelling bundle that will create “stickiness” and “complement, protect, & grow” existing revenue streams
Integrating Mobiles with all Carrier VoIP Models

- **Mobile Only**
  - Front Office
  - Centrex on IP phone
  - Centrex features on mobile
  - “Micro-business”

- **Hosted Fixed & Mobile**
  - Centrex on IP phone
  - Centrex features on mobile
  - “SME”

- **Premises Fixed & Mobile**
  - PBX/IP PBX
  - PBX features on mobile
  - “Mid-Large Enterprise”
Who is BroadSoft?

Industry-leading IP communications company for carriers
- 11 years old with 350+ employees in 21 countries
- Public Company (NASDAQ: BSFT)
- Products: BroadWorks Application Server, PacketSmart

Innovator
- 100% focused on IP comms – 1,200 person/yrs of investment
- Single app server for consumer, business, mobile, IMS, NGN
- Open extensibility (BroadSoft Xtended)

Industry-Leading Ecosystem
- End-to-end solution with leading equipment partners
- Over 450 devices in interoperability program
- Over 3,700 BroadSoft Xtended developers

Trusted Partner
- Collaborative technology and go-to-market approach
- Certified vendor status
- TL 9000 quality certification - Carrier grade reliability

Adopted Globally
- 15 of top 25 Service Providers
- Over 425 customers in 65 countries
- Broad experience with: CLEC, ILEC, PTT, OLO, MNO, MVNO
How BroadSoft enables FMC for Wireline Operators

SIP Interoperability
(MNO, PBX, IAD, IP Phone)

Industry’s most deployed AS for IPC & SIP trunking

Built-in FMC features

MNO Partner

Mobile Handset Clients

Collaborative GTM support
Cbeyond Business Overview

Managed Services Provider to Small Businesses
- Integrated suite of applications and services delivered to ~53,000 small business customers in 14 major U.S. cities
- Small business market not adequately served by incumbents

Direct Selling Approach
- Consultative selling built on culture of referrals
- ~55 direct sales reps per market
- Sales model resonates well with entrepreneurs

All IP Platform
- IP network affords application flexibility and advanced features
- Lower cost structure relative to traditional networks
- Integration of wireline, mobile and IT services

Proven, Replicable Model
- Positive market-level operating cash flow typically within 2 yrs
- Positive free cash flow* typically within three years
- Predictable revenue and margin growth with each market launched

Cbeyond's mission is to deliver “big business” IT and communications tools to small business at prices they can afford and we can deliver profitably.

*Adjusted EBITDA less Capital Expenditures
Our Target Market – The Small Business Entrepreneur

Cбегond's Customer Profile
- ~$708 monthly ARPU
- 8 voice lines
- 14 employees
- 7.6 applications
- 3 year contract
- No telecom/IT dept.
- 70% previously used the ILEC for voice

Cбегond's Approach to Sales & Marketing
- Direct Sales Force: 80%
- Indirect Partners: 20%
- Regimented, consultative sales force
- ~55 sales reps per city
- Door to door prospecting
- Face to face, consultative selling
- Vertical marketing
- +30% of sales from referrals
- Community involvement

Cbeyond serves entrepreneurs who value customer service and productivity enhancing applications over price.
FMC Product Strategies

- FMC will help Cbeyond to: 1) differentiate its services, 2) enable new revenues, and 3) reduce costs through improved operating efficiencies.

1. Mobile Extension Only
   - Layers Cbeyond IP Centrex “like” services onto mobile
   - “Configurable” single number solution
   - Single number can remain “company asset”
   - SIM Ring / SEQ Ring / User defined call rules, etc.
   - Call treatment managed entirely by Cbeyond
   - Enablement of entire Cbeyond Mobile subscriber base

2. Mobile-to-PBX Phone
   - Same as above including single number support
   - Adds support for PBX phones (fixed DID)
   - Unified voicemail, active call transfer
   - Cbeyond Virtual Receptionist integration

Most importantly – our customers can have a unified experience across communication mediums.
Always Connected Fixed Mobile Convergence

Laith Zalzalah
Director – Wireless Solutions
About Mitel

→ A leading provider of communications solutions for large multi-site enterprises, mid-sized corporations and small offices.

→ Operate from over 80 locations in over 90 countries.

→ Partner network of over 1,600 value-added resellers.

→ Using IP telephony as the enabler for business communications applications

→ Mitel NetSolutions - Complete local, long distance, Internet access and complex data network and wireless offerings

→ Solutions Include:
  – Local services – PSTN and SIP services
  – WAN technologies - MPLS, VPLS, Optical Ethernet
  – Nationwide voice and data wireless services

Our portfolio of solutions are highly scalable, secure, easily managed, and provide 360 degrees of convergence to our customers.
Simply Connected – No Limits

- Single number reach
  - One number, one mailbox, multiple devices
- Consistent dialing plan and feature set for both mobile and office desk phone
- Ability to move calls seamlessly and transparently between mobile and desk phones
- Extending UC features/applications to mobile devices
  - Hold, transfer, conference, etc.
  - Corporate Directory
  - Presence
  - Collaboration and Instant Messaging

Communications With No Boundaries
Stefan Bewley

Director, Altman Vilandrie & Company
Mobile Challenges for Fixed Line Carriers

While the strategic imperative is clear, the successful introduction of mobile services to your commercial customer base is challenging.

### Key Mobile Challenges for Fixed Line Carriers

| Sales Channel Alignment  | Corporate liable purchasing  
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| Product Differentiation  | "Me-too" mobile product  
|                         | Enhancements to core product |
| Operational Expertise    | New operations: devices, fulfillment  
|                         | Existing operations: care, billing, tier 2 support |
| Return on Investment     | Standalone economics  
|                         | Upside benefits to core business |
AV&Co. Overview

AV&Co. is a strategy consulting firm that focuses exclusively on the communications, media, smart grid, and related technology and investor sectors.

AV&Co. Communications and Media Client Ecosystem

Company Overview

Background

- Founded in 2002
- 50 Consulting Professionals
- Headquartered in Boston

Value Proposition

- Specialists in the Communications, Smart Grid, Media and Technology Sectors
- Fact-based, analytical approach to problem solving
- Deep economics and financial capabilities
- Investment firm expertise and perspective
Always Connected -
Strategies for Fixed Mobile Convergence