WHAT happened?

**SONY Strategy:**
Top 3 market share

**Issues with SONY mobile in 2000:**
- Very small market share
- High cost of core IP (GSM Patent pool).
- Lack of Telco experience & In depth technology knowhow

**BE TOP 3 or CLOSE DOWN**

**RESULT: SONY ERICSSON JV**
First color display phone, Design products (T610)
**Team**
initial workforce of 3,500 employees.

**Culture**
Japanese & Swedish
Sony: bottom up management
&
Ericsson: Let's have a meeting – consensus

**Product/Service - market fit**
Strategy was to release new models capable of digital photography as well as other multimedia capabilities

**Growth & Scalability**
Ericsson contributed a majority of the EMC
Sony contributed its entire handset division

**Capital**
The joint venture continued to make bigger losses in spite of booming market
HOW did we do it?
From underdog to short-term success
HOW Did we do it?

Sony Ericson

Sony Ericsson Strategy:
Top 3 market share

New Innovative Products:
• Use Internal assets
• Partnership with external best
• In breed innovations (few)
• Driven Talent, culture
• Disrupting Digital Music player,
  Digital camera, markets

RESULT: Introduction of
Walkman and Cybershot
Phones, FT Nr. 1 brand 2005, “Cool”
Culture
“Moving fast & break things”
“Our KPI is your KPI”
Design culture
Risk taking culture
Rebellion culture

Team
Freedom to operate
Design thinking
Creativity
Diversity
Knowing your weakness & strength

Product/Service - market fit
Business model – leveraging Walkman brand
Economy of scale
Music player
Content
Minimum Viable Product

Growth & Scalability
Network effect
Partnership strategy
Optimizing supply chain
Accessories

Capital
Massive investment in product and marketing
WHY did it go wrong?

Disruption
WHY did it go wrong?

Sony Ericsson

Net income/loss in million €

2003 2004 2005 2006 2007 2008 2009

Sony Ericsson Strategy:
Top 3 market share?

What is next?
• Talent leaving
• Open OS and more SW
• Move to services and appstore
• UX/ UI Revolution
• Profit Vs. Market share

RESULT: Disruption
Late to the “party”
playing catch-up
**Team**
Core team members left
Headhunted
Lack of option program
Lack of challenges

**Product/Service - market fit**
Time to market
Bad strategy
Lack of strategy for open OS
**Missing opportunities**
UX/ UI (VR)
Apps & Service

**Culture**
We know best
Stagnation
No more risk-taking
Politics

**Growth & Scalability**
Doing the same but bigger
Not seeing the market shift
Chasing market share (feature phone vs. smartphone)

**Capital**
Large dividend payments
Lack of new investments
Similarities?
Déjà vu
Path to disruption (challenges and opportunities)

Infrastructure

- Fixed line
- Wireless
- Data
- Cloud

Business Modal

- Analog
- Digital
- Apps
- Services

Past

In progress

Future

Infrastructure

- Fossil
- Elec.
- Data
- Cloud

Business Modal

- Car
- E-car
- A-car
- Services

PROPERTY OF AM2 AB
Are you ready to move fast?

- Do you have the right people?
- Do you invest in exploring their disruptive “crazy” ideas?
- Do you have the structure/ processes to manage their ideas?
- Do you collaborate with innovative people & organizations outside of your company?

IF NOT ... YOU WILL BE DISRUPTED
Disruption ...we were the “crazy” ones

Finding “disruptive spaces” creating new business, UX/ UI revolution
Voice Signal (Voice Recognition Progression)

Speech 2 text
Text 2 speech
Command & Control

Customers
- Motorola
- LG
- Samsung
- RIM...and more

Voice search
Partnerships with
- Admob (Google acquired)
- Third Screen Media (AOL acquired)
- Infonxx
- Google

Acquisition by Nuance

Apple Siri

Microsoft

Amazon Echo & Alexa Fund

2000-2006
2007
2007-2008
2010
2015
2016

Voice Signal’s software is in +7Billion products

PROPERTY OF AM2 AB
Ecosystem for success (Critical factors)

- **Optimism & Belief** (“Silicon Valley”)
- Mentorship + Education (Knowledge)
- Universities + Companies (People)
- Capital, Legal, Finance, “housing” (Infrastructure)
- Engineering + Design/ UX (Product)
- Platforms + Distribution (Customers)
- Online Payment (Monetization)
- IPO/ M&A Market (Exits)
Wanna talk to us?

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