



## **The Word from TeleManagement World:**

**OSS must get down to business, but business is good**

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Though this October's TeleManagement World (TMW) event in Long Beach was more subdued than the May event in Nice, France, the consistent message was that OSS is getting down to business. Attendees were largely focused on the Forum's technical sessions and learning more about how to apply eTOM and NGOSS principles. Even early "birds of a feather" sessions aimed at identifying areas for new work groups drew interest, particularly one focused on defining benchmarks for measuring OSS. Catalyst projects were similarly centered on business processes, and the TeleManagement Forum (TMF) stressed the importance of relevance, practicality and deliverability in the proposed solutions.

From a vendor perspective, there were few key announcements and much of the chatter on the show floor centered around Telcordia's ongoing sale and how Cramer and MetaSolv will have to work together for BT. Big news also hit shortly after the TMW event as Watchmark-Comnitel announced its plan to acquire ADC's Metrica business. The mixed message out of this event is that OSS still has plenty of growing up to do, but in the meantime business is good.

### **Keynotes Focus on Messages and Transformation**

TMF President Jim Warner's opening address painted an optimistic future for the Forum itself. "[TMF] has never been healthier or better positioned to solve the industry's problems," said Warner. TMF is financially healthy, he said, due to a strong increase in membership from the billing and BSS sectors, greater global participation in the Forum, and the organization's adoption of its own "lean" operating principles. "We've chosen to eat our own cooking," said Warner. The Forum has also extended its reach into Asia, with events in Bangalore, Tokyo and Beijing scheduled and plans to expand in '05. He said TMF should exceed 400 members this year, which would carry total membership above its peak 2000 numbers.

Looking at the Forum's technical work, Warner focused on the importance of practicality in catalyst projects and the need for TMF to work closely with peer organizations like the IETF, which has embraced the eTOM. Highlighting a common theme, Warner also voiced the need for TMF to broaden its appeal "beyond the technical fraternity" and provide carrier executives with strong examples of how companies in other industries have transformed and succeeded.



TMF founder Keith Willetts ran with the transformation theme, focusing on the fact that carriers cannot continue to reduce headcount and expect to improve. “Putting in more networks without changing the business doesn’t work,” Willetts said. He explained that carriers are, for the most part, not developing economies of scale in the way they approach new services and operations. As a result, they fail to reduce their operating costs, prices drop, and they do not create a Moore’s law effect by using lean, common infrastructure to manage an expanding number of services and features.

All of the blame, however, Willetts did not rest at service providers’ feet. Painting a stark but realistic picture of the OSS market, he said “the next wave of multi-service networks could make the current wave of OSS products obsolete” because so many have been built specifically for network technology silos. He also pointed the finger at TMF, however, and admitted that the Forum must do a better job of explaining how a carrier can become a “lean operator” and make that story more compelling to senior executives.

To make this happen, Willetts asked for better marketing cooperation among TMF members in sending clear, executive-focused messages that highlight the value of things like eTOM and NGOSS. He also argued for a framework by which OSS’ value can be measured and demonstrated (see sidebar *“Birds of a Feather” Flock to Metrics*). Most importantly, he urged the vendor community to build products that will reduce the integration tax but embrace the multi-service world, going as far as to encourage the development of open source OSS products. Perhaps most important was Willetts’ argument for a shift in mindset from a systems focus to a business focus, saying “business change drives process change, which drive systems change – not the other way around.” For business executives to understand and appreciate the TMF’s contributions, this business and process-first focus must be the mindset.

#### <SIDEBAR> **“Birds of a Feather” Flock to Metrics**

There are many areas that could merit a TMF working group, but it’s not possible to cover them all. When something seems like an especially good idea – and there’s a willing sponsor – TMF will call a “Birds of a Feather” session to gauge interest in and set direction for a potential workgroup on the topic.

A remarkable number of people rolled out of bed on Day 2 of TMW – despite the previous night’s martini bar – to attend to BoF session on Industry Benchmarks for OSS. The session organizers, Toni Graham, CEO of e\*Tezeract, and Mike Kelly, TMF technical programs senior manager, stressed the need to identify business oriented KPIs that work for benchmarking, and that ultimately benchmarking could be handled by a third-party testing company. The real highlight of this session was the realization that there are potentially thousands of KPIs to consider, but the initial focus must be on the superstars. For executives to pay attention, the organizers argued, the benchmarks have to highlight the best of what OSS is bringing to the bottom line.



As a follow-up to our Value of OSS issue, posted in August, Pipeline will follow the progress of this potential working group. Clearly this idea is being driven by the Forum's leadership which stressed the need for success measurements and executive relevance throughout the event.

### **Sprint's Walker Echoes Transformation Message**

Keynote speaker Kathy Walker, Sprint's executive vice president for network services, offered an optimistic picture of the ongoing transformation Sprint hopes will help it to "simplify, integrate and do business in a different way." Reflecting the TMF's Willetts' earlier comments, Walker suggested Sprint is trying to drive better economies through consolidation and common approaches, and that it has recognized that "cost cutting alone does not work" or "motivate people with careers." Sprint is apparently concerned with Wall Street's focus on the "judicious use of capital," Walker said, and committed to delivering its version of "convergence."

Sprint is rolling out convergent services, Walker explained, with devices like the Treo 600 that is a phone, PDA, camera, video player and more. On a grander scope, Sprint has 27 million customers, most of whom carry multiple services with the company. Convergence, she said, also extends to Sprint's suppliers who are being asked to deliver more multi-purpose capabilities.

Walker suggested Sprint had always been seen as a leader - first with an all-digital, national fiber optic network; first with a 3G CDMA network -but admitted that Sprint's transformation is necessary after "without care and feeding [its] brand impact diminished." She also gave her company credit for not being caught up in any post-bubble securities prosecution.

Absent from her brief history of the company was any mention of Sprint's many flirtations with potential buyers or the billions it lost as a result of its failure to deliver ION. Walker spent a great deal of time suggesting that real organizational change, with a renewed sense of accountability and focus on metrics, was pervading Sprint. Insiders speaking on background suggested that while Sprint's aggressive moves in wholesale and multi-service offerings are well intended and have lead to success, some of the technical mandates - like eliminating layer 2 networks to move directly to MPLS over DWDM - may be asking more of new technologies than they can actually deliver at carrier scale.

### **Cramer Announces Major Win with BT, Partnership with SAP**

Perhaps the biggest vendor announcement at the TMW event came from Cramer Systems, who announced that it secured a long term, multi-million dollar license deal with BT. Cramer will supply its entire product suite as part of BT's 21<sup>st</sup> Century Network, the initiative by which BT intends to migrate its entire U.K. network to broadband and VoIP by 2009. This is the largest deal in Cramer's history. Cramer also announced a new partnership with SAP to integrate their products and jointly develop



network lifecycle management solutions. This is yet another acknowledgement of Cramer's progress.

### **How Do Cramer and MetaSolv Fit?**

Cramer's BT announcement follows closely MetaSolv's recent announcements of similar, large OSS wins with BT. Without specification in various press releases, questions arose regarding the role of each vendor – traditionally tough competitors - within BT's architecture. Remarkably, representatives from both Cramer and MetaSolv stated independently that the two companies are playing a separate, but ultimately complementary role. While MetaSolv's applications are largely responsible for automating functions within the specific technology domains BT supports, Cramer's applications will play an inter-domain management role, helping to insure that service delivery is automated, managed, and synchronized across technology domains, particularly in increasing multi-technology scenarios.

This is an extremely positive sign for the OSS sector, and as such there is responsibility associated with it. This is a needed example where two highly competitive OSS providers have each earned significant roles for one of the largest OSS buyers. The long term success of each company is likely to depend on the success of the other, and because the results will be highly visible they are likely to impact the entire OSS sector's reputation.

In further MetaSolv news, the company announced at TMW that it has extended its relationship with Verizon Dominicana, formerly Codetel, the Dominican Republic's PTT. MetaSolv already provided applications for much of Dominicana's wireline service delivery operations. This announcement marked MetaSolv's extension into the company's mobile operations, specifically with MetaSolv's mobile activation solution.

### **Telcordia For Sale: Who's Buying?**

With Telcordia essentially on the auction block, talk on the exhibit floor swirled around the company. Curiosity focused largely on whom the potential buyers are, what the valuation might be, and exactly what the buyer would buy. Telcordia is not permitted to provide detailed comments on the sale activity, other than to acknowledge it. CEO Matt Desch, during his Q&A in this issue of Pipeline, did stress that Telcordia is itself actively pursuing this sale and that his aim is to find the right parent to help foster Telcordia's current path.

### **Watchmark-Comnitel Acquires Metrica from ADC**

On other acquisition fronts, Watchmark-Comnitel announced on October 22 plans to acquire the Metrica Service Assurance group from ADC Telecommunications for an unspecified amount. The unified entity will combine Watchmark-Comnitel's SQM and SLA capabilities with Metrica's performance management product, which is widely deployed in wireless operators throughout the world. As an end result of this acquisition, Watchmark-Comnitel not only rounds out its service assurance product suite, but extends its reach into many new accounts and markets it was either just developing or had not yet



entered. The company was sparse on details in terms of any organizational changes, sales strategies or product specifics and explained that it was about to begin a months long process to answer a range of go-forward questions.

Major competitors Agilent Technologies and Telcordia Technologies had little to say in response to the acquisition. A Telcordia spokesperson agreed that the marriage made sense, but stressed the challenges of product integration and keeping the range of Metrica customers satisfied with their existing installations. Agilent declined to comment, stating it generally does not reply to inquiries regarding its competitors' activities.

### **More OSS Movers to Watch**

Several companies, both present and absent from TMW, have provided evidence recently that OSS is witnessing an upswing, not only in sales and global reach, but in value and strategic importance. Nokia, Syndesis, Ace\*Comm, and NetCracker are four examples of such companies.

**Nokia** - Nokia announced at TMW that it is increasing its focus in the operations arena in response to customer demand for better service management applications. Nokia's operations group intends to operate similarly to an ISV. It has already built what it calls a multi-vendor OSS portfolio with solutions in radio access configuration, service assurance, end user device management and customer experience enhancement. The group is also looking to leverage its experience with mobile data solutions in the convergence of mobile, cable and telco services, with an emphasis on IP mobility.

Relatedly, Nokia and other leading mobile equipment vendors announced plans to collaborate around multi-vendor management and better horizontal communication among network elements. Whether Nokia has more success in OSS than past equipment vendors remains to be seen, but the company's investment is a sign that its prime network business would benefit from an increased emphasis on OSS.

**Syndesis** – Syndesis did not release specific news during TMW, but the company is actively engaged in some of the largest and most sophisticated OSS undertakings in the industry. Active engagements include SBC, which is racing to launch triple-play, fiber-to-the-curb services and has recognized Syndesis as a key supplier two years running; Bell Canada, for whom Syndesis is a long standing supplier; and Telecom Italia, which is becoming notorious not only for its work ethic, but for its success in implementing NGOSS principles. Reports suggest Syndesis is also fostering a relationship with one of continental Europe's largest multi-service network operators. The company is seeing this success partly as a result of growing interest in multi-layer, multi-technology service fulfillment and network upload solutions, and due to its reputation for attentive service to its customers.

**Ace\*Comm** – Ace\*Comm is one of the few public OSS companies, and one many were ready to count out during the downturn. The company has experienced a strong rebound



under CEO George Jimenez's leadership. Ace\*Comm recently announced an 89 percent increase in earnings over last year as well as VoIP-related contract wins in Europe and North America. Ace\*Comm also recently – and quietly – acquired Intasys for billing solutions and customers, as well as a wireless activation vendor named i3 Mobile. The company also added further wireless mediation, billing, bill presentment and intercarrier settlement after designing an entire solution for a large carrier in Bangladesh. Jimenez says he plans to expand the company's OSS portfolio further and is examining "bubble assets" that are well designed and worth adding. Jimenez says this expansion is being driven by his customers who are less interested in a pure-play mediation vendor than they would be with an OSS partner that offered a greater range of solutions.

**NetCracker** – NetCracker is in the midst of a major expansion, is hiring globally, and recently moved to new headquarters in Waltham, Mass. In just the past few months, the company has announced wins with Time Warner Telecom, Covad Communications, Telstra, and the largest carrier in the Baltic states, OmniTel. The company also acquired AVD, a professional services firm in Russia with which it has maintained a delivery relationship for some time. These announcements follow a steady stream of wins for NetCracker, one of the few OSS players to exit the downturn stronger than it entered.