

UnderstandIT

From **MAY DAY CONSULTING LIMITED** in association with **Facilitators International LLP**

A publication designed to inform and enable businesses to understand the implications, costs and advantages of using Information and Communications Technology. Distributed through Chambers of Commerce.

PROPOSED ORANGE UK & T-MOBILE MERGER

The UK Office of Fair Trading (OFT) is currently awaiting a decision from the European Commission (EC) on its proposal to investigate the planned merger of France Telecom's Orange UK operations with Deutsche Telecom's T-Mobile. The OFT will conduct its own review should the EC give its approval to allow the OFT to intervene

UK industry watchers have expressed concern that should the merger be finally approved, then competition would be significantly reduced in the UK, to the detriment of consumers. The number of operators would be reduced from the current five to four, with the new combined organisation controlling 37% of the UK market representing 29 million subscribers. The combined company would also control a significant portion of the radio spectrum allocated to mobile services.

Naturally France Telecom and Deutsche Telecom both claim that there is no case for an OFT investigation. An EC decision is expected before March 1st.

CLOUD COMPUTING

This is a term that is now being used much more often and we felt that it needed some explanation for those of us who are often bemused by the amount of jargon that is eschewed by the IT fraternity.

The name cloud computing was inspired by the cloud symbol that's often used to represent the Internet in flow charts and diagrams.

Cloud computing is now frequently used to describe a concept whereby computing systems and services are provided remotely on servers located within the Internet, rather than in-house on an organisation's own computing servers. Notwithstanding the obvious security implications, cloud services can also be easily accessed from anywhere in the world, using any standard web browser.

The reason why this concept is now being discussed more frequently is that there are significant financial and organisational benefits to be gained from using services (usually provided by third parties) located externally on the Internet.

A cloud service has three distinct characteristics that differentiate it from traditional in-house hardware/software hosting.

It is usually sold on demand, typically by the minute or the hour; it is elastic - a user can have as much or as little of a service as they want at any given time; and the service is fully managed by the provider (the consumer needs nothing but a personal computer and Internet access).

Perhaps most importantly, many organisations who have been trialling such services are claiming anything between 25% and 90% savings on their costs, which is obviously a major attraction for most businesses.

IS YOUR PASSWORD HERE?

You may have heard about the hacker who managed to break into the photo-sharing and applications web site www.rockyou.com in mid December. This intrusion resulted in the revealing of details of over 30 million accounts held by the site.

A survey of the passwords obtained during this successful hack reveals some interesting information about the most frequently used passwords by its 30+ million users.

Ranked in order of popularity were the following passwords:

- | | |
|--------------|-------------|
| 1. 123456 | 6. princess |
| 2. 12345 | 7. rockyou |
| 3. 123456789 | 8. 1234567 |
| 4. Password | 9. 12345678 |
| 5. iloveyou | 10. abc123 |

What is perhaps more worrying is that it is known to be common practice to use the same password for many different applications/web sites. Password-sharing is also quite common.

As one commentator stated – "Will users ever learn?" We hope that if you are using one of these passwords, then you promptly go and replace it with something considerably more secure.

You should never use the same password for multiple services/systems (yes, it is a chore to remember them but if someone hacks one account, then they gain access to them all). Nor should you share your password(s) with colleagues or friends under any circumstances.

A good, strong password will be at least 8 characters long, and include both alpha and numeric characters and both upper and lower case.

CHALLENGES TO MOBILE NETWORKS

There are some considerable pressures and challenges facing the mobile networks and their operators that will inevitably have a significant impact on us, the consumers of these network resources.

The crux of the problems facing the mobile industry is the burgeoning of demand for ever more and faster bandwidth. This is also true of the conventional terrestrial broadband networks of course, but the mobile networks are facing even greater challenges in the immediate future. As with many such services, they are victims of their own success in providing new features and creating such demand. This is driven to a great extent by the streaming of video and other services requiring ever greater numbers of bits and bytes to be transmitted over the mobile networks.

Mobile network operators are already facing serious network congestion and regulatory pressures for more competition in many countries; all of which is having an impact on cash flows and margins. The operators are at the same time losing control of the supply chain, with companies such as Google, Apple and Nokia providing the services that we all want to us, leaving the operators as just "dumb pipes" for the transmission of bits and bytes. Further pressure is on the operators, in the shape of looming, potentially expensive auctions of the radio frequency that will enable them to provide higher speeds and greater capacity on the mobile networks – but at a high cost.

In turn, this is causing the network operators to look at the possibility of charging users in tiers, based on their demand for bandwidth to drive applications and their time-criticality. This concept is against the philosophy of "net neutrality" – that is that all bits and bytes are equal. Any move in this direction will clearly be resisted by consumers, backed by many governments, not least of which is the US President, who is a strong advocate of net neutrality.

All this turmoil is likely to impact business users more than the residential user – whilst the network operators are trying to attract the business users with incentives to lock them in, and perhaps enable businesses to replace wired network services in their buildings.

These financial and technical challenges are likely to have a consolidating effect on the operators, with a number of mergers likely (as in the recent merger of Orange and T-Mobile operations – see earlier article). This in turn will inevitably lead to a reduction in competition, which will not be good news for residential or business consumers. It is indeed a trying time for everyone in attempting to cope with the constantly changing environment.

ONLINE BUSINESSES

Two recent reports noticed by us indicated that some well-known businesses are clocking up successes in their attempts to provide customers with additional online features.

The first is **B&Q**, the DIY chain, who are shortly to introduce an online facility that will allow their customers to communicate directly with each other and exchange information on their experiences when shopping with B&Q. The new service will expand on existing online facilities that enable customers to rate products and services and have their queries answered.

The second example is **Dominos Pizza** chain, which are now well-known for their expanding chain of stores, but also their online ordering facilities, which are available in most countries in which they operate. Their web sites offer very user-friendly facilities for online ordering of pizza and other add-ons with a guaranteed 30 minute delivery time.

The company recently reported that their online sales leaped a massive 40.4% in 2008, helping to increase their profit to £29.9 million, up 27.8% on 2007.

Finally, it is reported that **John Lewis** is working towards total integration of their ordering systems, which includes in-shop, telephone and online shopping. The integration plans will result in customers using any of these three shopping "channels" all experiencing a uniform set of features and sales response. The new software will link their in-store point of sales terminals, their web site and telephone ordering system.

The added benefit to the company is that they will have a single view of their customer base, and be able to cross-sell to customers using any of the multiple shopping channels.

WINDOWS 7 NOT DAMAGING LAPTOP BATTERIES

There have been a number of reports that Windows 7 is somehow damaging laptop batteries. Microsoft has investigated these claims and now states categorically that this is not the case. Windows 7 has a new feature not available in Vista or XP, which reports the condition of the battery, based on telemetry provided by the battery itself.

MS claims that the feature correctly indicates when a battery is losing its power and might need replacing soon. They use a threshold of 60% degradation before reporting it to the user. They claim that all investigated reports confirmed that the batteries concerned did indeed require replacement!

We wish to acknowledge with thanks that some of the material contained within this publication has been sourced from Computer Weekly, PC Pro, BBC and other reputable sources..

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