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The Year to Come

By Tim Young

As you read this article, we are officially one month deep into 2009. If the Space Age film industry was at all prophetic, we'd all be living in underwater colonies or on the moon, eating our meals in pill form. No dice on those promises, but we have made some pretty substantial advances in communications. With that in mind, here are some trends to watch out for as we head even deeper into a future that's a far cry from *Star Trek*, but, thankfully, still quite a few steps away from *Planet of the Apes*.

Unrealized OSS/BSS Potential

There are a great many OSS/BSS technologies out there that could, theoretically, simplify and optimize business for the CSP set. Some have been welcomed with open arms. Others have been, essentially, ignored. What are some OSS/BSS requirements that could simplify business for CSPs, but most CSPs have yet to embrace?

- Common Framework Services: "All applications must use common framework services," said Wedge Greene, an independent communications analyst and consultant. "These services should reside on the network (or if you must, in the cloud) in a distributed and locally accessible grid." In addition, according to Greene, "the grid should accept multiple communications/protocol/API to expose the same parallel framework service." This idea stems from early TM Forum NGOSS framework exploration, and is perfectly logical, from a business standpoint.
- Data alignment: "It's like cleaning the garage," said Nancee Ruzicka of Stratecast, a division of Frost & Sullivan. "Everybody knows it needs to be done, but you put it off as long as you can." Indeed, Data Alignment is a strategically advantageous project, but finds itself on the back burner all too often. "The problem with telcos is that as they start other OSS/BSS projects, be it product management, or fulfillment or assurance – they're running into the same problem" said Ruzicka. "The data is scattered everywhere and before they can realize the business case for the new initiative they have to get the data aligned." It's an unpleasant job at first, but it can be a project with serious and substantial rewards. "If it's well thought out and well managed, getting the data in shape should be a one-time transformation and then, like the garage, it has to be consistently maintained," said Ruzicka. "But the result is that you've set the stage for the transformation roadmap and any subsequent OSS/BSS project.
- Consolidation: While not exactly an innovation, consolidation within the industry can and will drive simplification of OSS/BSS for CSPs. "The cost to deal with multiple suppliers is just too

high for today's OSS staff," said Elisabeth Rainge of IDC Research. "Economic conditions will drive vendors to seriously consider which and how many product lines and lines of business they should be engaged in. Likewise, but potentially to a lesser extent, service providers will make the same kind of business assessments in 2009." Indeed, in spite of some in the business community putting on brave faces, spending data in the US, real estate markets in Western Europe, and other economic weathervanes all say "danger." "This means that businesses will be taking a closer look across the board," said Rainge. "Nortel's move to get bankruptcy protection and the strategic choices being made by Alcatel Lucent and Motorola suggest what the initial phase of consolidation will look like."

- **Autonomics:** "CSPs should require a high degree of autonomic operation (driven by policy) from all newly deployed devices," said Greene. "Mobile handsets with autonomics should be a priority deployment because of the sheer number of these and the two year consumer replacement cycle." However, the need for autonomics doesn't end there, said Greene. "Major network systems should be retrofitted with autonomous management agents so they can respond more quickly to changing network and user patterns with less use of operational resources."



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Shifts in the Landscape

The communications world responds to the demands of the wider market, as any agile business sector should. With economic woes dominating the news, will CSPs remain bullish on new technologies? Will there be any changes in the communications landscape regarding prevailing access technologies in the next year or two? Is anyone prepared to make any bold predictions?

"I don't have any real bold prediction," said Ruzicka. "I've heard different things about the demise of WiMax but the truth is that there are markets and geographies where it makes a lot of sense. Not everywhere, but enough to make it a viable business."

Others see WiMAX as being in a somewhat more precarious position, though still essentially safe. "I think the credit crisis will slow the deployment of WiMAX due to a drop in laptop demand and capital budgets being reduced in CSPs," said Greene. "But this alone will not kill the technology. I do worry that the sheer number of end stations that are required will also dampen deployment until end station costs come down and backhaul costs and charges are in line with current build-out costs."

Still others believe that it is not the builders of WiMAX and other 4G technologies that should be concerned, but rather those who are still scrambling to complete work on 3G. "We believe that the service providers who invested in 3G are in big trouble," said Barbara Lancaster of LTC, International. "They paid a lot for equipment and spectrum and customers are thoroughly frustrated with the lousy service, which so negatively affects their ability to use all the features of their cool new handsets." Enter the next generation of mobile technology. "With 4G right around the corner, whether WiMAX or LTE, service providers moving directly from 2.5 to 4 are poised to scoop up those disgruntled customers." Trevor Hayes, also of LTC, sees this situation (moving to 3G) as being "an example of where doing the right thing at the wrong time," which is "likely going to prove to be a very wrong thing."

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What about the over-the-top providers? How will they fare this year? Any over-the-top provider still has to have a business when the hype dies down," said Ruzicka. "Consumers have short attention spans and all the bells and whistles have to work and have to contribute to something, be it entertainment or productivity or convenience. " Therefore, it's time to move beyond marketing lip-service and into real value if the over-the-top providers are to survive.

A slightly different take: "I see the over-the-top VoIP providers continuing to gain market share and expect they will get economic help and favorable regulation from the Obama administration," said Greene. "But the main competition to CSPs will be increased services from software companies and internet giants like Google. Sometime Microsoft will step in and buy/release a better application package for smart phones, but not until the early OTP winners are established."

Indeed, the future of smart phones is directly tied to the success of many industry players. "A trend in CSPs is to require data packages with smart phones and this is slowing consumer acceptance of these devices, thus keeping the costs up," said Greene. "I'm not sure Microsoft will accept this for long with the now apparently cheaper pricing of android and Apple phones. Probably the costs to consumers of all you can eat data plans will plummet in the 3 quarter of the year." That's a prediction that will likely be welcomed by anyone for whom mobility is key.

Ruzicka summed up the year to come in the communications space in a way that takes the bigger picture into account. "I think the bigger change in the access landscape is that we'll all start to not care what it is. We've been sort of trained to deal with home and mobile and cable and data and

each variation of service as a separate entity because that's the way that service providers sold them to us. But now, I think we've pushed the CSPs far enough down the convergence path that we shouldn't have to care what the technology is – we just buy products and don't have to care about EVDO or GSM or VoIP or broadband." That's an ideal situation for consumers, but a less-than-desirable one for CSPs. Ruzicka conceded this point. "That makes it harder on CSPs because they can't distinguish themselves because of the technology that they implement – although I'm not sure that anyone picks AT&T or VZ because of they say they have the biggest or fastest or whatever 3G network. It's still about coverage and price on the mobile side."

Ruzicka was less-than-quick to offer any grand, sweeping, bold prediction beyond that because, she said "we all know that CSPs don't move that fast." In order to predict the moves that will be made in the coming year, "our best course is to go back a couple of years and recall the buzz and that's what's being implemented now", said Ruzicka.

The advertisement for ConceptWave features a background image of an orchestra performing. The text is overlaid on the left side of the image. The main headline reads "Let us **orchestrate** your order process". Below this, a sub-headline says "ASK CONCEPTWAVE ABOUT ...". A bulleted list follows: "• multi-play orders", "• exception order handling", "• centralized dynamic catalog", and "• processing millions of orders". At the bottom left, the website "www.conceptwave.com" is listed. The ConceptWave logo, a stylized white wave, is on the right. Below the logo, the text "Empowering Service Orders" is written in a larger font, followed by "Proven, high performance order and catalog management solutions." in a smaller font.

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Cutting Edge in 2009

"Cutting edge in 2009 will be redefined," said Rainge. "In 2009 the cutting edge suppliers will be those who are most well versed in business efficiencies -- not technology," though she offered that LTE is a possible exception. With that in mind, I asked some of the experts I spoke with about this piece if they had any companies to keep an eye on. Here are some they mentioned by name.

- **Ontology Systems:** "This is a radically better way of organizing data," said Greene. Ontology offers "product and service catalogs, that use existing systems and do not require expensive scrap and replacement." Greene went on to say that "Ontology, once deployed, also can aid the generation of SOA or SaaS based advanced service portfolios. I believe that this approach (even if not from this early vendor) will extend deeper into OSS/BSS stacks and could become the next iteration of CRM systems." Adding a bit of a note of caution, Greene said "this product requires a smarter modeler/user than existing approaches and this could delay their penetration."
- "For break out vendors," said Lancaster, "I really see that this is the time for companies like **MetraTech**, who have made huge sales to clients like Microsoft for their Online services, placing themselves squarely in the Revenue Chain management space rather than plain old Billing."

- **Whitestein Technologies:** "This is the first company to fully dedicate itself to the development and deployment of autonomics-enabling agent technology," said Greene. "They have made some progress in manufacturing and supply chain industries and are poised to break out in service providers. However, to succeed, they will need CSPs to wake up and see the future and accept the need and value of a generational leap in IT technology. I'm less certain this CSP wake up will happen.
- In addition, Stratecast has released a list of "10 to watch in 2009," which outlines vendors that are sure to make waves in the year to come. An excerpt: "A year ago Stratecast published its first OSS/BSS Rat Pack list of companies to watch. On that list were companies we believed to be 'small, agile, hungry, well-managed companies that are emerging as real competitors to the established OSS/BSS elite.' These companies, among others, embrace the Stratecast rat pack mentality and share a number of characteristics with the original "rat pack" team of Hollywood actors from the mid-1950s." The companies they cite include **Celona Technologies, ConceptWave, Synchronoss, and Soapstone.** Their full report is available through Frost & Sullivan.



Parting Shots

So, in short, how can CSPs approach the coming year boldly, yet effectively? "The advice I've been giving on panels, etc. for the last few months is that CSPs need to pick a business strategy and make it intentional," said Ruzicka. "If they want to be wholesale/business providers, then they should be wholesale/business providers and do what it takes to be a successful wholesale/business provider. They shouldn't be a wholesale/business provider because being a retail provider didn't work." Ruzicka points to Covad as an example of what happens when a CSP has to make the shift from CLEC to wholesale/business provider, noting the growing pains it has experienced along the way. In contrast, Ruzicka points to M5: "An intentional small business provider and it's doing great."

That's not a new idea. "This is Management 101," says Ruzicka, "but maybe in all the hype around delivering new services, it's gotten lost. So the advice is - Back to Basics. Pick a strategy and get to work. In an up economy, any yahoo (no pun intended) can succeed. In a down economy, businesses have to be well managed and well run just to survive."

Ruzicka went on to point out that communications went through a painful downsizing just a few years ago. On one hand, this softens the blow of the current economic crisis. On the other hand,

much of the low-hanging fruit was plucked after the bubble burst, so in order for costs to be cut, harder decisions may have to be made this go-round. We'll just have to wait and see.

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