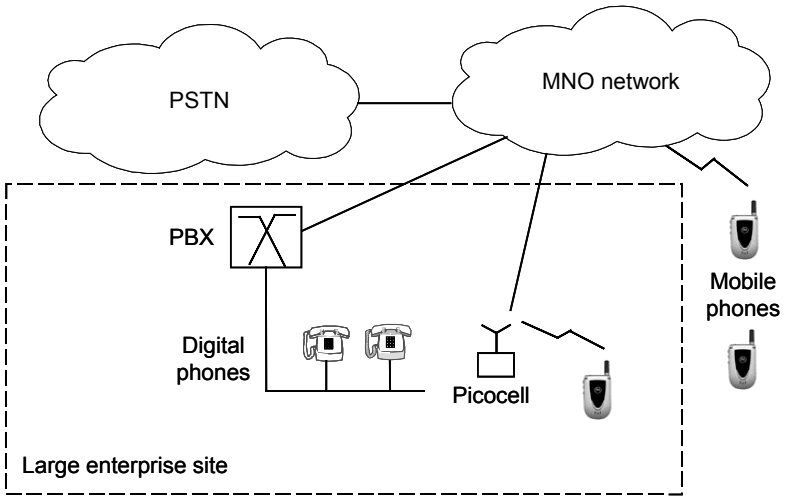
Figure 3.1: *Use of a picocell to provide an FMC solution [Source: Analysys Research, 2007]*



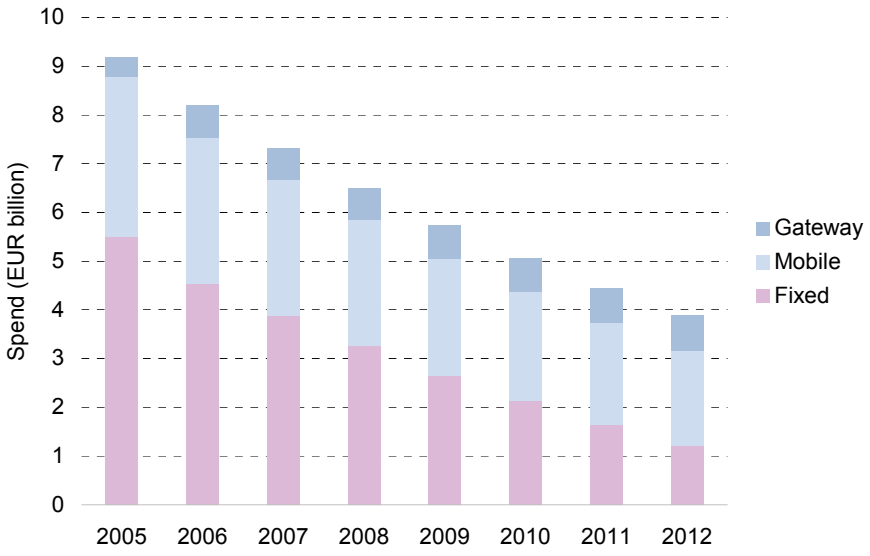
T-Mobile is offering a service based on femtocells to residential users in the USA, and Vodafone is offering a similar one in Germany, while WILLCOM in Japan is offering a corporate mobile-only solution based on femtocells with a server linked to the company PBX.

There is the usual confusion about services and technology in this area, because for the user the issue is not technology but price. If the organisation gets free or low-cost calls based either on a company numbering plan or on phones located in a home cell, then this can easily be cheaper than using WLAN, which needs expensive new handsets and upgraded hubs. Furthermore, many users would prefer to have just one phone. This has the huge benefit to the company that they don't buy expensive SIP phones that are used only for conferences while the user sits at their desk using their mobile phone.

3.3 MNOs can provide PBX features in the network

MNOs can offer various levels of network intelligence to make mobile phones behave like office ones. If the operator's network can recognise an organisation's network and individual phones as being part of it, it is possible to have software on the handset that provides some PBX-like features, such as call divert, call forwarding and short code dialling, adequate for smaller companies. Such features can be offered with business call plans. T-Mobile has an offer called Colleague Call, that includes a number of PBX-style

Figure 5.7: *Large and medium-sized enterprise call spend by termination, 2005–12 [Source: Analysys Research, 2007]*



5.3 Change in legacy voice networks is driven by office moves

Despite the attractive new features on offer, organisations rarely throw away a working voice system. Migration to a new voice system takes place when it has to be installed for some external reason, such as a new office. As a result, adoption of VoIP and mobile innovations is slow.

Roger Jones of Avaya says, "There's an enormous amount of interest from people who want to lower the cost of their calls, but only about 25% actually go on and do it. To make this work, you need a completely new IP PBX, or a front-end IP PBX running this system alongside the old voice system, which can be too much for some customers. Some of these people have come to the end of the life of their PBX, and then the option to add the features is there. But when they want to just use FMC, and you say you need some kind of IP PBX, it goes out of the scope of the project."

Enterprises will migrate to new voice systems as shown in Figure 5.8, with VoIP users becoming a significant proportion of users, much larger than their share of spend in Figure 5.5 would suggest. FMC user figures include mobile and fixed-line users in departments that adopt FMC.