



Et le monde est à vous.

# Open Innovation and Smartphone Application Services

IMA, July 9th 2009



# SFR in a nutshell

- 20M mobile customers (35% French network market share) including 6M in 3G
- 4M ADSL households (2M on IPTV)
- 12Md€ (\$17Md) revenue, 6th operator in Europe
- Vivendi 56% (N° 1 in Music and Video Games worldwide)
- Vodafone 44% (N° 1 in mobile telephony worldwide)
- 9000 employees (vs France Telecom 88000 employees in France)
- Fast « Go to market »
- Open to all partners
- Our mission is to deliver the best customer satisfaction on communication services

**Our objective on innovation : bring the best and most useful innovations to our customers and make it simple**

# open innovation



Henry Chesbrough is a researcher at Berkeley born in 1941

## His theory :

Until recently, the main model for innovation was R&D done in closed labs. Now that innovation is largely distributed, corporations cannot only rely only on themselves. It is more efficient to use or purchase what already exists, spin-off or sell what is not fully used

Open innovation promoters underline the facts that all clever people do not work in their corporation, that a good business model is more important than to be the first to market, and that winners are the one who make the best use of existing ideas.



# Our Open Innovation platforms

**Mission**

**Partners**



**Développement**

Integration and development of new services for trials

Website that engages customers to participate in innovation and trials

Distribution shop open to all partners

Beta deployment of projects in partnership with regions

Investment fund



start-ups

Community of customers interested in innovation

developers

Start-ups, regions

Start-ups

**Strong activity of call for creation : SFR SpeedStartingUp, Jeunes Talents Innovateurs, Developers Challenge**



## A community site around innovation and «Consomm'acteurs »

- Mission : build next generation services together with customers (Customer Centric Innovation)
- The role of the community
  - Give their opinion on the concepts
  - Test innovations in beta versions
  - Contribute to improvements
  - Take part to events around innovation
- 20k members and 50k unique visitors monthly, strongly growing

Si cet e-mail ne s'affiche pas correctement suivez ce lien.

**SFR L'ATELIER SFR**  
VOS IDÉES FERONT LA MOBILITÉ DE DEMAIN

Votre ligne : 06 99 99 99 99

M. Perso.  
Entrez dans l'univers SFR dédié à l'innovation. L'Atelier SFR est un espace où vous pourrez découvrir en avant-première les dernières nouveautés. Vous pourrez ainsi participer à des bêta-tests et donner votre avis sur les produits et services en tests actuellement. Votre contribution nous permettra d'améliorer ces concepts inédits.  
N'attendez plus, inscrivez-vous en **CLIQUEZ ICI**.

Dominique Dalarnne  
Directeur Service Client

**L'ATELIER SFR**

Vous êtes attiré par l'innovation ?  
Testez en exclusivité les dernières applications créées par SFR et donnez-nous votre avis !

**En ce moment, 3 bêta-tests :**

- **WIDGET SFR MES CONTACTS**  
Accédez à votre répertoire depuis votre PC, c'est possible !  
Tirez en toutes informations de votre carnet d'adresses et échangez avec vos contacts.
- **MON RÉPERTOIRE LIVE**  
Sélectionnez vos numéros et dialoguez avec vos proches en temps réel !
- **GPS Joker**  
Une nouvelle façon de jouer est en train de naître !  
GPS Joker offre vitesse et réal pour un jeu grandiose inédit.

**ENTREZ DANS L'UNIVERS SFR**

**MON COMPTE**

- Mon info perso
- Recharger en ligne
- Mes Bonus Fidélité
- Modifier mes options
- Changer de mobile
- Mieux utiliser mon mobile

**SERVICES SFR MA SPHERE**

- Accéder à Ma Messagerie
- Gérer et sauvegarder Mes Contacts
- Partager Mes Contenus

À bientôt sur [www.sfr.fr](http://www.sfr.fr)

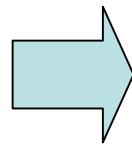
SFR - S.A. au capital de 1 347 461 147,90€ - RCS Paris, 402 036 537 - 42 avenue de Friedland 75 008 Paris.  
Conformément à la loi Informatique et Libertés, vous disposez d'un droit d'accès, ainsi que d'un droit d'opposition complètement gratuit, relatif à vos données personnelles collectées par SFR pour la gestion de votre compte et pour toutes applications de marketing direct. Vous pouvez vous adresser à notre service client pour exercer vos droits, ainsi qu'un courrier électronique dédié, numéro d'appel et copie de votre accord d'adhésion à SFR Service Client - Accueil, Réclamations, Opérations - TSA 8021 - 97707 PRO2 CEDex 8.  
Bonne nuit, contactez plus facilement nos services clients et lancez-vous SFR par e-mail, votre premier choix d'abonnement.



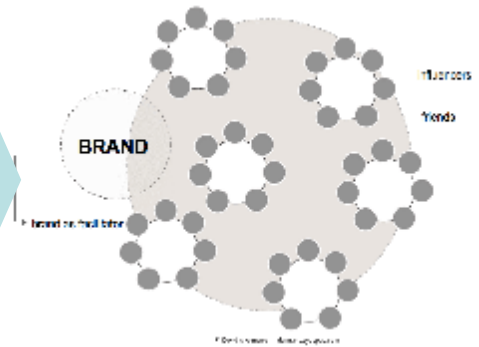
# A global initiative



**Ideas,  
development,  
tests**



**Distribution**



**Innovation  
Ecosystem  
insertion**



# From development to market...



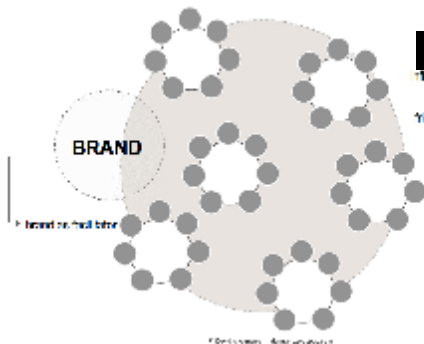
## Ideas, Developpements and Tests

- Ideas and contributions
- Enablers, Feedback to Start-up
- Beta-tests : E-Book, Hubster
- prototypes: Spykee, Connected Home, Green Watch



## Commercialization Distribution

- SFR Offers and Services SFR by start-ups (SFR Billeterie, Promolive, SFR Jeunes Talents, Musique Fraîche...)
- Distribution of start-up offres via SFR *Business Team* (ex Y Dom de Prylos), *Vodafone Live !* (Digitick, Backelite, AF 83, laboutiqueofficielle ), *Régie SFR* (Sofialys), les espaces SFR (Supertec)
- SFRApplistore



## Innovation Ecosystem

Business Development  
Finance

- Talents detection (entrepreneurs, developpeurs)
- Visibility / PR



...To financing



Développement

## Investment Strategy

- Develop innovation projects with start-ups in mobile, internet, TV, B2B, that are or could become a SFR Partner
- Speed the development of start-ups with SFR synergies
- Early stage, sometimes 2<sup>nd</sup> round
- Investments from 500k€ to 4 M€
- 17 investments in portofolio, 2 exit
- Mostly in France
- Exit on opportunity



## A Win/Win Innovation process

### For SFR

- Anticipation
- Open
- Speed « Go to Market »
- New ideas and entrepreneur culture

### For the start-ups

- Feedback from experts
- Marketing et Commercial
- Visibility
- Connections
- Credibility



## The « Verticals » revolution : Iphone, Android...

- Their arrival is a major and no way back change in Mobile telephony
- After Iphone, there is Android, Windows Mobile, Blackberry, Palm Pre and more
- 200k Iphone sold at SFR (launch Q2 09), several millions at stake
- They should represent a majority of sales in France by mid 2010
- Announced: Blackberry Appworld, Windows Mobile Market Place in WM 6.5 (oct.), OVI Store
- Operators launch applications that work (SFR WiFi, SFR TV and more) in order to maintain differentiation

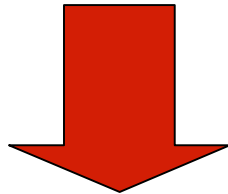


**A great field of opportunities for Open Innovation**



# The Vertical Revolution brings new business opportunities

From a walled garden through Carriers Portals



To an open world through Application stores



**Carriers offer start up and developpers a new way to reach their customers base (long tail)**



# SFR Applicationstore: Call for applications

- A multi-screens and multi-os Store



- No entrance fee , fast validation process
- Enablers proposal (Dev Zone) to develop and monetize your applications
- French language required



## Tips to work well with an opco as SFR

- Do PRs, compete in international challenges in order to get famous (mobileinnovation.org, Techtour, Mobile2.0, techcrunch...) : people in opcos do their job and they'll know you if you are selected, no worries if you are not
- Make your product work really good and work your pitch around before you go to Tier One : you only have one chance to make a first impression
- Package your offers : generally speaking, people you'll meet are lazy and would like to see a great business plan, a great product with only a button to push
- Don't multiply contacts, only show up when there is a large product update
- Opcos like fast and free trials (ASP...) and in many cases won't do without
- When possible, the best way to B2B is success in B2C



# Toda !

More information on

[www.sfrdeveloppement.fr](http://www.sfrdeveloppement.fr)

[www.ateliersfr.fr](http://www.ateliersfr.fr)

[www.sfrapplistore.fr](http://www.sfrapplistore.fr)