



SERVICE / INDUSTRY SECTOR

ATUG Communications Future Forum

5 December 2007

AUDIT / TAX / ADVISORY / LINE OF BUSINESS

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End user needs – observations today...

- **The rise & rise of social networking**
 - consuming bandwidth
 - changing communications of a generation
- **Ever better online content hence demand**
 - major news/entertainment sites constantly upgrading & improving
 - niche content sites expanding and improving eg. music, auctions
- **Devices continue to proliferate and improve**
 - improving PDAs, GPS for cars, iPhone
- **Business**
 - E2.0 is a VERY hot topic right now
 - climate/sustainability agenda driving need for effective technology use
- **New Government agenda**
 - ratification of Kyoto
 - laptop for every school child
 - 20% renewable energy by 2020

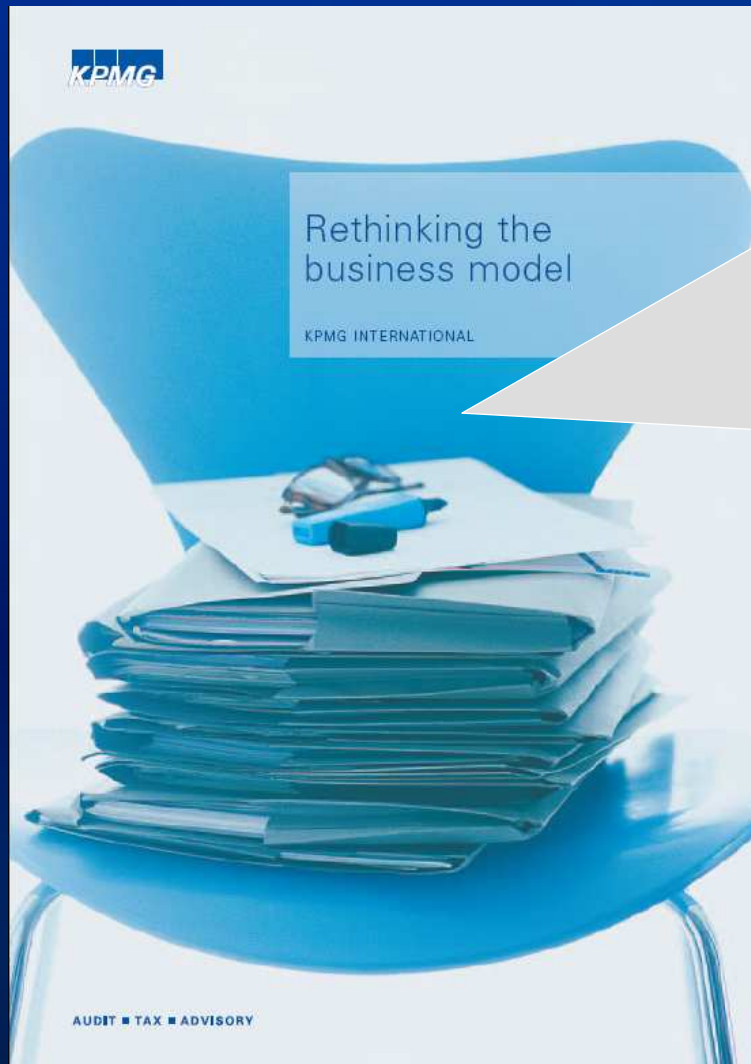
Where are we on the broadband journey?

Graphic 6.5: The 3 stages of broadband user experience



Source: KPMS

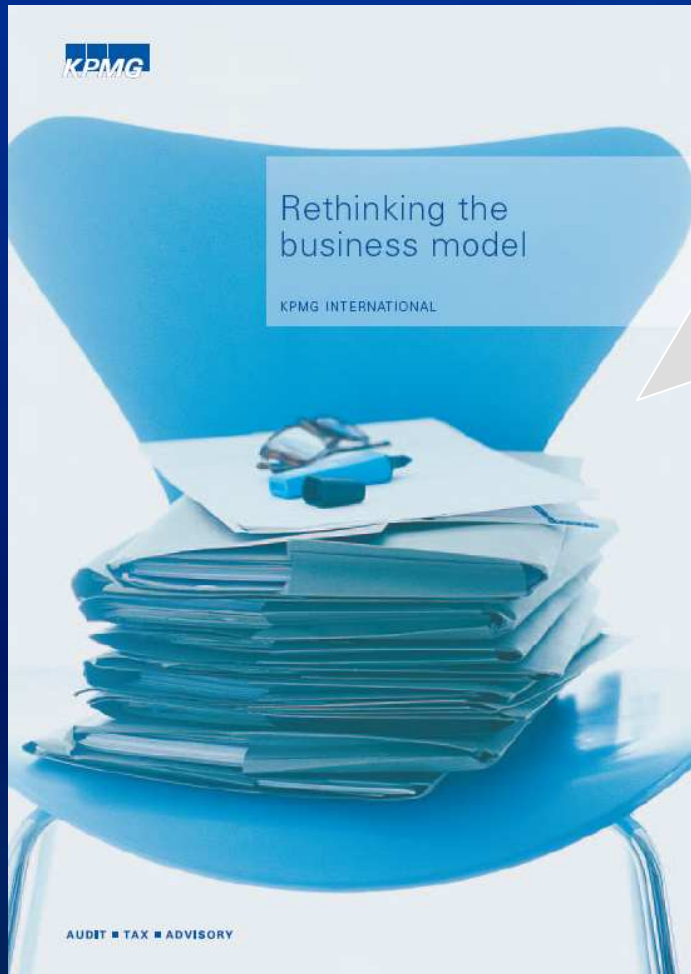
Why does digital matter to business?



Qu: Which issues will require the biggest change to your business model in next 3 years?

- Expansion of emerging markets
- Emergence of new technology
- Changing customer needs/buying habits
- Increased competition (established)
- Regulatory changes
- Increased competition (new entrants)
- Offshoring & outsourcing
- Industry consolidation
- Commoditization

What do senior global executives think about changing business models?



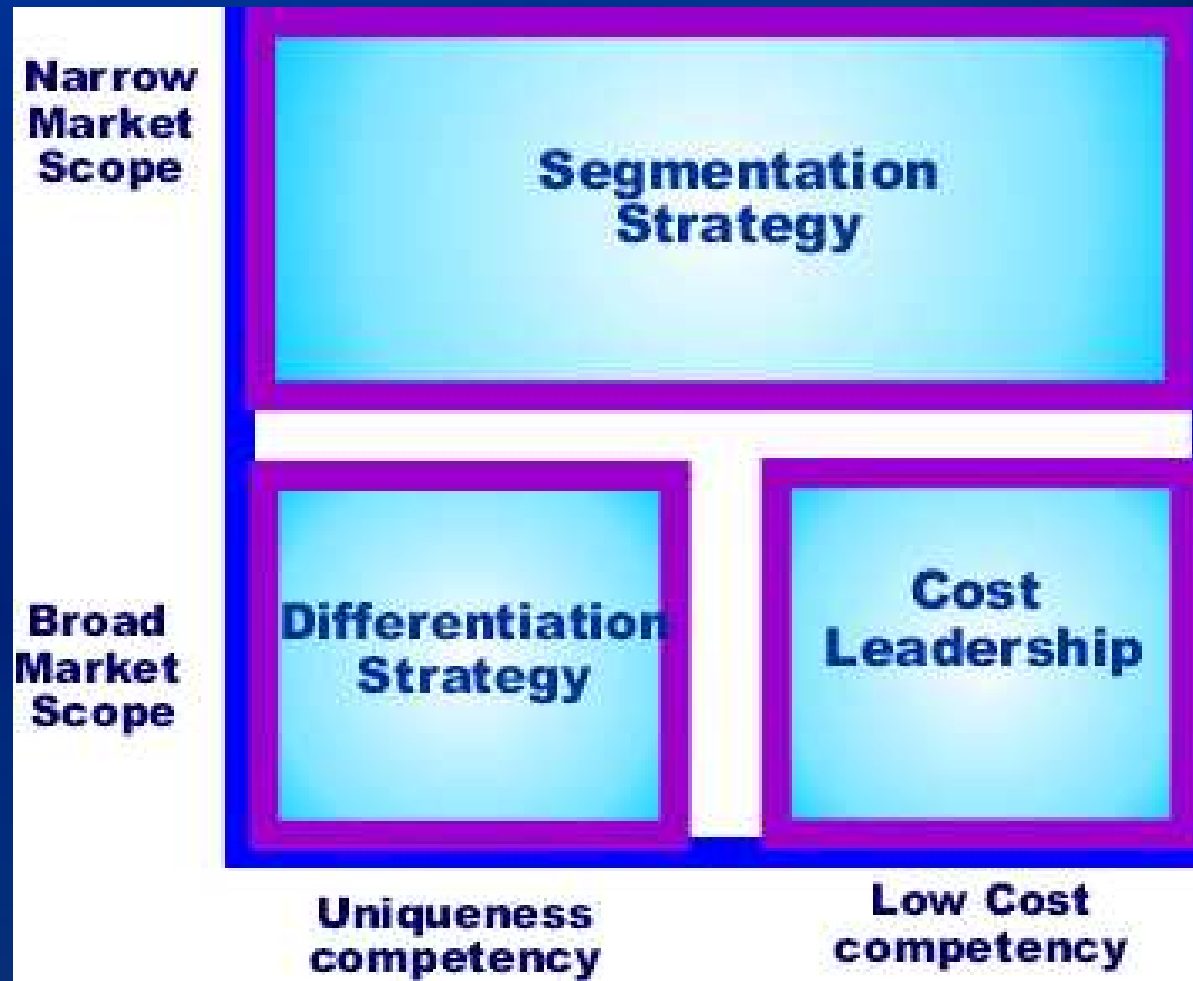
- **Re-assess your assumptions**
- **See value through customers' eyes**
- **Flexible partner networks**
- **Optimization not rationalization**
- **Defendable position in the value chain**
- **Manage risks of business model overhaul**

80% believe customers will be the primary driver of change in their business model

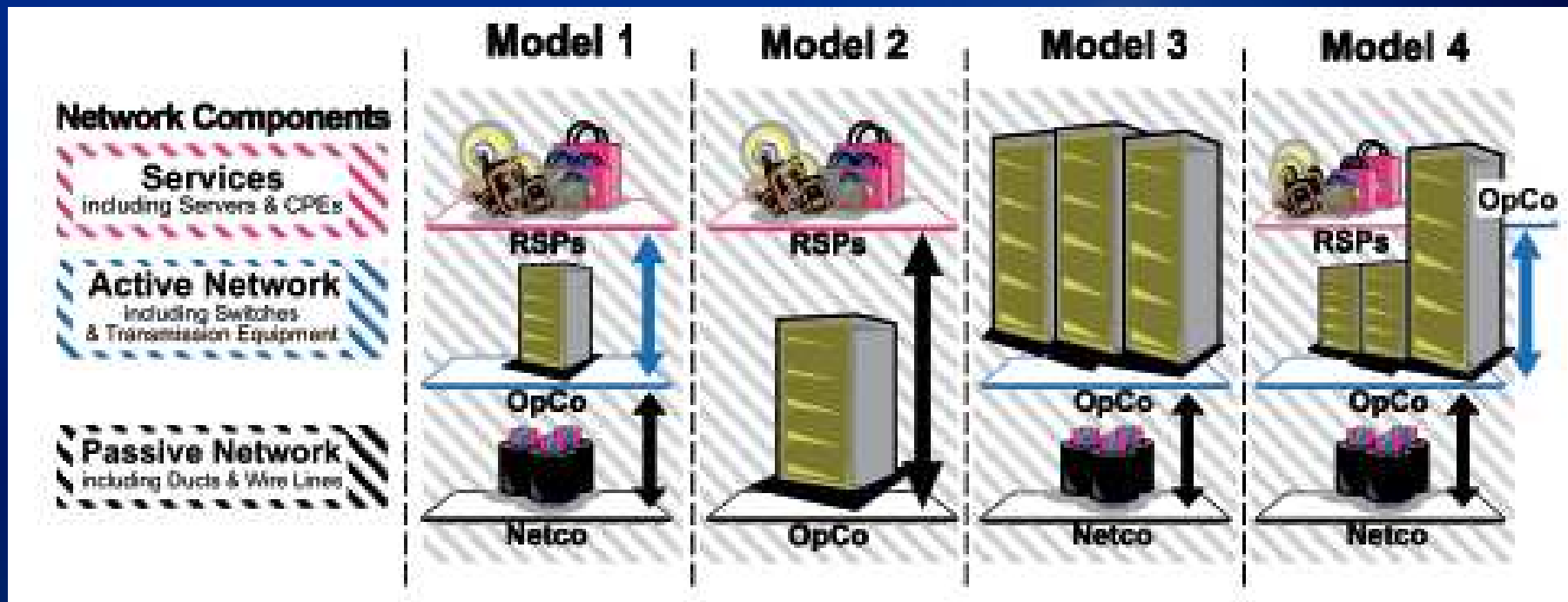
Once upon a time - there was Porter's 5 forces



We're not done with Prof. Porter yet...



There are alternate infrastructure models...



Who might provide the infrastructure?

- **Think more broadly than most commentary to date**
 - Telcos
 - Construction companies
 - Financial investors
 - Equipment vendors

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