

## 'Look outside' for innovation

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Kees Rovers, founder and director of Close the Gap in the Netherlands, asked during a panel session on "Cross industry business models" at ITU Telecom Asia in Bangkok yesterday where does innovation happen?

The success factor is at the end of the value chain, he said. It's giving power to the people. The design of products in this new networked environment is not done by the industry but by customers.

"We have tried to stop this. We've seen it in the music industry when kids are looking for downloads. We see it with doctors and the medical profession. They don't want e-health, or video access or even to be reached by email." They are reluctant to innovation, just like incumbent telcos.

He pointed out that as populations age "people are feeling the future", noting they want convenient access to health advice, records as well as treatment.

To discover what your customers or your citizens want, he suggested starting with focus groups and citizen groups, especially with the elderly, and listen to them. They will tell you if the product "fits". "Too often operators are only listening to their shareholders."

He said that if you unite your customers, they will change your company. But if you don't, you'll go out of business.

He argued that for operators it's all about access and not services, which so many services providers are focused on. "Don't worry about services, which can be done by partners or third parties. It's not about content or a killer app?"

IBM's GM of its Global Telecommunications unit Michael Hill agreed. "I get tired of hearing people say they are only a commodity pipe." There can be plenty of money in a pipe and a lot of industries would like to be in that situation, he said.

The key is to create a platform that is open to partners, which can also provide others with pure access. "There are a lot of ways to compete and operators don't have to find and develop services."

Adrian Scrase, head of ETSI's 3GPP Mobile Competence Center, said that since operators don't own the network end-to-end, they face a huge responsibility and challenge of being an aggregator of services, which in many cases they haven't created, but are blamed for when they run into problems.

He said the good news is that they have learned about business success and failures. "We've learned you must have standard interfaces, and we're now discovering the hard way with femtocells that industry-led standards are essential."