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Rob Prudhomme and PK Prasanna say key factors will influence the speed and direction of IMS development

At the beginning of this year, IMS took the global wireless industry by storm. Suddenly, vendors and trade press reporters were talking and writing about IP Multimedia Subsystem architecture as the next "sure thing" in wireless technology. Although IMS has great potential to enable converged services and applications on a variety of devices, it could also cause a disruptive wave in wireless carrier business models. As a result, IMS adoption may take longer than generally believed and actual deployments may differ substantially from those expected today.

IMS integrates call control and service provision in a single architecture that meets industry IP standards. Built largely on widely accepted IP and telecommunications building blocks, it is not a technology breakthrough. However, IMS enables a variety of operators to use a common IP foundation to deliver traditional and multimedia services on any access channel and many types of devices.

inCode sees three categories of IMS-enabled operators, each with different value propositions and time-to-market requirements:

- 3G carriers deploying UMTS view IMS as the next generation core network architecture. These operators are deploying IMS in the 2005-2008 timeframe, typically to deliver new wireless data applications over high-speed 3G Radio Access Networks (RANs).
- Wireless carriers who have not committed to 3G are taking a wait-and-see approach to IMS. They will look for positive business cases and success stories from the early adopters to shape their IMS strategies.
- Wireline incumbents and non-traditional entrants (emerging MVNOs and broadband providers, such as cable operators) are evaluating IMS as a platform to combine wireless with their existing services.

In an IMS world, new IP-centric entrants—primarily content companies or upstart communication companies—could more easily identify subscribers and directly conduct

transactions with them, bypassing dominant network operators and damaging their business models. For example, a cable operator may want to provide a streaming video service to any mobile device on any wireless carrier network. This could prevent the wireless carrier from collecting revenue for that content.

Regional location and content access also affect the IMS value proposition. These two factors are likely to slow the speed of IMS adoption and change service configurations because infrastructure vendors will be tugged in different directions, attempting to support conflicting business models. Let's explore why this is the case.

In Europe, the primary driver of IMS is wireless data services over 3G. Thus, many of the IMS contract awards to date are for glamorous mobile data applications, such as streaming video, photo, music and file-sharing.

In North America, wireless/wireline convergence is the primary force behind IMS. The U.S. wireless carriers who have wireline parents (Verizon and Cingular) look to IMS as the glue that makes wireless/wireline convergence possible. Stand-alone wireless operators see IMS as a platform to enable a wholesale business by enabling any third party (MVNO, cable operator, etc.) to use its RAN.

Another push for IMS is coming from the threat that cable operators represent to incumbent wireline operators. Traditional North American wireline companies are attempting to differentiate a bundle of local and long-distance voice, high-speed Internet (xDSL) and wireless and reduce the delivery cost of "triple play" voice, data and video services. U.S. cable TV operators could use IMS to add wireless to their bundle of video, high-speed Internet and VoIP telephony.

Application service providers (ASPs) worldwide can gain from IMS because it provides a common way to connect to wireless or wireline carriers. This ability could prove attractive because U.S. operators have deployed a mixed bag of ASP platforms that make developing, deploying and managing the wireless data experience very complex and difficult.

Competing demands for IMS-capable infrastructure and devices may force vendors to balance IMS technology investments carefully to meet requirements in Europe, North America and Asia. Otherwise, they could risk losing out to start-up companies or non-traditional infrastructure players.

Meanwhile, what should wireless carriers do to prepare for the IMS era, protect their current business and take advantage of new technology capabilities? Wireless operators have a highly sophisticated network infrastructure and a diversity of intelligent devices—good starting points. In addition, they must:

- Focus on the basics of their business—create and deliver profitable services—and harness IMS technology for that purpose, rather than overemphasize technology alone.
- Identify and build a set of communication-centric services that play to their strengths, including knowledge of their subscribers and the ability to serve large numbers of subscribers with a range of services (video clips, context-sensitive information, etc.) at a moment's notice.
- Build an ecosystem of IMS applications and services by developing partnerships with content providers, device manufacturers and other service providers to provide customer-friendly solutions that work across this universe in the broadest possible sense.

If IMS is to enable new business models to thrive, network operators should focus on three primary objectives:

- Make broadband portable: For the first time, IMS enables operators to develop mobile versions of the existing broadband ISP user experience. The key question for operators is: Do I wirelessly enable my customer's existing broadband or try to convert broadband customers to mine? Verizon with MSN and SBC with Yahoo appear to have made this decision. Bell South's direction is less clear.
- Demonstrate willingness to pay: As broadband proliferates, customers are adopting new usage models. Music downloads, file sharing, interactive gaming and "video to go" are just a few examples. IMS can enable porting of these services to a mobile device much more easily than has been the case to date.
- Find the next "clock radio": IMS new combinations of services. The winning ticket will go to the operator that finds the two services that fit together from a users' perspective, but weren't technically feasible before IMS. By the way, video telephony is not new thinking, but video blogging may be.

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