

Based on the telecom trends and drivers discussed in our report, telecom consulting opportunities will be present in the following key field:

1. Technology consulting covering the launch and expansion of the following services:

- 4G/LTE/FTTH
- Mobile broadband
- Cloud services
- Mobile Video/content
- Unified Communications
- Mobile money and m-payments
- Smart grid

2. Strategy consulting covering the following segment and subjects:

- OTT players entering the voice market
- Cable TV operators looking to offer voice services
- Strategy development for telcos wanting to fight new entrants such as OTT players and Cable TV operators
- Mobile/Fixed operators looking to expand their portfolio
- M&A in emerging markets
- Complex regulatory environments (how to deal with new technologies and unified communications)

3. **Operational consulting to improve the following elements of operators' business:**

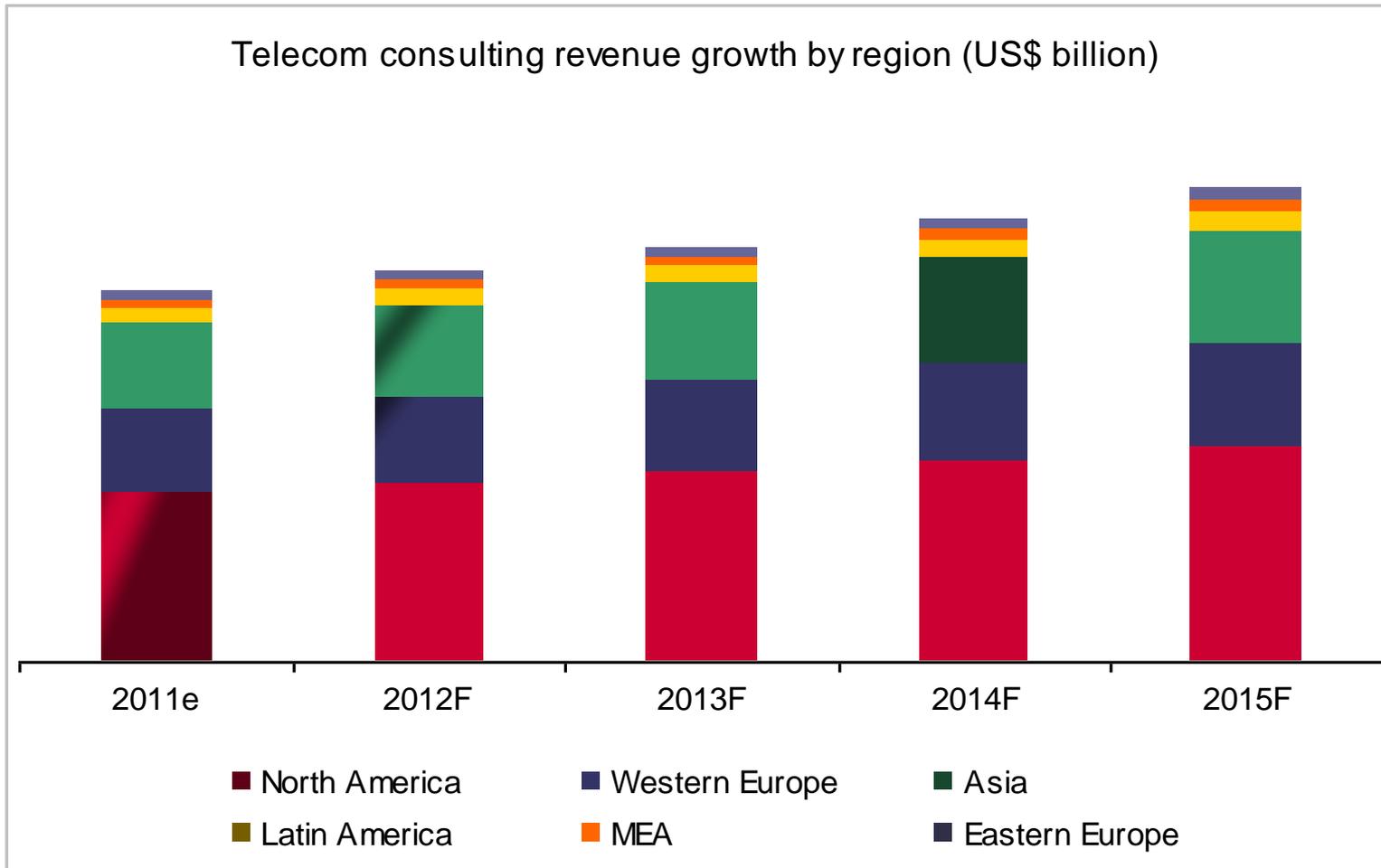
- Pricing models
- Processes
- Product launch

- There is continued downward pressure on fees while consultants' salaries are increasing
- Growth in consulting demand is returning but stagnation is possible until the economic situation stabilizes.
- Growing demand of consultants able to inter-mix a wide range of skills in a unique solution.
- Cloud services are generating an increase demand for consulting support and may start to replace outsourcing services.
- M&A in the consulting industry is continuing and many are using this strategy to generate growth in a sluggish market.

- Acquisition and expansions in developing markets will continue to be one of the key drivers of consultants' revenue growth. A growing number of consulting firms will therefore look at emerging markets for growth.
- Customers' mindset remains focused on cost-cutting projects, yet an increasing number of companies are starting to implement growth oriented projects.
- Increased use of Online advisory/consulting services that are partly or wholly delivered using automated online technologies, usually as a component of a traditional consulting engagement.

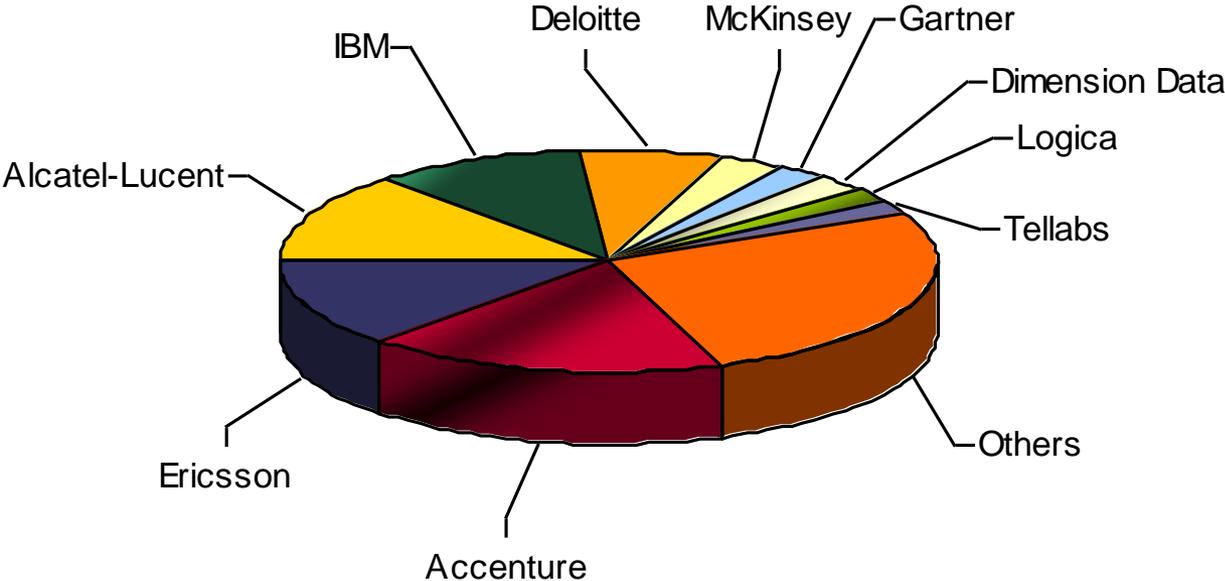
- We estimate telecom consulting revenue to have increased by 5.2% in 2011.
- In the current economic recovery situation, we do not expect a return to double digit growth in the telecom consulting revenue for the foreseeable future.
- Nevertheless, many of the top 40 telecom consulting firm had returned to positive revenue growth by the end of 2011.
- Telecom consulting revenue is also forecasted to grow by a CAGR of 6.1% over 2011-2015.
- Latin America, MEA and Asia are and will continue to be the fastest growing regions in terms of telecom consulting revenue over the next 4 years
- Regions such as North America and Western Europe have yet to return to pre-recession levels in terms of telecom consulting spend.

Telecom consulting revenue growth by region (US\$ billion)



- In 2011, telecom consulting revenues from the top 37 players accounted for 90.3% of the industry's total.
- The top 37 total telecom consulting revenue is now back to pre-recession level, after decreasing significantly by 10.3% in 2009, stabilizing with a growth of 4.3% in 2010 and 10.3% in 2011.
- Telecom consulting revenue on average represents 15.0% of the top 37 total consulting revenue.
- The unchallenged market leader continues to be Accenture. It's hold on the sector suffered during the recession, however the company came back strongly in 2011 with a growth of 29.3% in telecom consulting revenue.
- Now that equipment vendors have been included in our analysis, Ericsson has taken the second position, while Alcatel-Lucent, another equipment vendor, follows close behind in 3rd position.

Top 10 telecom consultants revenue market share, 2011



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- For more information on our telecom consulting market and competitive analysis please visit:
 - <http://www.hottelecom.com/telecom-consulting-report.html>

- Read our article on Telecom consulting at:
 - <http://www.hottelecoms.com/cp-article-may2012.htm>

- Short video on the telecom consulting market on next slide >>