Wireless Infrastructure Deployment and Economics (Course IK2514) Jan Markendahl COS/ICT

Associate Professor Wireless Infrastructure Deployment and Economics

The course consists of three parts

- Telecom Markets and Regulation
- Mobile Operator Business
- Wireless Broadband Network Deployment and Economics

The course is about "How to":

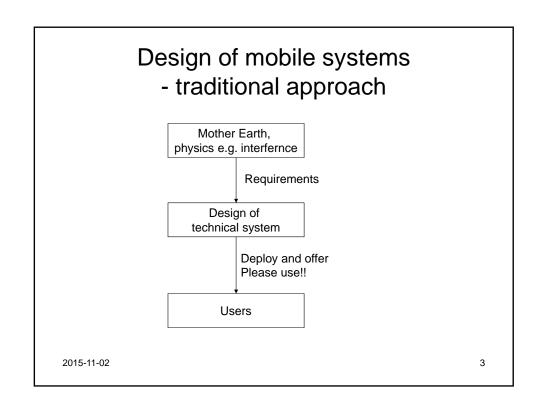
- Organize telecom markets
- Run a operator business and make money
- Dimension, design & analyze mobile broadband networks

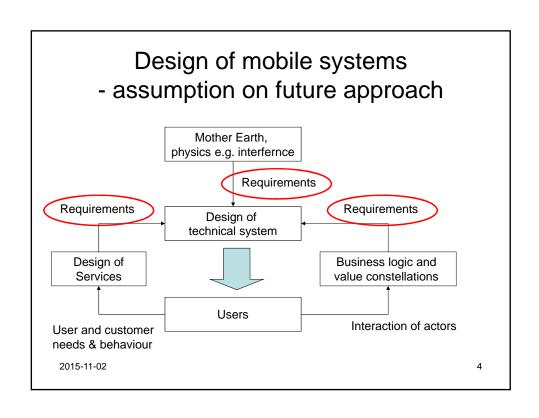
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Agenda today

- Why this course? Your expectations?
- Course overview, course objectives
- KTH Social and the schedule
- About part 1 of the course and homework 1
- About part 2 and 3 of the course
- Lecture: Actors & roles at the telecom market
 - A small exercise

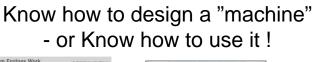


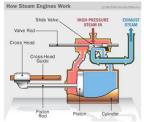


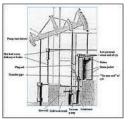
Techno-economic research and teaching

- Teaching on telecom and mobile systems
 - Many courses on how to design systems and technology
 - Knowledge useful for companies like Ericsson, Nokia, Apple
 - Not many courses on how to run and operate the mobile networks, i.e. the "telecom machine"
 - Knowledge useful for broadband and mobile operators
 - A need to put technology and solutions into a market and business perspective

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Railways

Fire brigade



Farming



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Overall objectives and learning approach

The overall objective

 To enable students to design, model and analyze technical systems in an overall business context

Learning approach

- A strong focus is put on "learning by doing" with home works, reviews, seminars and a operator game
- Guest lecturers to give different perspectives
 - Regulator
 - Financial market
 - Manufacturers
 - Mobile operators
 - Internet companies
 - User and pricing

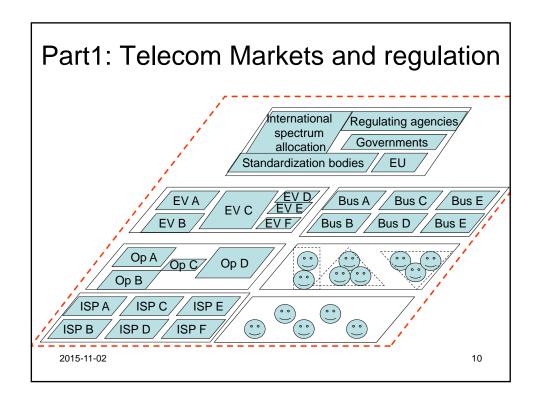
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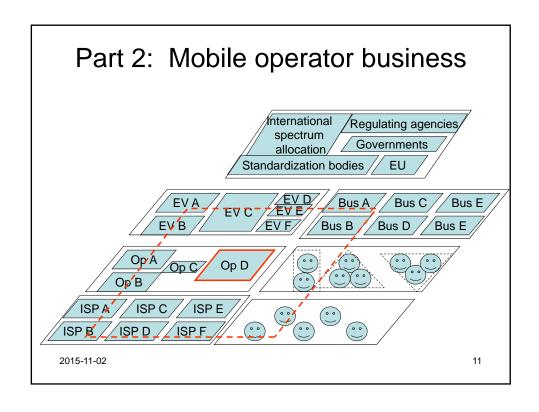
Homework and operator game

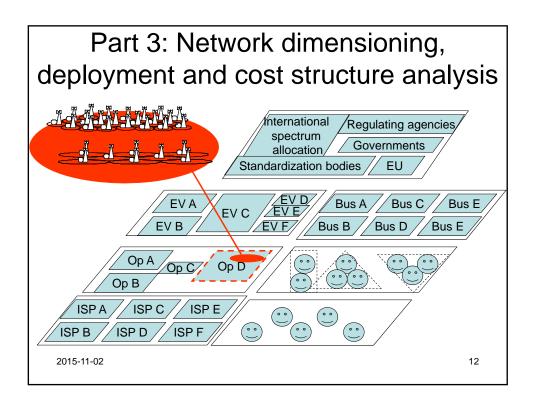
- Three homework assignments
 - 1. To analyze the telecom market in a country
 - 2. To compare business strategies of two mobile operators in a country
 - 3. To dimension and make an overall networks design and make cost and capacity trade-offs
- To do reviewing
- Mobile operator game
 - A business game where operators compete year 0 6(8)
 - A full day exercise where 3-4 students is the mgmt team

Course overview

- Course content
- · Course objectives
- Learning approach
- · Agenda, lectures and lecturers
- Home work assignments
- The mobile operator game
- Examination and credits







Course objectives

After the course the students should be able to:

- Analyze telecom markets in terms of actors, market segments, services, regulation + identify differencies
- Describe the key characteristics of a Mobile Network Operator and identify strengths and weaknesses
- Dimension and design of a wireless network given demand, spectrum and radio access technologies
- Model and analyze the cost structure of a mobile operator network and compare different solutions

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Learning Approach

- A strong focus is put on "learning by doing" with home works, seminars and a operator game
- Motivation
 - The course covers a multitude of architectures, concepts, methods and tools within both wireless technology as well as areas of economics and business.
 - Each concept, solution etc may not be so complex or difficult to understand, but the combination of all aspects leads to a very high degree of complexity.

Part 1: Telecom Markets and regulation

- Market structure, type of actors and business relations at telecom markets
- Telecom regulation, regulated markets and services, Spectrum allocation and licensing;
- Operator competition and cooperation, Mobile operator strategic planning
- Home work 1: Country study -description and analysis of the telecom market in country X

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Part 2: Mobile operator business

- Overview of operator business; marketing, customer management, charging & billing
- Cost structure, financing, investments and risk, revenue streams, pricing and subscriptions
- Operator challenges for mobile broadband, the revenue gap, capacity & coverage, data rate
- **Home work 2:** Analysis of operator strategy
- Mobile Operator Business game session (1 day) and preparation and summary report

Part 3: Network dimensioning, deployment and cost structure analysis

- Economics of wireless infrastructure, cost-capacity trade-offs, scalability, spectrum allocation
- Network dimensioning, deployment and configuration strategies, impact of user demand
- Cost structure modeling & analysis of network, to calculate CAPEX, OPEX, Net present value
- Home work 3: Dimensioning and high level design of a wireless network incl. cost structure analysis

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The homework assignments tasks

- Homework 1 task:
 - Describe the telecom market in country X in terms of characteristics of key actors
 - Identify problems and challenges for the identified key actors
- Homework 2 task:
 - Compare business strategies of two mobile operators in "your" country
 - Find data on business performance and operator strategy in order to do a comparison
- Homework 3 task:
 - Dimensioning of a radio access network and analysis of the cost structure for different deployment options and types of used Radio Access Technologies (RATs).

For HW1 and HW2: Report no more than 4 pages in total 2 slides for a 5 min presentation

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To pass home work assignments 1 and 2

- To do a draft report and send for review
 - Max 4 pages in total
- Review the reports of student in the group
- Present review comments in group session
- Make a oral presentation of results
 - Max 5 minutes and 2 slides
- Attend the presentation seminar
- Revise report according to the review comments and submit a final version

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Examination and grading

- In total the home works and the problems can give 30 points (3*5points + 5*3 points).
 - Each home work will be graded with 0 to 5 points and these points are included in the points at the exam.
 - At the exam there will be five problems to solve;
 each problem can give maximum 3 points.
- To pass the course
 - All home work assignments are satisfactory (3-5 points)
 - In total 12 points are required (grade E)
- Credits
 - -7,5hp = 5 weeks of full time work distributed over 9 weeks

Course outline and timing

- Part 1: start 2/11
 Telecom Markets and Telecom regulation
- Part 2: start 17/11 (game session 10/12)
 Mobile operator business, including Business game
- Part 3: start 25/11
 Network dimensioning, deployment and configuration and cost structure analysis
- Written exam: 11/1, 2016

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Lectures & seminars - part 1, week 1

- November 2; 10-12 (Jan Markendahl, KTH)
 - Course overview, Intro to telecom actors and roles
- November 3; 13-15 (Bengt Mölleryd, PTS)
 - Development of telecom markets
 - Regulation and liberalization
- November 4; 13-15 (Bengt Mölleryd, PTS)
 - Telecom and spectrum regulation
 - Role of regulator and examples of regulated markets
- November 5; 10-12 (Jan Markendahl, KTH)
 - More on actors and roles, ecosystems,
 - Telecom markets from the end-user perspective
- November 06; 12.00
 - -> Submit draft HW1 report

Lectures & seminars – part 1, week 2+3

- November 09; 10-12 (Jan Markendahl, KTH)
 - Q&A session for Home work 1
 - Country studies, examples of regulation, competition, etc
- November 10; 13-15 (Student groups, no teacher)
 - Review seminar, discussions in student groups
- November 12; 10-12 (Ashraf Widaa, Jan Markendahl, KTH)
 - More on operators and spectrum
 - Non European country cases
- November 13; 10-12 (Johan Rydberg, PTS + Jan Markendahl)
 - Net Neutrality
 - Cases on mobile media, mobile payments, IoT services
- November 16, 10-12 (Students)

November 18; 11.59

Oral presentations of Homework 1

-> Submit final HW1 report

Home work 1 deadlines 2015	
Activity	Home work 1
Home work is assigned to each student	15-11-03 ; 12.00
Draft report sent to teacher & reviewers filename: "country"_HW1_1.doc	15-11-06; 13.00
Review comments sent to teacher and authors filename: "country"_HW1review_by"name"	15-11-09; 08:59
Review session and discussions in review groups (room 210 available, no teacher present)	15-11-10; 13:00-15:00
Send slides for oral presentation to teacher filename: "country"_HW1.ppt	15-11-16; 07:59
Oral presentation of HW1, Each review group will	15-11-16 ; 10:00-12:00
present together (compile into one file with PPT)	Max 5 min per country
Send final report version to teacher filename: "country"_HW1_2.doc	15-11-18; 11:59
Feedback and HW1 grading send to student	15-11-25; 12.00 latest

About review of the homework reports

- Below is a short check list with key aspects to consider when reviewing the HW reports
 - Are the key aspects of the analysis covered?
 - Is there a relevant methodology section?
 - Are the results and analysis clearly described?
 - Are the results and analysis supported by a convincing argumentation?
 - Is the report OK when it comes to layout, presentation style and language
 - Are there sections with "cut and paste" material from webpages, reports, etc?
 - Are relevant references used?
 - Is there any self-assessment and is it relevant?

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For you to do today

- Sign list of presence, contact data
- If not done Select course in Daisy
- If not done Send e-mail to me, janmar@kth.se
 - Your expectations on the course
 - Your home country, other countries you have lived in language you control besides english
 - Experiences that may be useful for the course

An exercise on actors and roles

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About actors at the telecom market

- Users
 - Consumers, busieness users, enterprices
- Equipment vendors
 - Networks, subsystems, handsets, laptops
- Operators
 - Fixed and Mobile, Broadband, MVNO's
- Providers of different kinds of services
- Regulators, standardization bodies

Exercise on actors that you can identify

Task 1: A user of a smartphone using LTE

Task 2: A user with a WLAN enabled laptop using hot spot where you need to pay

- Find as many actors as possible
- Write name of each actor at a "post it" note
 - Real names: Ericsson, Telia, Nokia, Dell,
 - Think "here and now" in Stockholm area
- Work in groups for another 10 minutes
- Then put notes on the board

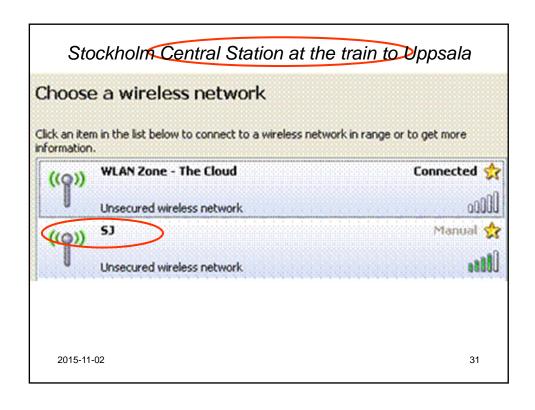
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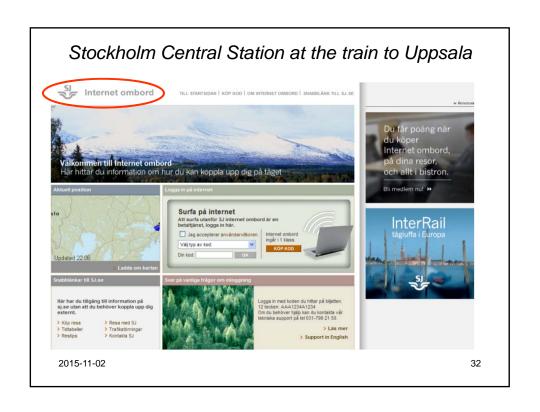
About actors at the telecom market

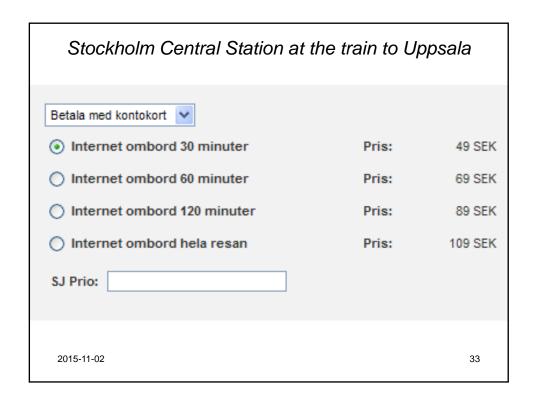
- There are many types of actors at the market and many actors within each type of actors
- We will run a small exercise on actors that you can identify
- Two scenarios
 - 1. A user of a smartphone using LTE
 - 2. A user with a WLAN enabled laptop

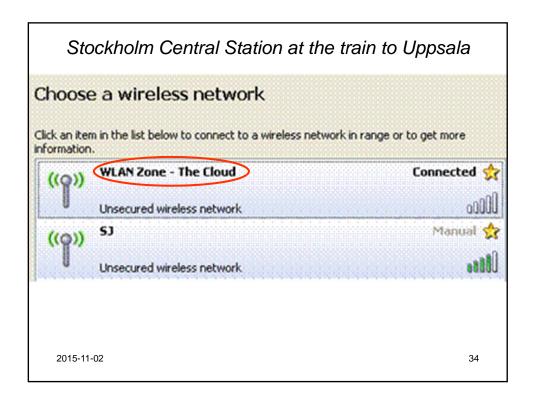
Examples and some hints

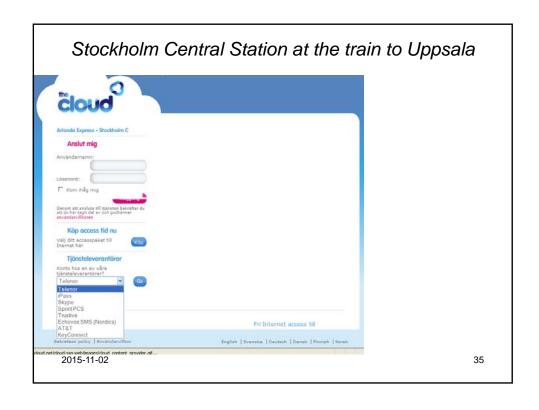
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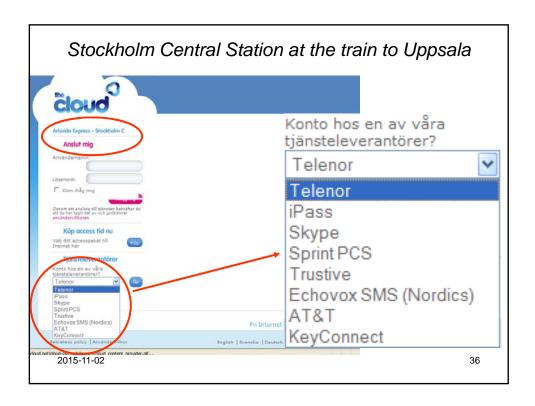














Two observations

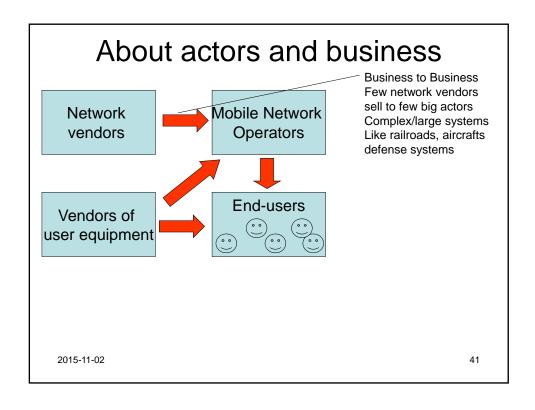
- 1.There are totally different types of business logic within the telecom sector
 - A network business
 - A user equipment business
 - A service provisioning business
- 2. Wireless Internet access can be provided
 - By mobile operators
 - That control all (most) resources
 - By other cooperating actors
 - · That contribute with different resources

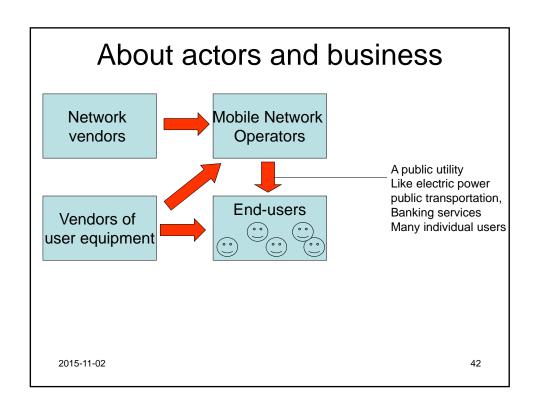
Two observations

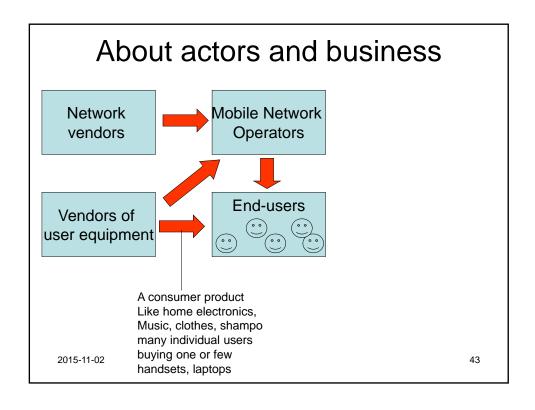
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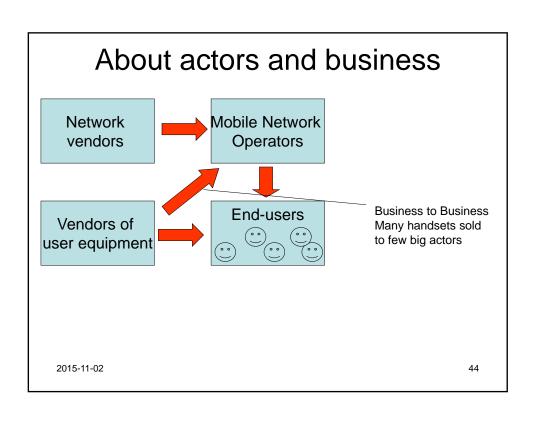
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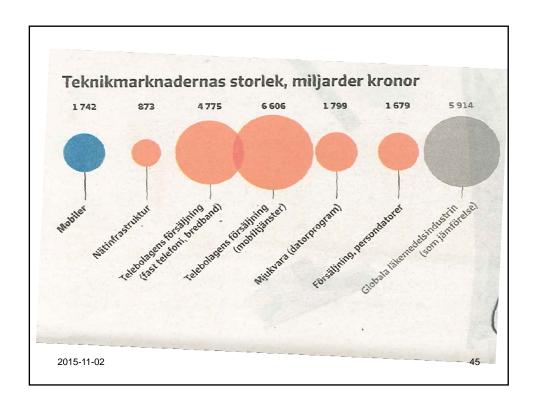
About actors and business Network vendors Vendors of user equipment 2015-11-02 About actors and business Mobile Network Operators End-users End-users 40











Global sales - answer

• Network infrastructure: 100 units

• Mobile devices: 200

• Laptops, PC's: 200

• SW for laptops, PC's:200

• Fixed and broadband telecom services: 500

• Mobile telecom services: 800

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