

The Perfect Gent:

- Old Man Of Threadneedle Street Waxes Lyrical, Soothes Nerves -

by Paul Quigley

Damage limitation? Keeping up appearances? Stiff upper lip?

Don't let the side down?

The market's diffidence towards all things 3G is getting so out of control, even the big boys are having to done their braces and boots to march in to quell the chaos. All that and more from the biggest of the big. Vodafone, the biggest wireless player in the firmament came down from upon high to sit atop the Mount Olympus of finance last week. No lightning bolts of enlightenment per se, but a much needed dose of divine intervention.

But even gods are as slaves to Providence in the new millennium.

"Rather go to bed supperless than rise in debt" advised the venerable Benjamin Franklin, whose words ought now to be emblazoned across the flat-panel TFT displays of CEOs and their minions the world over, if not etched into the fascias of their PDAs too. Nevertheless, heeding Franklin's sagacious advice, wireless bellwether Vodafone's big guns were up early in the Square Mile, rolling out in force to quell the myriad fears and gripes and to repoint those collective compasses.

The message this time was not so much what Vodafone CEO Chris Gent expounded about GPRS rollout, but in unspoken signals and what was left unsaid. With GPRS positioned as the bridge to 3G, yes everyone knows there won't be enough volume shipments GPRS handsets available from multiple suppliers to satisfy demand until Christmas at the earliest. But 1992 saw the same handset shortages as today and there was a full blown recession going at full pelt back then to boot. That didn't stop the GSM phenomenon. By sheer virtue of the fact that Gent himself had taken to the boards faced with the task of coming into the heart of the crotchety City of London - instead of posting a lieutenant as is sometimes his way - clearly indicating some serious business had to be addressed by the big chief himself. The game plans and the black and white clarification thereof needed to be bellowed. And bellowed it was.

Gent's platitudes helped soothe the ailments of operators, summarizing the situation that operators and value added service providers are ready to rock and roll. The Gent principle, in assuring the congregation that GPRS is on track and the 3G rollout is going full tilt worldwide, the finger of blame points squarely at the hardware providers.

Resounding in the many ears of other telecom chiefs, the ultimate 'Achilles Heel' for them - debt, and how to survive it - well the Vodafone dealmaker extraordinaire put on a stonking performance par excellence to quell any doubting Thomases that this was

the real road ahead and that Vodafone was haring down the highway. With the facial expressions of a paternal consultant surgeon about to dissect the carcinogenic ills of the economy, Vodafone's Gent is in no mood for jesting or ribaldry. There were no smart jokes, no soft banter with aides or attendees on this dark occasion. Indeed not even a pale smile passed the dry lips of the wireless CEO fumbling as he did for the water glass mid sentence. There are serious reassurance to be delivered. Gent arrived at the serene and stately Merchant Taylors' Hall sited along from the mighty Bank of England on old Threadneedle Street in a cavalcade reminiscent of Dallas 1963 but without the grassy knoll. Given the location of the Gent gathering, the motto of the historical Merchant Taylors' guild is somewhat fitting. "Concordia parvae res crescunt", meaning 'through unity the small things grow' which, on its own, doesn't give much of a hint to the fortunes of the world's largest wireless operator. However, to complete the motto, the latter part of the same old Latin saying is " - discordia maximae dilabuntur" - 'through disunity the largest thing crumbles'. For Vodafone and its increasingly large organization, disunity either in the ranks or amongst its well wishers could realize a cruel karmic truth if the doubts aren't dispelled.

Almost appearing annoyed and yet stout and feisty as he strode into the great hall, Gent was bullish as ever that anyone dream of gainsaying his mobile meister plan. Vodafone is, after all, wireless' poster child. Doling out a verbal soothing for the benefit of massaging the aches and pains of weary investors and fund managers the world over, the magister of mobile is braced on a war footing.

Bedecked in trademark blue pin-stripe suit, striped shirt and white collar, bespectacled Gent unveils his new robust three-pronged strategy for success. Designed to silence the critics and rally the troops, the triple play is about "customer growth, geographic expansion and new services" Gent rasps, as if only he now holds the trump cards to prod a path through to a glorious tomorrow. As for additional revenue sources, Gent asserts, SMS is the new WAP. With places like Germany having a third of all value added information services carried by SMS, he says, Gent believes his data revenue to catapult from just one percent as recently as eighteen months ago to a proud seven percent by the end of the current financial year 2001. "Vodafone's non-voice revenue matches DoCoMo's i-Mode" Gent reminds the faithful and faint of heart. "Vodafone has 37 million messaging and data customers, growing at over 5 percent per month." Gent's pièce de resistance on this occasion is the revelation of his 2004 service revenue model which encompasses a whole garish gamut of value-added what-ifs and leverage solutions.

"The boy done good" quips one analyst as he headed down Threadneedle Street back to the City. "He's doing his best to reassure everyone" says another, while one leaves the scene saying "with Vodafone on the flightdeck, I've just put my parachute back under the seat." While the signs of a job well done are there, the jitters are still floating around a market full of dotcom bubble shrapnel and banks maxed out on IPO fever. Of course, only this time the fingers of doubt aren't pointing down Threadneedle Street at Mr. Gent. The hawks and doves of telecoms are out in force, flocking or swooping, soothing and pecking, each trying in vain to winkle out the truth over whether the market has tanked or whether the bear market is yet over.

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