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Huawei aims for global domination

Chinese telecom giant details plans to become a player in cloud computing, networking, and handsets

By Jay Gillette, Network World
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Network World - STOCKHOLM, Sweden -- Stockholm hosted the 21st annual Global Forum this week, highlighted by forecasts of a heated-up world market in telecommunications, innovative R&D policy, and burgeoning e-government services.

The telecommunications industry as a whole appears to be recovering and prospering worldwide, and the meeting marked the powerful emergence of China on the world technology market, with Chinese telecom giant Huawei continuing to build its new international profile in its second year as a Global Forum sponsor.

Last year in Brussels, Huawei made a marketing splash through a commanding presence at Global Forum 2011. At Brussels, Huawei reported \$28 billion in revenue. That year the enterprise employed 110,000 people, with 51,000 of them outside of China.

In 2012 at the Stockholm Global Forum, Huawei said revenue increased to \$32.4 billion during its last fiscal year. Huawei produced a further \$16.2 billion in revenue for the first half of 2012.

Huawei now has 150,000 employees, with 61,000 of them in research and development. The company has built five R&D centers in Europe and participates in over 130 standards bodies. Huawei boasts of serving one-third of the world's population today.

In strategy, Huawei seeks to move beyond its foundation as an infrastructure vendor into divergent technology sectors, including cloud computing; handset development to rival [Apple](#) and Samsung; and networking expertise to compete with [Cisco](#).

Huawei wasn't the only vendor to make a splash at the Global Forum. Alcatel-Lucent described its own current approach to information technology: The company sees it not just as a communication device but instead, "a life device." They say that the network is best visualized as "the connection from the cloud to the hand."

As such, the net worth of this life network is more valuable than ever, and its impact is greater than ever. For example, Alcatel-Lucent reports that the day the Apple [iPhone](#) 5 was put on sale in New York City, network traffic there jumped 6%.

The company expects to engineer its own networks to deliver handset bandwidth at 10Mbps for every user, comparable to DSL levels today. They expect household bandwidth to be configured at 100Mbps per subscription. Alcatel-Lucent characterizes this ambitious enterprise as "the electrification of the 21st century."

Africa is emerging as the "new frontier" of [wireless](#) communications. Africa has jumped from 4.5 million people online in the year 2000 to 110 million in 2010. There are now 246 million mobile phones, and an astounding 700 million SIM cards in the 54-country continent.

Global Forum often forecasts world trends in the information and communication industries. Invitation-only delegates this year came from 35 countries and international organizations such as the European Commission and the World Bank, augmented by delegates from corporations large and small, and multiple government agencies.

The conference, often called "the Davos of IT," focused on innovation, especially as influenced by the open-innovation movement. The theme was "Shaping a Connected Digital Future: Visions, Challenges, Opportunities for Organizations and People in a Smart World."

The theme was given special emphasis from Global Forum's main French sponsors, the ITEMS International consulting firm, and the Foundation Sophia Antipolis, the first "smart community" and research science park, created in 1984.

Global Forum 2012's third lead sponsor was "INNOVA: The Swedish Governmental Agency for Innovation Systems," a 200-person R&D promotion group since 2001. Sweden is also the only country with an official "Digital Champion," Jan Gulliksen, whose purpose is to promote digital literacy and capacity-building across the population.

A need for rational business incentives was repeated by several company speakers in the annual Global Forum policy panel, led by Andrew Lipman, head of the Telecom Group of the Washington, D.C. law firm of Bingham McCutchen.

Open Innovation an overriding theme

This year's Global Forum was driven by energetic discussion of innovation, reflecting Europe's lead in collaborative R&D theory, especially the "Open Innovation" movement.

Open innovation is a concept originally popularized through a seminal 2003 book by the American Henry Chesbrough, now a professor at Berkeley. The Europeans have militantly pursued the principle and built it into research policies and multilateral organizational funding.

Europe's Open Innovation Strategy and Policy Group (OISPG) summarizes the new movement in five parts: Networking; Collaboration; Corporate Entrepreneurship; Proactive Intellectual Property Management; and Research & Development for competitive advantage in the marketplace.

On the Global Forum's 2012 Open Innovation panel, Bror Salmelin updated the European Union's approach. He said, "We would like strongly to communicate a more modern view on open innovation. We need to go far beyond, towards crowdsourcing, co-creativity and collaborative open innovation ecosystems."

In an intriguing application of Maslow's hierarchy of human needs updated for future enterprises and organizations, Salmelin outlined a new hierarchy of organizational necessities, from "cost-savings" on the bottom, to "organizational agility" on the top, as follows:

- organizational agility
- innovation culture
- cross-organizational collaboration
- employee satisfaction
- customer satisfaction
- revenue generation
- cost-savings

Successful organizations start with cost-savings at the foundation and drive up to organizational agility at the peak, with increasing impact on organizational success all the way up the scale. Each layer supports the one above, and the one above energizes the layer below.

Global Forum 2012 was led by Dr. Sylviane Toporkoff, president of Global Forum, and a founding partner of sponsor ITEMS International. She noted the next Global Forum will re-engage in fall 2013, at a European venue to be announced early next year.

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