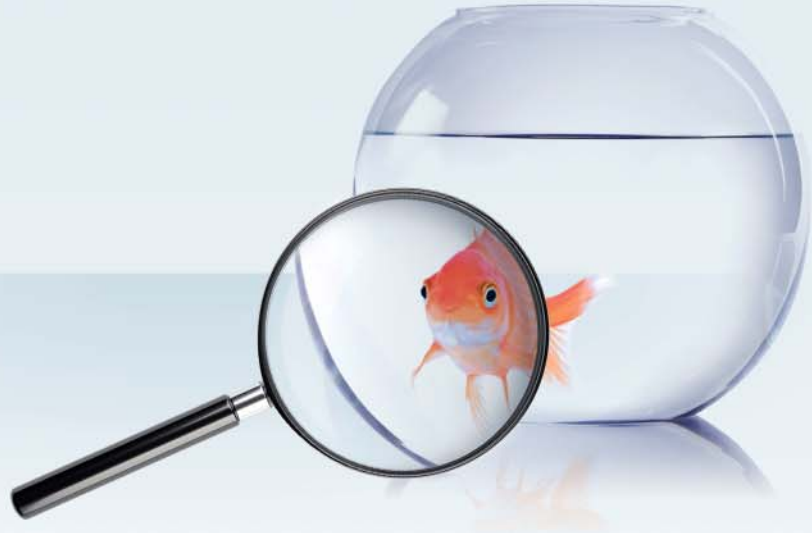


O2 UK

Telsis Customer Experience

“Home Routing is a key enabler for Bluebook, but we see it playing a role in other potential new O2 text services”

Alan Chalmers,
Head of SMS Messaging, O2 UK



How much longer can text continue to grow? Alan Chalmers, head of SMS messaging at O2 UK answers it with another question: “How long has handwriting been around?”

Text, says Chalmers, will continue to grow, driven by the inexorable forces of demographics, and by operators launching new innovative services.

His confidence reflects O2’s commitment to the medium, a commitment that has resulted in it generating the strongest text income stream of any UK operator, and differentiation that exerts a powerful pull on phone users. OFCOM figures for the year to the end of Q1 2007 showed that with some 19m customers, only marginally more than the other three main operators, O2 carried approaching half of all UK text traffic – some 5,243 million messages.

Getting to that point has required O2 to make bold decisions about messaging, and manage a team of suppliers, among them Telsis and Ericsson. The two companies, themselves close business partners, are expected to remain key players as O2’s programme continues to advance.

In 2005 O2 began searching for a form of messaging infrastructure that would enable it not only to handle organic growth, but actively drive SMS volumes and revenues higher by offering new types of text-based services. The operator’s problem – then mirrored across almost every other GSM network globally – was that its message handling was based around Short Message Service Centres, technology more than a decade old.

~ With the Telsis solution now handling all person-to-person traffic, O2 is able to move forward with its plans to retire more than 70% of its SMSCs

~ In 2007, launched the revolutionary service, Bluebook, that enables O2 customers to manage an online archive of all their phone-based activity



High Value Mobile Innovation

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An initial contract was placed early in 2006 which saw Telsis SMS Routers being located on the edge of O2's messaging network to balance traffic loads across the existing SMSCs. The move delivered greater robustness and throughput by ensuring that message traffic was spread evenly across the SMSCs, rather than concentrated within a few. "It was a good positive start but it was not where we planned to end up," recalls Chalmers. "What we had in mind was a complete solution that fully exploited the capability of the routers and enabled us not only to cope with greater and greater peaks but actually drive the process of growth."

What O2 wanted to achieve was direct delivery of person-to-person traffic. Instead of SMS Routing simply balancing loads across SMSCs, it would be forwarding messages in real time directly to and from sending and target phones, cutting the SMSCs out of the process, reducing load on the network core and giving phone users a significantly faster and much more reliable service.

The Telsis solution was deployed on a single messaging node that went live before Christmas 2006. By February 2007 O2 was confident enough to roll out the remaining 15 nodes at the rate of two per week. With SMS Routing now handling all person-to-person traffic, O2 is able to move forward with its plans to retire more than 70% of its SMSCs, leaving the remainder to handle only person-to-application traffic.

This further phase of the project proved more than the Telsis and Ericsson technology. It also proved the relationship between the two companies and their joint customer O2. "We were looking for partners who shared our long-term belief in text and who were willing to subscribe to our corporate values. Together, the Telsis/ Ericsson partnership has proved technically very strong and able to work within our culture of ownership and honesty. It's now been three years since we made the decision and we happily stand by it today."

In mid 2007 O2 revealed yet another stage in its strategy; the launch of a revolutionary service called Bluebook that enables O2 customers to manage an online archive of all their phone-based activity. To make it a fully rounded offering, behind the scenes O2 has deployed Telsis Home Routing. SMS Routers intercept inbound traffic and copy it to Bluebook before forwarding messages to target handsets in virtually real-time

"Text has been critical to our growth story so far and it will remain so into the future," says Chalmers. "We are the home of text in the UK and, with the help of partners like Telsis and Ericsson who are as passionate about text as we are, we aim to keep it that way."

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