Pipeline

Knowledge Is Power

Expert Voices on EPM
By Tim Young

Enterprise Product Management (a term preceded in form and function, and, for the sake of this article, used essentially interchangeably with terms like product lifecycle management and product catalog) is something that we explored in some depth in our last issue (December, 2008). In that issue, I mentioned that I had been fortunate enough to take part in a panel on EPM at TM Forum's Management World Orlando, during which I sat down with TM Forum Chairman Keith Willetts, Tribold CEO John Rainger, LTC International President and Analyst Barbara Lancaster, Stratecast Analyst Nancee Ruzicka, and Tribold's Director of Product Marketing Ernest Margitta. We discussed some of the ins and outs of EPM, and while this piece can't quite encapsulate the depth and breadth of discussion, we wanted to highlight some of the key points discussed by some of the industry's leading voices on PLM.

Willetts kicked off the discussion by asking if the move to a central product catalog was driven primarily by the business side or "as the latest techno-widget" from the CIO/CTO side. Rainger responded that "in some of the interactions [Tribold has] had, a lot of the excitement comes from the business user, in other words, the Product Marketing and Product Management set. In fact, sometimes the CIO acts as a sort of brake on that, saying 'Whoa. This is too hard. It's too big. It's too complex.' So sometimes you get a drag from that part of the organization and an enthusiasm from the business leaders."

This brought up a central point that bears mentioning with any emerging technical project in the telecom space. With regards to product catalogs, Willetts remarked that his "experience in the telco

industry is that [telcos] always love to see one somewhere. There needs to be a reference, because no one wants to stick their head above the parapet first."

"Which is even more true now," Ruzicka commented, referencing the current economic client.

Willetts continued: "So if you see a player whose done it and they seem to be making enormous gains because of it, the pack will follow on very fast." Referencing Tribold's ongoing work with Telstra, Willetts asked Margitta: "Telstra's an interesting company because it's pushing the boundaries in so many things, but now your project with Telstra's three years old. Have we finally got some sort of business reference? And I don't mean just a technology implementation in which we see it there working. Have we got evidence of stunning productivity or business changes yet?"

"We definitely are seeing benefits," Margitta responded. " There's a great case study Telstra did about a year ago internally in which they had the number of man-days required to do a particular product change. It was an enormous number of man-days of effort, and they'd forgotten they had a product catalog that they should be using to do this. They'd done an estimate and decided they wouldn't go ahead with the project because there simply wasn't enough time or enough people to dedicate to the effort of doing this product. The approval process went all the way to the top, and then they realized they should have been doing this using re-use and componentization from the catalog in the first place, and they hadn't realized what the difference in estimate was to do it that way. It was a great case study because it came back that it was about 80% cheaper to do exactly what they wanted to do, and it was the difference between launching a brand new set of 3G services in the market or not. And they could do it cheaper, and faster, and in a much more efficient way."

Lancaster stepped in, at that point, saying "You raise an interesting point there, Ernest. The good news is that Product Catalog works. The not-so-great news is that until it gets to be integrated into the CSPs' process, they're not going to reap the benefits."

Rainger built upon that sentiment, saying "A lot of that's around domain expertise. When you're talking about getting a process right, you've got to have more than just a good software package. You're got to have good domain expertise, and be able to advise on lexicon, and the rationalization effort."

"You must also consider the organization needed to run it," added Margitta. "The new people. Where are you going to get those people. That's one of the things we work with customers on is making sure to build an organization around [product catalog] and adapt their processes to use these tools. Everybody we spoke to today has a PLM process. In the telco world, everyone's got one. However, it's a matter of what the process is, how they follow it, how they measure it, how automated, how manual, how structured, gated, etc. What we're doing in every case is plugging into those processes and making those processes work in a better way."

"Once you have a system, you have a process," Ruzicka added, which was not generally agreed upon.

"Well, no," Lancaster replied. "I think what you just heard is that's not true."

Ruzicka, undeterred, continued that "A system implements a process. So you have to adjust your system and do your upfront optimization, process definition, and fit the process in."

Willetts, seeing the root of the disagreement as being a part of a larger issue, said, "This is right at the heart of the problem of re-systemization and transformation of telcos. Do you do that, do you fit the process to the system? Or do you do what telcos have done for 30 or 40 years and continue to do, and try to fit the system into the process by bastardizing it? If it's that, you don't get any economy of scale. I get a market of one and pay high prices for everything. I'm hoping that this time around, the recession will cause companies to say 'you know what? We aren't going to do all that custom engineering. We are finally going to bite the bullet and the process will be driven off of the system.' The luxury has always been there, especially among Tier Ones to say 'No, no. We do it the AT&T way or the Verizon way or the BT way'. This is especially true with unions and all sorts of other constraining factors on you, and you've got the sheer inertia of retraining staff. The whole idea of standardized process doesn't mean anything if you bastardize it." Willetts added, "I use the word 'bastardize' these days as a contrast to 'customize'."

Ruzicka built upon this thought, saying of customization that "they're finally starting to say that costs too much."

Willetts expanded the net of culpability to vendors, saying, "To be fair to the service providers, often these systems are not designed with use in mind. They're designed with function in mind, but the practical process of human beings sitting and doing things with them, in conjunction with other systems, does mean it's not just a problem of high and mighty service providers wanting it their way."

Lancaster added that "even if each one of those components is fit for purpose, how well do they click together? The process, as envisaged by Tribold for new product introduction, may not be the same process that the CRM system is built upon to deliver. I think we are at this point where I hope everyone starts to play together, but the financial situation may not allow that to happen. Because it means that every vendor must be very targeted and focused on getting their message across and their sales done. It's not really a conducive environment for figuring out how to put on different user hats and walk through the processes, which is something catalyst projects really enable," referencing the projects that were being demonstrated just downstairs from the room in which our discussion was taking place.

So when can companies put aside all else and focus on product catalog? "Companies setting out in a greenfield environment, and there still are a few, set product catalog as something that has to be

done at the center and it's got to be done first," said Rainger. "It's right up there. In an ideal world, people understand the importance."

Willetts, however, remarked that entire green fields aren't always necessary, saying of even established companies, "But they've got green lawns on the side. They've got an IPTV service they're bringing out or whatever. I never understand why these new services aren't considered the platform of the future. Instead they have to be brought out quickly, so they end up being the platform of one product. Are companies placing product catalog at the heart of new services?"

"Increasingly, yes," answered Rainger. "We've seen initiatives in Cox. In Clearwire and Sprint coming together. The difficulty is making it front and center.

To sum up the potential embodied by EPM precisely because it's something somewhat new, Lancaster focused in on a different aspect of the product catalog/EPM movement: "That's one of the things, though, that makes product catalog-centricity work. You've shifted the turf battle. It's no longer who's on top this month. Is it customer service or provisioning or of course, classically, network engineering. They all have their lines of battle and funding and business cases all lined up. However, by making product catalog central, you've not siding with network over provisioning or marketing over customer service. You're saying 'This is a corporate asset that helps everybody,' making it very politically incorrect to ignore it. It's a sort of neutral way forward."

Indeed, it is a way forward. Even in difficult economic times, a way forward is something we can all welcome as healthy. We hope to continue to explore the state of EPM in future discussions.