



Plan for LTE roll-out in Turkey

Case study

BA prepared a long term Opportunity Preparation Plan to help a major networking manufacturer organize for the roll out of LTE in Turkey

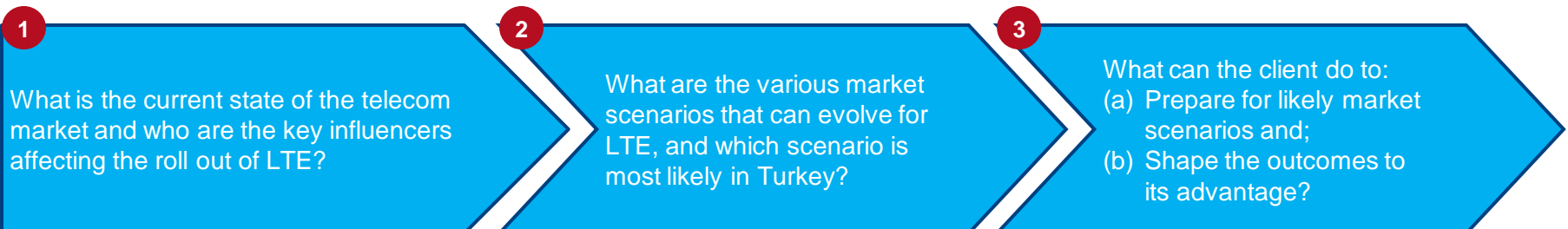
Client Background

- The client is a leading networking equipment manufacturer and solutions provider. The client's portfolio of products and services is focused upon three market segments; 'Enterprise and Service Provider', 'Small Business' and 'Home'
- The client wanted to prepare for the roll out of LTE in Turkey, which was expected to happen within 3–4 years. Challenges facing the client included the lack of clearly defined national policy environment, a market dominated by deeply entrenched competitors, and uncertainty regarding how the market could evolve

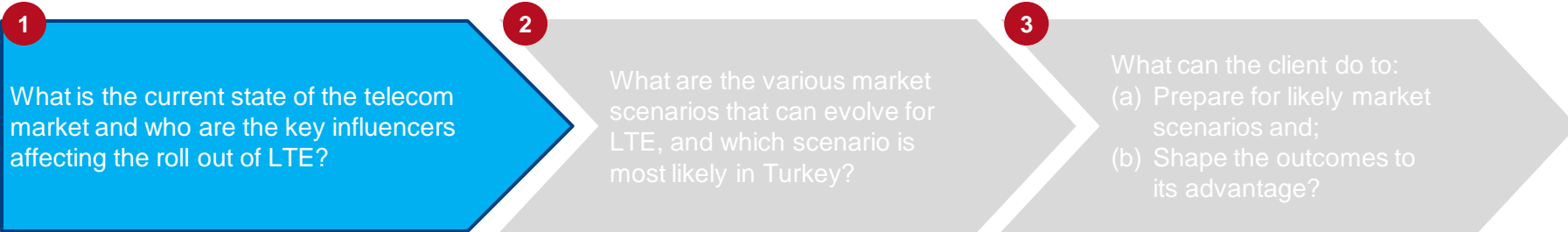
Key Highlights

- BA conducted a multi-phased approach to evaluate various dimensions along which the client had to prepare for the roll out of LTE. The first phase involved understanding the current telecom landscape in Turkey, identifying the key influencers and ascertaining their intentions. Next, BA studied the roll out of LTE across various countries and created a framework to understand how LTE might roll out in Turkey. Based on these findings, BA helped the client devise an action plan to prepare for likely outcomes and shape the market to its advantage
- As a result of BA's work, the client had a clear understanding on how to prepare for the LTE opportunity in Turkey, as well as what investments would be required to shape the market and opportunity to its advantage

Key Business Questions



BA used a two-filter approach consisting of eight discrete parameters to qualify each transformational opportunity and prioritize them



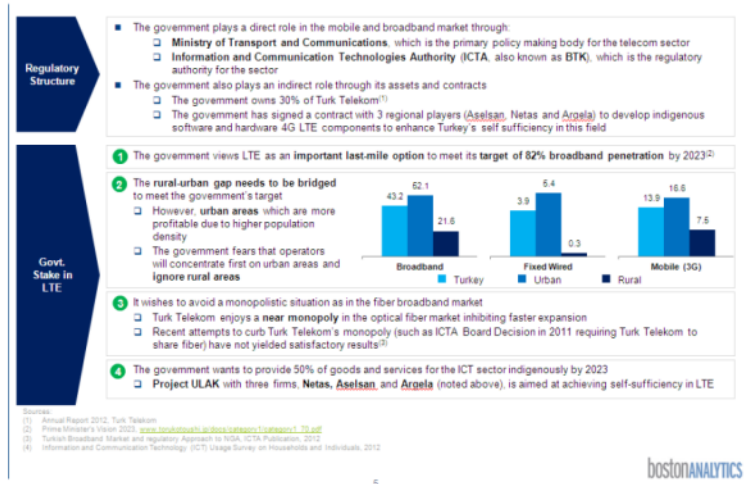
Turkey's mobile and broadband markets are highly consolidated by largely the same players Illustrative



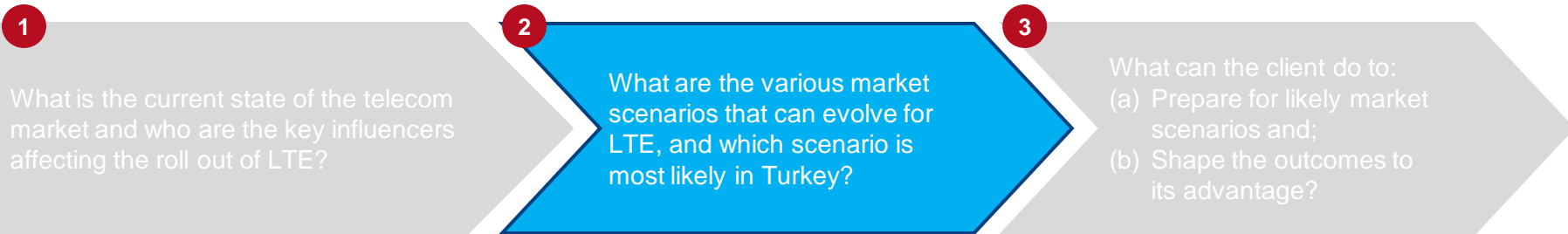
BA analyzed the key players in the market in order to acquire a comprehensive view of the market dynamics

BA also studied the regulatory and policy frameworks in place to understand how the government's intentions could affect the current market dynamics

The Turkish government may look to use LTE to meet its broadband targets and address structural issues in the broadband markets Illustrative



Through a series of sessions, BA assessed the client's organizational readiness to invest in, pursue and realize each opportunity

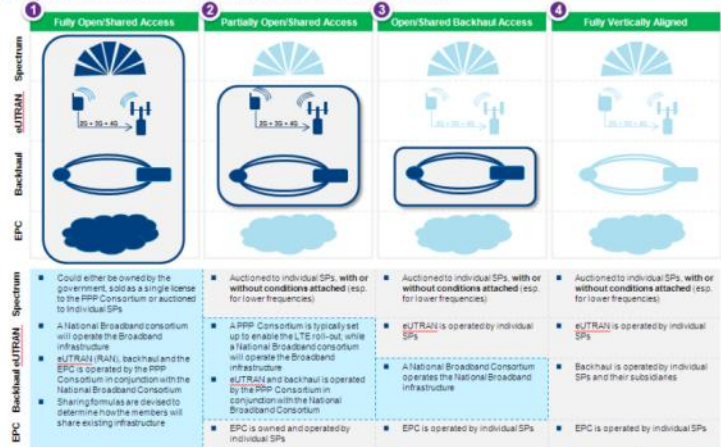


Based on the models in different countries, BA first identified the possible scenarios that could evolve with respect to LTE and the parameters that influence such outcomes

LTE in Turkey will most likely evolve towards a market structure with minimal sharing of only the backhaul, or no sharing at all (vertically aligned) **Illustrative**

The likelihood of a particular scenario is dependent on the operators to invest, the government's intent and ability to drive change and the willingness of the players to collaborate **Illustrative**

Four scenarios of sharing are seen the world over, depending on the degree to which the infrastructure is shared



Vertically Aligned	Shared Backhaul Access	Fully Vertically Aligned	Key Considerations
[Bar Chart]	[Bar Chart]	[Bar Chart]	<ul style="list-style-type: none"> Profitability of Operators Stage of recovery of their 3G investments Degree of entrenchment in pre-LTE technology (ex. large copper network) Investments already made by players for LTE readiness
[Bar Chart]	[Bar Chart]	[Bar Chart]	<ul style="list-style-type: none"> Strength of government broadband policy and penetration targets Degree of control over market players Desire to increase/decrease competition in the market
[Bar Chart]	[Bar Chart]	[Bar Chart]	<ul style="list-style-type: none"> Willingness to adopt new market models Willingness to collaborate with other players

A largely vertically aligned market is seen where the operators are either very profitable or non-collaborative and have a significant ability to influence the national agenda

Considerations	Turkey Score			
	1 Fully Shared Access	2 Partially Shared Access	3 Shared Backhaul Access	4 Vertically Aligned Access
Profitable companies with invest started LTE testing and investing LTE-ready	[Bar Chart]	[Bar Chart]	[Bar Chart]	[Bar Chart]
High broadband penetration is an important last-mile option	[Bar Chart]	[Bar Chart]	[Bar Chart]	[Bar Chart]
Country has not historically had a market players	[Bar Chart]	[Bar Chart]	[Bar Chart]	[Bar Chart]
Government is universal and will be unwilling to accept any erosion or competitive play, particularly in response to market changes	[Bar Chart]	[Bar Chart]	[Bar Chart]	[Bar Chart]
Government is willing to compete only on price or face SPs	[Bar Chart]	[Bar Chart]	[Bar Chart]	[Bar Chart]

BA then determined the most likely scenarios in Turkey (that the client should be best prepared for), and also the scenario which would suit the client's interests best

Through a series of sessions, BA assessed the client's organizational readiness to invest in, pursue and realize each opportunity

1

What is the current state of the telecom market and who are the key influencers affecting the roll out of LTE?

2

What are the various market scenarios that can evolve for LTE, and which scenario is most likely in Turkey?

3

What can the client do to:
 (a) Prepare for likely market scenarios and;
 (b) Shape the outcomes to its advantage?

Client has a reasonably good portfolio for LTE in Turkey, but readiness needs to be enhanced across some crucial pillars

Illustrative

Client Readiness Assessment (Score out of 5)	LTE Roll-out Scenario	
	Shared Backhaul Access	Vertically Aligned
Revenue Portfolio	3	3
Client	2	2
Competitive and Channels	2	2
Country Platform	2	2
Industry Environment	3	3
Overall Score	2.4	2.6

The 'Competitive & Channels' and 'Country Platform' pillars are particularly important both the likely scenario with stronger partnerships and visi being the key theme gain footprint in this market

- The Turkey LTE market is highly influenced by the three SPs, and will continue to be so. This makes it imperative for Client to examine its partner relationships and the value that they offer the SPs
- Client needs higher visibility in the mobile technology market, and needs to influence this with the help of a well thought out strategy that allow it to be considered a technology driver

Sources: (1) BA Analysis

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BA mapped the client's readiness for the likely scenarios against five vital parameters to determine where focused investments needed to be made

Based on client discussions and in-house expertise, BA then identified a set of targeted action items and decision points to help the client prepare for the roll out of LTE and promote its favored scenario

Client needs to develop a strategic account plan that will help in strengthening SP relationships and its country platform

Illustrative

Realizing the Urban Opportunity

- Client has to develop a strategic pursuit account plan, that will help Client partner at a strategic, technological as well as financial level, as well as develop the country platform
- The account plan can either be a direct or partner-supported pursuit strategy (as below)

	Direct Pursuit Strategy	Partner-supported Pursuit Strategy
Strategic level	<ul style="list-style-type: none"> In-house pursuit team with sufficient resources and experience to match or exceed competition's capabilities 	<ul style="list-style-type: none"> Partnership with strategic advisors to SPs
Technological level	<ul style="list-style-type: none"> Focus on Evolved Packet Core and other Client strengths, build on gaps in portfolio 	<ul style="list-style-type: none"> Engage business partners for end-to-end LTE solutions
Financial level	<ul style="list-style-type: none"> Strengthen readiness through targeted investments in Client Turkey's in-house capabilities 	<ul style="list-style-type: none"> Create a partner ecosystem to supplement Client Turkey's investments in the LTE opportunity
Build Country platform	<ul style="list-style-type: none"> Invest in country platform: <ul style="list-style-type: none"> Demo centers to help showcase Client's and its partners' solutions R&D centers to help collaborate with SPs on future technology testing and develop partnerships 	<ul style="list-style-type: none"> Invest jointly with partner in country platform <ul style="list-style-type: none"> Joint Demo centers with solution partner R&D centers with current partners like Netas or local company with complementary portfolio

- Direct pursuit strategies will involve higher up-front investment, but can result in stronger SP relationships and more strategic control over LTE plans. However a partner-supported eco system can be set up more quickly and at relatively lower investment levels, but might require more partner management
- A comprehensive business plan is required to detail out the investments, financial benefits and requirements to target the LTE opportunity

Realizing the Rural Opportunity

- Client should aim at encouraging RAN and backhaul sharing (Scenario 2) between the Service Providers
- Client's rural LTE strategy should be based on being a trusted partner to the government and other non-traditional partners, so as to help the government realize its targets, protect Client's relationship with SPs and enhance Client's opportunities in the LTE market

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