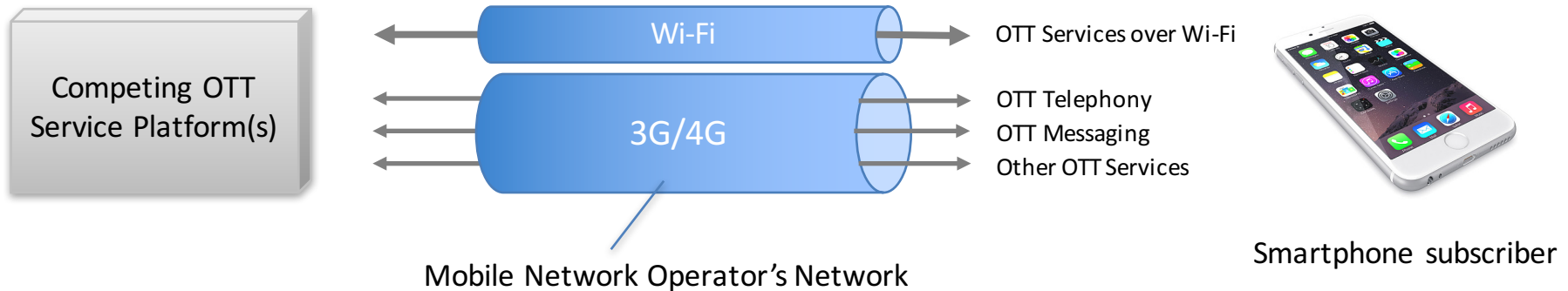


# The OTT Licensing Opportunity for Norwood



## 2 Intro: The OTT threat to core mobile services



- OTT\* service providers have been using the broadband data interfaces now in mobile handsets to deliver OTT voice and messaging services directly to end-users, bypassing the mobile network operators' own native services
- **A significant risk is emerging for Mobile Telco providers:** that they become disintermediated by such OTT providers for high-margin telephony and messaging services

\* OTT = "Over The Top"

## 3 The mobile industry is in flux

- Up to \$ 1 trillion of mobile network operator service revenue is at risk
- “Genie is out of the bottle” – with mobile broadband continuing to improve its reach and performance, OTT services aren’t going away
- OTT entrants benefit from an uneven playing field, innovating far quicker than is possible via carrier standards-based processes
- Choice for carriers is, simply: “Do lunch, or be lunch”\*

\* Acknowledgement due to Howard Stevenson, Harvard Business School, for this phrase

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*“OTT [mobile VoIP] could either be a disruptive threat or an innovative opportunity for [mobile operators] along the value chain.”*

**Disruptive Threat or Innovative Opportunity?**  
Arthur D Little & Time, 2011

Source: [http://www.adlittle.com/downloads/tx\\_adlreports/ADL\\_OTT\\_Disruptive\\_threat\\_or\\_innovative\\_opportunity\\_v2\\_01.pdf](http://www.adlittle.com/downloads/tx_adlreports/ADL_OTT_Disruptive_threat_or_innovative_opportunity_v2_01.pdf)

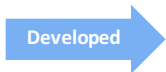
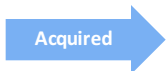
## 5 Norwood's role in this industry (r)evolution

- Norwood has one of the highest-quality, field-tested and provably scalable platforms and App in the market for mobile OTT VoIP, and will soon be adding some great OTT messaging capabilities to the mix
- Mobile network operators are actively searching for solutions to answer the OTT threat – one obvious strategy is to partner with a capable OTT service provider
- Numerous discussions and follow-on agendas have arisen from Norwood's early interactions with mobile and fixed operators discussing potential cooperation
- Now seeing first agreements – MoU term sheets – being signed in advance of full licensing contracts and deployments

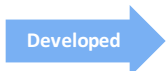
# 6 OTT is becoming part of the Telco landscape

## Operator

## OTT Service



airtel talk



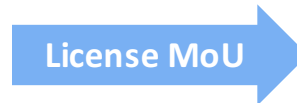
BIP



## First Norwood OTT License deal:



**NEWS!**



World Phone

## Addressable Operator market:

- 500 Mobile Network Operators
- 1000 Mobile Virtual Network Operators\*

\* Source: GSMA: <https://gsmaintelligence.com/research/2015/02/the-global-mvno-footprint-a-changing-environment/490/>

### Vietnam Posts and Telecommunications Group (VNPT)



- USD 4 billion turnover (2015)
- 90,000 employees
- Seventh largest company in Vietnam
- 10 million land line subscribers
- 33 million mobile subscribers
- 3.2 million broadband subscribers
- Owner of Vinaphone, the second largest mobile operator in Vietnam

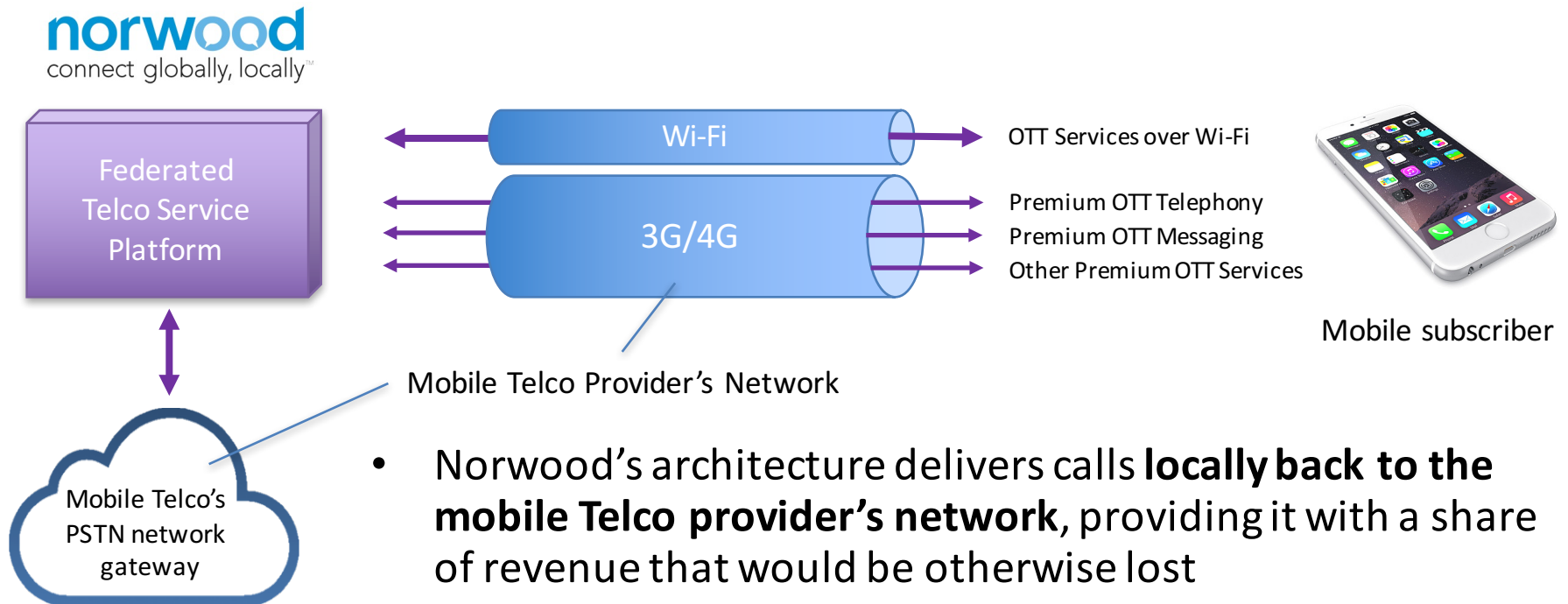
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*“While OTT services are evolving fast, consumer behaviors are shifting faster, so operators will have to create business models that are both agile and adaptable, and partnering will be the best way to do it..”*

**Winning the OTT War:  
Strategies for Sustainable Growth**  
AT Kearney, 2012

Source: [https://www.atkearney.de/documents/856314/1214712/BIP\\_Winning\\_the\\_OTT\\_War\\_Strategies\\_for\\_Sustainable\\_Growth.pdf/](https://www.atkearney.de/documents/856314/1214712/BIP_Winning_the_OTT_War_Strategies_for_Sustainable_Growth.pdf/)





- Norwood's architecture delivers calls **locally back to the mobile Telco provider's network**, providing it with a share of revenue that would be otherwise lost
- **This drives premium service delivery**, due to on-net routing of calls, bypassing the Internet entirely – strong service offer differentiation against 'vanilla' OTT services

# 10 Norwood delivers a three-way Win-Win-Win

## Customers

- Premium quality free calls – App2App
- Premium quality OTT local telephony service
- Premium quality low-cost international voice roaming
- Premium quality seamless messaging
  - App2App and SMS

## Operators

- Preserve revenue
- Terminate traffic from other Norwood World Phone customers
- Offer new and innovative services
  - e.g. local numbers to visitors, enhanced messaging, etc.
- Access Norwood digital marketing expertise

## Norwood

- Endorsed marketing and customer acquisition
- Customer acquisition co-funded by operator
- Local access to operator POPs
- Access to operator's local number inventories

# Norwood's winning OTT platform

## **Global OTT network**

- Scalable, global, high-performance, federated Telco platform
- Network is easy to integrate with another operator's network – by design
- Globally optimized VoIP paths drive better overall performance

## **Great Apps and user experience (UX)**

- 'Non-frivolous' UX supporting deep, detailed workflow and functionality
- Designed to support the full workflow of native telephony Apps, and more
- Superb audio path engineering on calls – in-App and on-Network
- Pervasive quality focus and lack of bugs gives Norwood's Apps a premium feel
- Easy to White Label

## **Great economics**

- Best-in-class low-cost global calling rates creates a winning economic proposition

## **World-class digital marketing expertise**

- Learning from Norwood's demonstrated competency in driving end-to-end all-digital value chains

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*“Partner with OTT players on value-added services. OTT companies have been viewed as the scourge of traditional telecom operators, but there’s something to be said for the approach of “if you can’t beat ’em, join ’em.”*

**The New Rules ...**

BCG, BCG Perspectives, 2014

Source: [https://www.bcgperspectives.com/content/articles/telecommunications\\_pricing\\_new\\_rules\\_for\\_designing\\_fixed\\_mobile\\_bundles/](https://www.bcgperspectives.com/content/articles/telecommunications_pricing_new_rules_for_designing_fixed_mobile_bundles/)



## A World Leader in 'Sharing Economy' OTT Services

For further information contact:

**Paul Ostergaard**

CEO and Founder, Norwood Systems

Office: +61 8 9200 3500

Web: [www.norwoodsystems.com](http://www.norwoodsystems.com)

Twitter: @paulostergaard, @norwoodsystems

**Shane Murphy**

FTI Consulting

Office: +61 8 9485 8888

Mobile: +61 420 945 291

Twitter: @ShaneWMurphy