

# iPopped

blood in the

# Boardroom

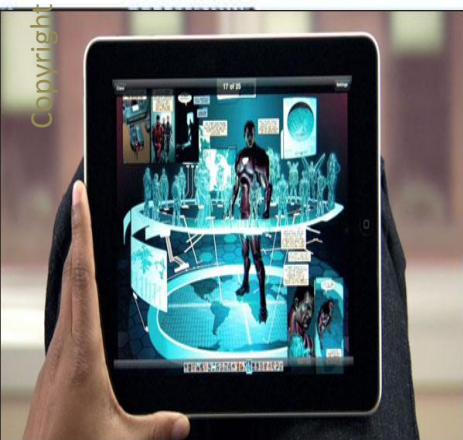
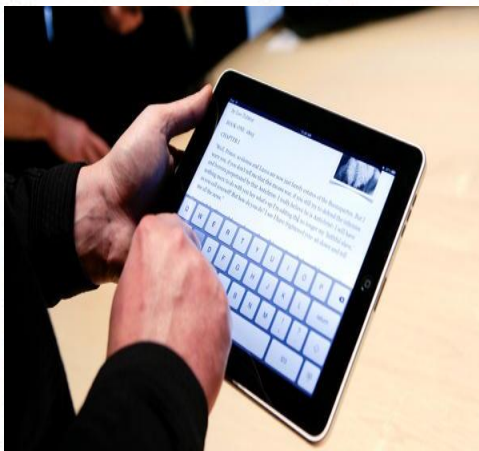


About Survival, Relevance & Value Creation  
in iPopped/Apple-Centric Age

By: Richard D. Smith, CEO

# iPopped

*the Paradigm Shift – led/driven by Steve Jobs as change agent with iPhone (smartphones) and iPad (tablets) as catalysts for market transformation.*



Apple Value 6/18/10 Shares: \$274  
Market Cap: \$249.4B

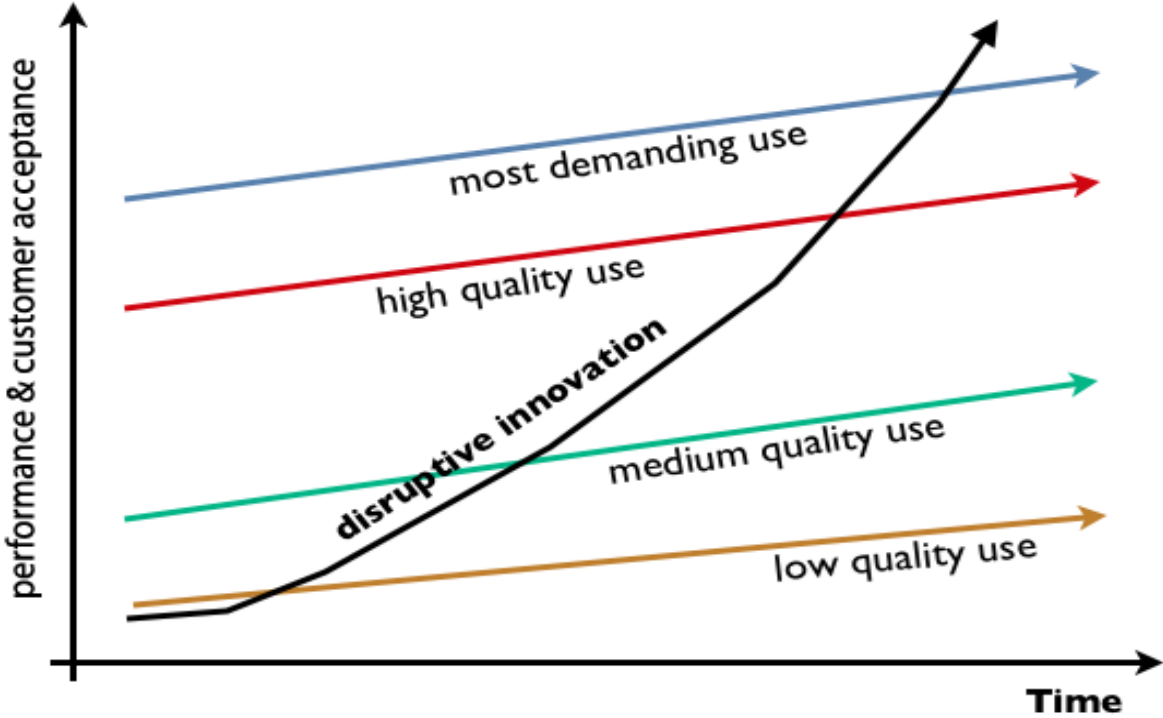
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# 2011 iPhone & iPad on Verizon

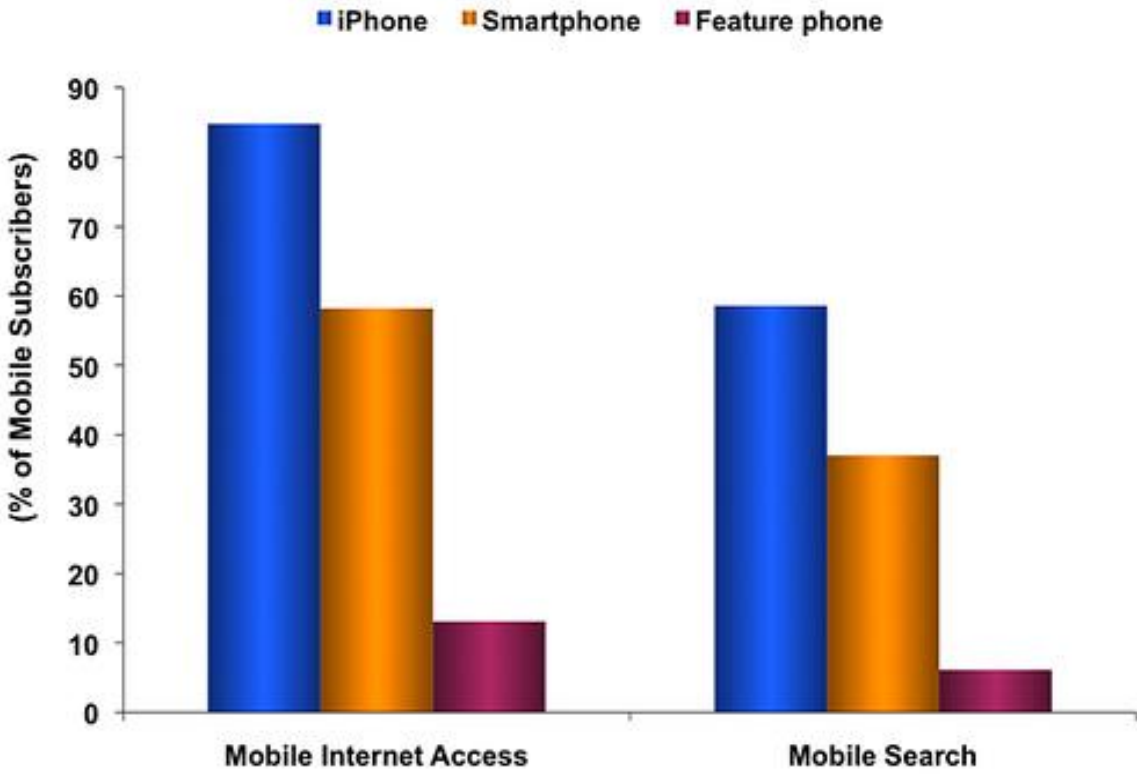


# Trend Snapshot t

# Disruptive Innovation

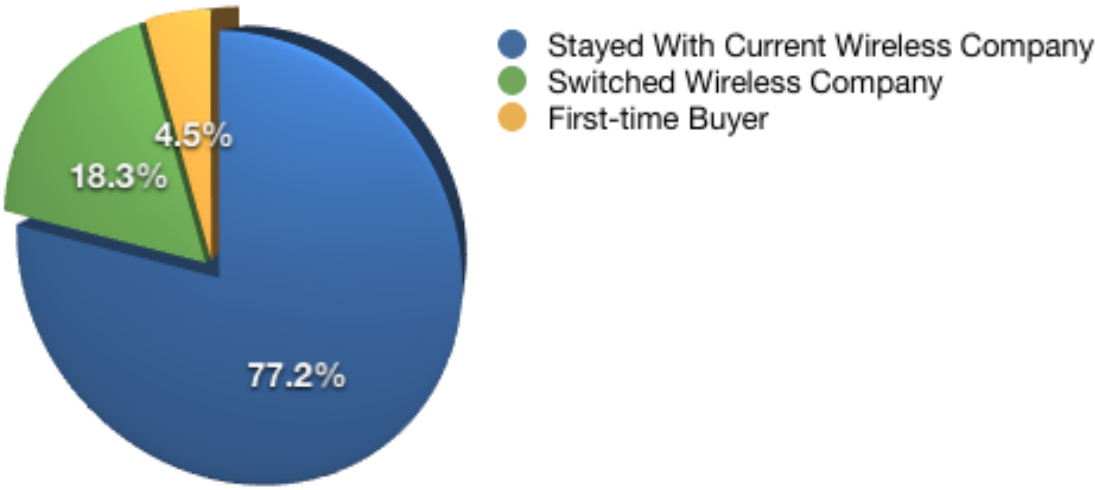


# iPhone/Smartphones



# iPhone/Smartphone Loyalty

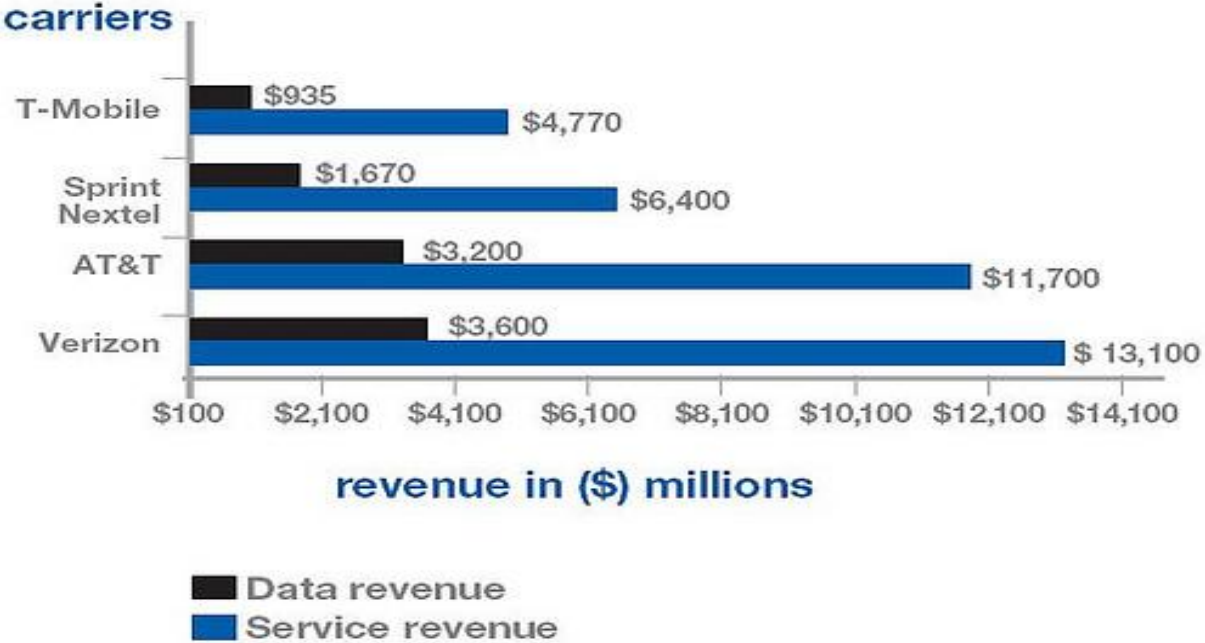
Smartphone Loyalty (last 6 months)



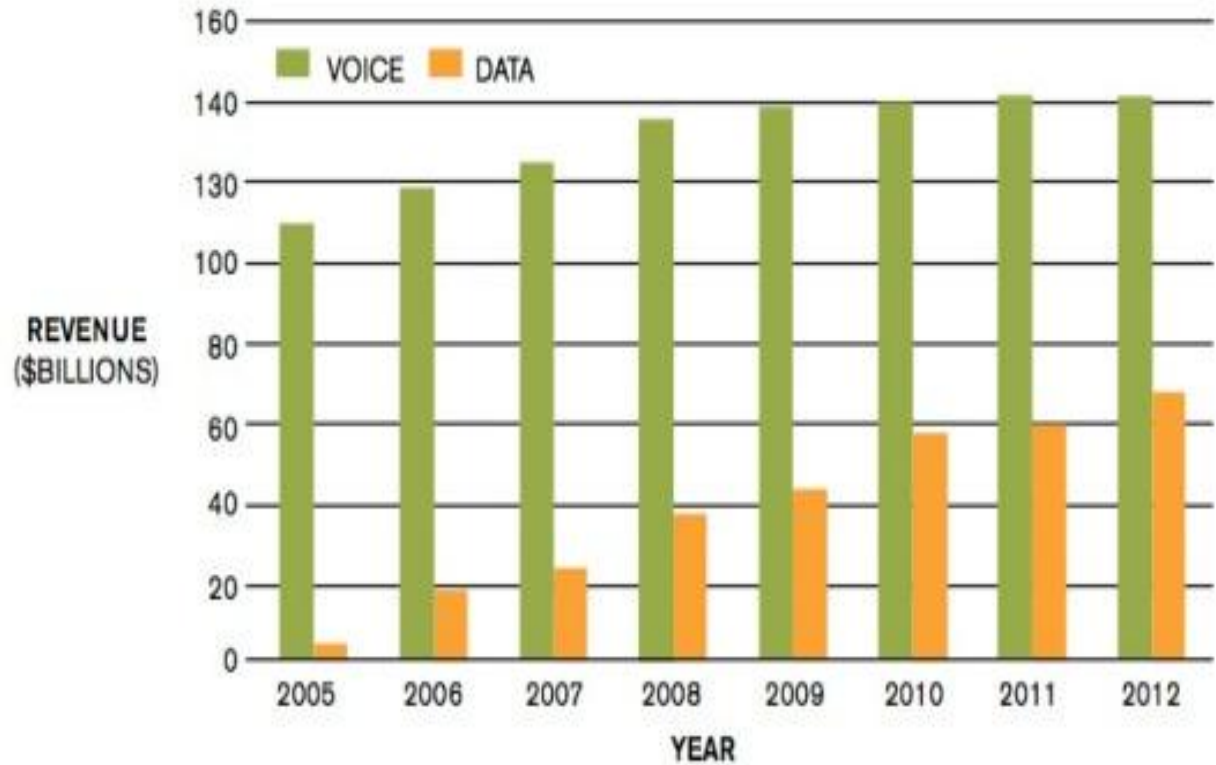
Source: The Nielsen Company

# Mobile Carriers - Revenues

## First Quarter Service Revenues



# Data Revenues Up - Voice Flat



**IMPACT**



# Accelerated

media sector fragmentation -  
up & down the value-chain

# Who's Impacted?

Value-chain players from media content creation to distribution to end-user.

- Content creators
- Media companies
- Aggregators (network)
- Aggregators (broadcast)
- Back-office Apps
- Network service providers
- Carriers (domestic/global)
- Infrastructure (IT/services)
- Portals (music/video/books)
- Devices (hardware)
- Devices (software)
- Apps providers
- End-user (media consumer)
- End-user (business)

Anyone . . .  
(U.S. or Foreign)  
small to large, in and/or  
around digital-media  
eco-system markets!



# Net Net For Players

## Disruptive Environment



# At Risk

## Products or Lines-of-Business



# Boardroom

blood on the table issues?





# **A Get Real or Go Home Assessment**






# Know Market Risk

## (Tactical & Strategic)





**Is It  
Millions or Billions ?**





# What Decisions Do You Wish You Had Made? vs. . . .





# What Decisions Do You Plan to Make?



A red liquid is dripping from the top of the frame. It forms a long, thin, horizontal shape in the middle of the frame, which resembles a table. From the corners and along the length of this shape, several vertical drips of red liquid fall to the floor, creating small puddles. The background is plain white.

# Decision(s) . . .

- **Stop the Hemorrhaging SURVIVAL**
- **Regain Market RELEVANCE**
- **Position to Drive VALUE CREATION**



# SURVIVAL

*of the smartest & quickest*



# Objective

## Avoid Death Spiral



# Pull The Trigger

## Microsoft: Halts Rollout of Kin1 & Kin2 Phones

Just two months after Verizon  
started selling them.

Prices reduced -  
Kin 1 from \$50 to \$30  
Kin 2 from \$100 to \$50



# RELEVANCE

*no playing field advantage without market relevance*



Hulu

## **New Hulu Plus, Paid Subscription**

**‘Hulu Plus’ a subscription service for watching TV shows on computers, mobile devices and televisions.**

**Potential battle with cable & satellite operators that are planning similar "TV Everywhere" services.**

# Samsung

## **Stiff Competition - Phones & TV's**

**Now betting on low-cost netbooks.**

**Latest model, N230, is targeting women, which began selling in Europe and will be available in U.S. early July.**

# Motorola

## The Droid-X

- A 4.3-inch display
- Promises high-definition video output
- Will run Flash software
- Mobile Wi-Fi hotspot for five other devices

Cisco

## **Will Sell Tablet-Style Computer**

**Targeting business customers rather than consumers.**

**Customer trials for Cius to begin in the third quarter of 2010. General availability Q1 2011**

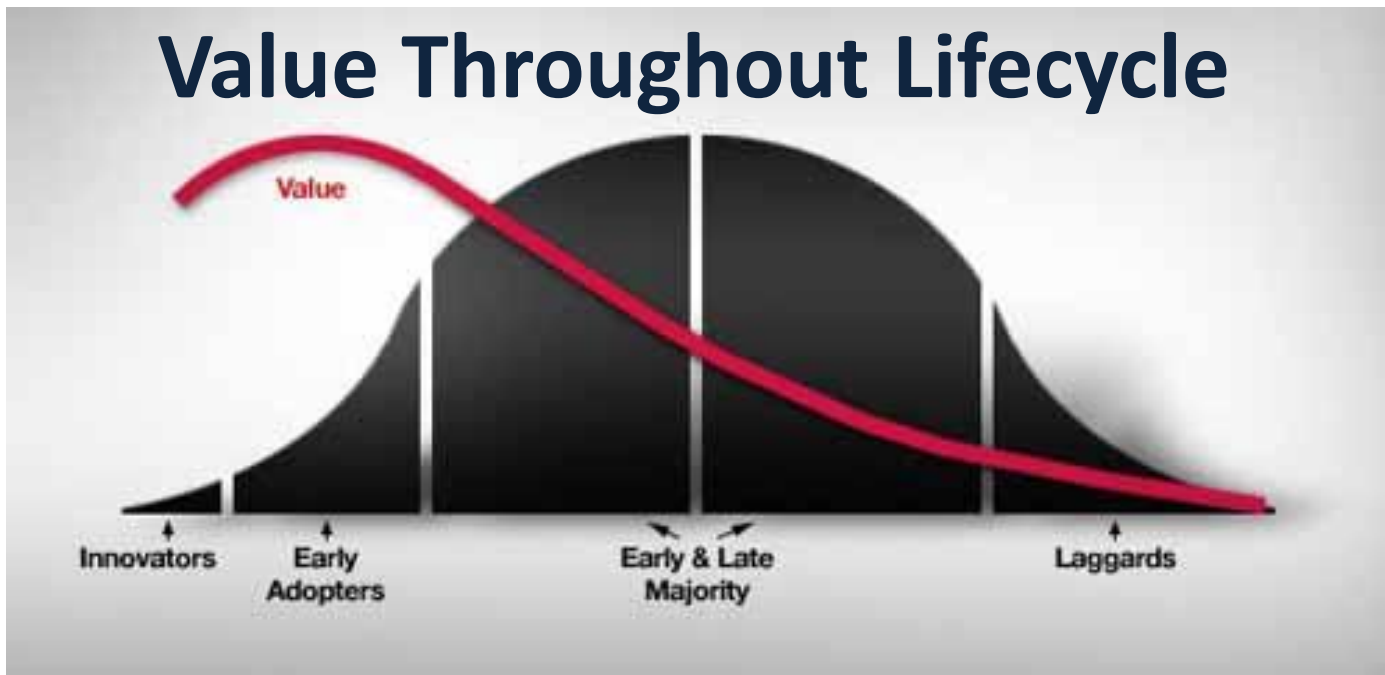


# VALUE

*no future without sustainable value creation*



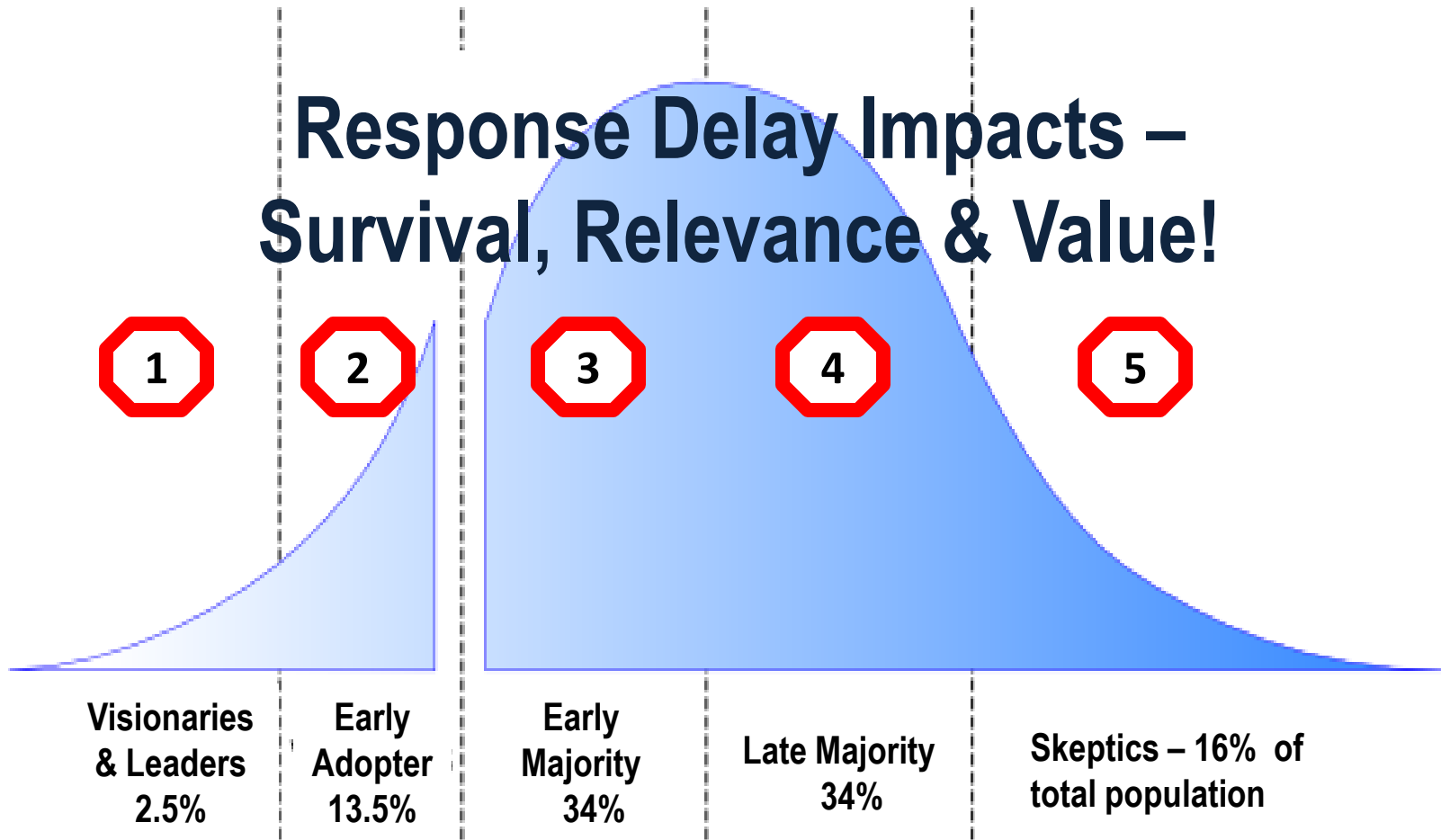
# Ability to Create and Manage Product/Service & Enterprise Value Throughout Lifecycle



**So what does  
this all mean to you**



# Response Delay Impacts – Survival, Relevance & Value!



# What Now



# Fresh Out-of-Box Thinking



# It's All About Who Asks The Questions

Wrong questions...irrelevant answers!



# Your Keys



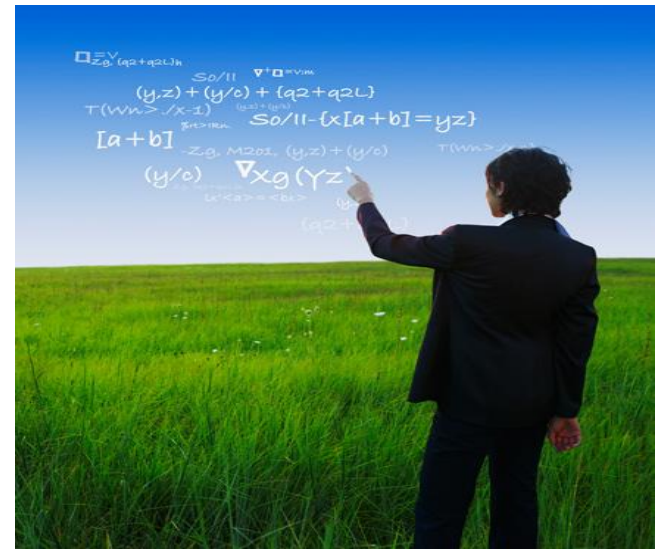
# Visioning

Future-world/relevance perspective



# Innovation

## The source of wealth creation



# Technology

The enabler of innovation



# Leadership

The driver of performance



# Value Creation

The key to sustainability





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