

Pipeline

Knowledge Is Power

www.pipelinepub.com Volume 4, Issue 11

Service Complexity – Driving Innovation and Partnership

by Keith Willetts

There was a time, not that long ago, where fixed-line service providers built their own telephone handsets, but they don't any more. The market pressure over a few decades took its toll and service providers eventually came to the realization that this was not a profitable enough pursuit for them. Soon a plethora of handset makers entered the market with much greater functionality, better looks and lower costs. Service providers concentrated on providing their services and handset manufactures made handsets.

An effective partnership was formed between the handset makers and service providers. Handsets encouraged new value-added functionality to boost service margins and handset makers sold handsets. Standardization of the sockets and the signaling ensured that each handset could work with any standard service provider.

So what's different today? In short, service complexity. Look at the types of services now available that weren't ten, twenty, or thirty years ago. Where the POTS (Plain Old Telephony Service) took fifty years to bed down in the market, there are now new service types being created with alarming frequency every month and new ingenious ways to create revenue for not only communications services but information and entertainment, as well. These new services with high functionality are so new that operational engineers at service providers can't use standard interface and processes, because there aren't any. The short-term issue of just getting the services running is much more important to them than using standards. Standards tend to follow market trends in most cases; however clearly making standards that no one is going to use makes no sense. In some cases standards have been the essential catalyst that has created and defined whole new markets. For example, where would the mobile industry be today without GSM standards for handsets or base stations, Bluetooth for accessories, and of course IP for the internet? Widely adopted standards help create healthy partnerships. The more the standard is adopted the bigger the market potential for each vendor and the bigger choice each buyer has. Competition drives innovation as vendors fight to constantly stay ahead of their competitors and build new and innovative features, functions, or price points into their products.

The mobile service providers from day one knew that they needed to rely on mobile handsets and a very different partnership was set-up than those with fix-line

operators. Subsidized handsets ensured rapid take-up of services and generated much greater handset volumes in many parts of the Western Europe, for example. This “value-chain” for the service works as each component part of the chain is able to make money and there are clear demarcation points in the service.

However, the advent of services, such as those being produced for the 2008 Olympics in Beijing by Chunghwa Telecom to offer IPTV and mobile TV content to subscribers, needs much further levels of integration. Video services require content to be created and compressed based on their types of usage. A partnership with content providers is the starting point, and more advanced services are being created to offer interactive content and advertising based on user or device preferences. Another example of partnership is where SK Telecom has been working with local financial services company Citi to create the next generation of mobile banking technology in a drive to use mobile phones as a method of payment. SK Telecom is relying heavily on the skill, knowledge, and market presence of Citi to launch a new type of financial service that would have been near impossible for a service provider to launch on its own. Citi, in turn, is using SK Telecom’s knowledge and skill in billing, security and revenue assurance to deliver the services. An innovative service will be created that neither partner could have accomplished alone.



Partnerships work when there is added value for each participant in the service value chain, but there are other considerations to take into account in this process. The service clearly has to work and it has to work to a quality level that satisfies subscribers. In order to ensure that the end-to-end experience is good enough it is therefore not just the service that needs to be integrated but clear metrics between the multiple systems to ensure that they are working correctly. Key interfaces need defining and then need to be monitored to ensure that SLAs are being met by each partner and the overall customer experience is being maintained. Moreover, when things go wrong with a service, there must be a robust process that elegantly resolves the issue so that subscribers are cared for correctly. There is always a preserved risk when partnering with other organizations; SLA’s and open interfaces ensure that these risks are reduced.

To achieve this level of information there needs to be integration between the partner’s customer and operational systems that are needed by customer services and operational staff to support the service. The advent of open SOA (Service Orientated Architecture) has helped convergence of IT and telecom operational systems, not just internally within organizations but more importantly has the potential to greatly reduce the effort of integrating systems between different company systems.

Creating the Winning Collaborative Service

Collaborative Business Partnership Models is one of the key topics being discussed at this year's Management World event in Nice hosted by the TM Forum on 18 – 22 May 2008. The event provides one of the most focused opportunities for service providers to meet not only their peers but also potential partners for creating collaborative services.

The six track conference at Management World will take you through all aspects of service delivery, from the business drivers to the technology and systems that design, deliver, monitor, and bill for them.



The event goes much beyond the usual conference programs where attendees just hear about the latest technology; they can actually see live demonstrations of working systems that show business and technology issues. The Forumville Showcase features ten live technology "catalyst" demonstrations plus the outstanding Content Encounter end-end content management demonstration that debuted at Management World America. These projects are a real opportunity to see and touch the latest advances in service operations. They will also see how important industry benchmarking and best practices are to generating new revenue streams. Over 120 speakers and 150 hours of top notch content will be available over the three days of this unique conference - networking with peers during special events and the opportunity to meet suppliers and partners at our large exhibition hall are a couple of other reasons to make the trip to France this May.

In addition, our keynotes this year will come from a distinguished group of individuals who themselves are on the front lines of our changing industry. You'll hear from the CEO of Telstra, the CEO of Telecom New Zealand as well as top executives from Paramount Pictures, Nokia Siemens Networks and Picstel Technologies.

And if you're concerned about delivering new, advanced communications, information and entertainment services across today's extremely complex value chains, our Leadership Summit will help you navigate the emerging market models and dynamics and how to manage services on a 24/7 basis.

Truly, there is not a more focused event in the communications space. We get more than our fair share of CEOs and other top executives at Management World. Why do these decision makers come back year after year? We like to say that anyone attending Management World can get more out of just a few days in Nice than they can get in a month or more back at their desk, and this year that is truer than ever.

I think this is the year that our industry really comes back strong after several relatively slow years. And to take advantage of the wonderful opportunities that are there for the taking, Management World 2008 is the place to be.

If you have news you'd like to share with Pipeline, contact us at editor@pipelinepub.com.