

## NewsWatch

By *Phil Britt*

The last month has been a tumultuous one, both in the world of OSS/BSS, and in the world, at large. However, market consolidation, shifting communications paradigms, and ash-spewing volcanic craters were also accompanied by some positive spending news and a few other bright spots on the ash-covered horizon.

The volcano eruption in Iceland could be the first of many salvos in the latest battle of the video conferencing wars. The eruption kept air traffic at a standstill for about a week, and resulted in some people being stranded overseas for several weeks, according to various press reports. As a result, there were increases for many of the video conferencing providers. HP Halo studios saw a 14 percent increase week over week for the weeks of Apr 5-11 to Apr 12-18 for internal users and total usage for all customers increased 38 percent during that time period.

Darren Podrabsky, worldwide marketing manager for HP Halo Visual Collaboration Solutions, said he



expects usage to fall back once travel opens back up, but not all the way back to the levels of before the natural disaster.

**HP has a strong track record in acquisitions.**

“Usually you see a spike after a natural disaster, then things drop back to more normal levels,” Podrabsky said. But any time new users come into the studios, some stay.

Cisco is another major player in the video conferencing market, and a firm that HP at which

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HP is taking direct aim. At HP's Americas Partner Conference, Senior Vice President Stephen DeWitt said it was the company's goal to beat Dell in the SMB space and Cisco everywhere else from the PC to the network, and even the data center.

**Mergers, Acquisitions Strong**

HP was also in the middle of a busy month for mergers and acquisitions with its purchase of Palm, which many analysts had seen near death just a month earlier. According to Steve Hilton, Analysys Mason principal analyst, HP has a strong track record in acquisitions. It'll take the best bits of Palm technology and make them better. Then HP will sell the solutions through their powerful channel better than Palm ever could do on its own. Hilton expects the acquisition to prompt Cisco to go after a handset manufacturer within 12 months. Hilton also expects HP to use Palm to create an enterprise mobile device to dislodge RIM and Nokia. "RIM's success is its hindrance in new product development. And while Apple has certainly found a small enterprise foothold, at the end of the day Apple is a consumer-centric company," Hilton says. "Nokia has been stumbling for a couple years

**In the solutions arena, several ISVs announced that they were joining forces**

trying to find its way back to enterprise dominance. Samsung is an also-ran in the enterprise smart phone market. This gives HP a great opportunity to create an enterprise smart phone offering with Palm."

The HP-Palm announcement came on the heels of CenturyLink's agreement to buy Qwest Communications for \$10.6 billion in a deal that will make it the third largest local carrier in the U.S. The acquisition should position CenturyLink solidly in the 33 states that it serves for at least the next five years, according to wireless and telecom analyst Jeff Kagan.

Twitter acquired Cloudbopper for an undisclosed price to grow and scale Twitter's SMS service. Cloudbopper seeks to refine and make efficient mobile messaging technology for businesses through its software and infrastructure offerings. Twitter said it had been working with Cloudbopper



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for the last 8 months and was processing close to 1 billion SMS tweets every 30 days. Cloudbopper founder Joe Lauer and Kristin Kanaar, director of carrier integration, will be joining the Twitter management.

Mergers and acquisitions weren't limited to the U.S. market. Vivendi completed the purchase of virtually all the outstanding shares in Brazilian telephony and Internet operator Global Village Telecom (GVT). As a result of the purchases Vivendi has acquired 93.58 percent of the free float, boosting its total equity stake to 99.17 percent of GVT's shares.

In the solutions arena, several ISVs announced that they were joining forces. Tekelec picked up two companies (Camiant, a policy control firm, and Blueslice, an SDM player) with the aim of creating one of the industry's most indepth solutions for the intelligence layer of all-IP networks. Also, Kabira

**Four-fifths of providers plan to spend the same amount or more on BSS in the next 24 months as they did in the last 24 months.**

Technologies was scooped up by SOA/BPM player TIBCO Software, and Clarity and Omnix announced that they would be merging. It's an interesting trend of industry consolidation, and we'll be watching to see if the OSS/BSS space continues to fold into itself over the rest of the year. There are signs that additional acquisitions are in the works, so we'll stay tuned.

#### **Some Combinations Fail**

However, not all mergers proceeded as planned. The Swiss Competition Commission blocked the combination of France Telecom S.A. and TDC A/S subsidiaries in Switzerland, Orange Communications S.A and Sunrise Communications AG.

"France Telecom and TDC are disappointed and surprised by this decision as they strongly believe that the contemplated combination and the substantial commitments that they had proposed to undertake would have benefited the Swiss Consumer. Without this combination, Swisscom's dominant position in the Swiss telecommunications market would be maintained," France Telecom said, adding that the combined entity would be in the position to significantly invest in its networks and enhance customer experience.

#### **Rise of Smartphones, Android**

Wherever they are in the world, mobile phone users will continue their migration to smartphones over the next four years, according to a report from Analysys Mason that foresees compound annual growth rate of 32 percent for the devices between 2010 and 2014, increasing the market share of smartphones to 26 percent by the end of that period.

"Smartphone markets in the developed world will continue to be fiercely competitive, but key handset manufacturers such as Nokia and Samsung are lining-up to tap a new opportunity in emerging markets. The ingredients of a successful mobile data proposition in emerging markets will be different to those in developed markets, and I don't think that an iPhone will be one of them. In the medium term, Android-, bada- and Symbian OS-based devices will dominate these new markets."

In a separate report, the analyst firm expects phones operating on the Android platform to comprise 30 percent of the smartphone market by 2014. Android has only 1 percent of the market today, though recent reports say that sales of smartphones using Android are growing swiftly, with sales in the U.K. growing by 400 percent over the last month. Of course, that growth comes from a very small base.

#### **BSS Spending Outlook Strong**

A new study from Transverse shows plans for communications service providers in their BSS outlook for the next two years. Four-fifths of

providers plan to spend the same amount or more on BSS in the next 24 months as they did in the last 24 months. Around one-third of those who plan to invest in their BSS over the next 24 months will be adding new features/modules or implementing entirely new solutions. The most common BSS goal for the next 24 months is to implement convergent billing and charging. The next two most common goals are supporting the introduction of new technologies and improving the customer experience.



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