



Pipeline Q & A: Matt Desch, CEO, Telcordia

By Edward J. Finegold, Editor-in-Chief

[SUBSCRIBE](#)

[VIEW ONLINE](#)

This month Pipeline chatted with Matt Desch, CEO of Telcordia Technologies. With an active process underway aimed at selling the company to a new parent, Telcordia is garnering increased attention regarding its strategy, its future and its leadership. The company was the center of many conversations at TeleManagement World in mid-October, and not surprisingly speculation and rumor circulated with real news. In this interview, Mr. Desch addresses questions regarding his leadership style, responds to the questions about Telcordia's future direction and provides his perspective on the opportunities for the company.

Pipeline: At the first Elementive event in New York City, you talked about your initial priorities for Telcordia and how you went to SAIC's board of directors for support. Can you recount that story for our readers, and tell us how your perspective on those initial priorities has since changed?

Desch: It was shortly after I joined Telcordia that I realized our fundamental strategy needed to change dramatically from a project-oriented, custom IT shop to more of a product company. We needed to expand into new markets like wireless and cable, and outside of North America. I went to the SAIC board and said that I needed to invest in Telcordia to do that. We needed to put more money into R&D, into new growth markets, and also into some of our biggest customers. Overall, they (SAIC's board) were very supportive and we went down the road quickly.

Now, we've gone well beyond those initial priorities. I have since realized that the vision for Telcordia has evolved to leverage our experience to help our customers transform, not just to transform ourselves. It's a deeper approach to the market. People told me when I came here there were a lot of smart people at Telcordia. Now I really understand what they mean. When I was with Nortel, I may have had 10,000 people in my organization and I could count on two hands the number of people, who really understood our customers' businesses, how all the systems worked together and how underlying technologies worked end to end. I now have an organization that's one-third the size, but I have 10 to 20 times as many of those people here. We can bring a much broader set of experiences and deeper understanding of our customers' operations. Customers and partners are telling us that is what is unique about Telcordia.

Pipeline: People have seen the Elementive periodic tables and heard the "have it your way" idea. But most people are still curious not about how Elementive is new and



different for Telcordia, but how it's new and different for the industry. So, I'll ask you now, how is this approach "new and different" compared to what OSS companies have done in the past?

Desch: Elementive is different because it supports pre-integration, and embraces new standards that hadn't been embraced before. With Elementive we not only have the breadth of our portfolio we also work with partners to bring new capabilities to market that hadn't been brought out before. We help customers solve the really hard problems that save the most costs, help telcos be more customer service-oriented and require a breadth of knowledge and experience that goes across traditional OSS boundaries.

Being open, configurable and flexible is not new in the industry, but we've gone well beyond that initial vision of Elementive. We're pursuing Elementive with a purpose. We are taking this new approach to the market and are applying it to the hardest problems in the industry in ways no one else can.

One major European carrier told us – and it's an interesting thing because we talk to lots of players in the industry including SIs about this - that Telcordia was the only software provider that didn't ask "how can we help you?" Telcordia came in and said, "We know your potential. We know how to help you. Here's what you can do to accomplish your goals and here's how we'll share the risk with you." The industry is crying out for leadership in terms of what can be accomplished and how and that's what Telcordia is all about.

Pipeline: The Granite-Telcordia marriage is a favorite topic of discussion in the OSS sector. How do you respond to those who say the relationship is challenged and that Telcordia will have trouble adopting ideas and learning from the much smaller Granite team?

Desch: I would expect that my competitors would say this and that they would hope it was true. First, this is not a relationship - Granite is Telcordia, not a separate company. In some ways internal people say it's feels like a reverse integration of Telcordia into Granite, rather than the other way around. The people who were Granite's executives are now in key, high impact roles for product development, product management, and sales and marketing around the world.

The Granite way is becoming the Telcordia way in those places where the companies have come together. The Granite team is excited to draw on resources they didn't have before. Telcordia is moving faster, taking more smart risks, and we are reacting faster to opportunities. We've announced successes with customers since the acquisition, and I only hear positive things internally and from our customers. I am thrilled with how it's going.



Pipeline: As a chief executive, it's impossible to make everyone happy with every decision you make. There are those that say, however, that Matt Desch is a consensus builder and won't make the tough decisions that ruffle other people. What do you have to say to these people?

Desch: I'm not sure that being a consensus builder is a terrible thing to call somebody. But it's inaccurate to say that I don't make the necessary decisions – even when they are not popular decisions. I think it's possible for a manager to be able to get people to work together and to debate an issue, but not let the debate go on longer than necessary to be able to make a decision. I think respectful debate is important. I am worried about managers who only hear themselves, and this industry had real challenges in the late '90s with people believing themselves too much. I want to get the best people around me and help them to be successful.

You can imagine that when you have applications that can work on traditional and new systems, wireline and wireless networks, services-led versus product-led strategies, you have a lot of debate. We would not have come up with excellent approaches if we just demanded what the answer needed to be. We're going through a cultural transformation and you can't just tell people what they need to do to change. I've been very explicit about what I'm doing to get the best cultural transformation and true change Telcordia needs to make.

Pipeline: Speaking of change - what recent successes can you point to that demonstrate Telcordia's growth in the mobile and cable sectors?

Desch: I'm proud of what our team has accomplished in less than 2 years. We're now going to do more than \$100 million in wireless and cable – mostly in wireless. The success has been on two fronts. One is the OSS sector where we're leading in wireless service assurance, and the other is in the network services sector. We've had dramatic success in wireless.

Cable is in its nascent stages. We've had some success with Cox, but we are still in the early stages on the cable side and we're looking at what more we can do in that area to accelerate our success.

Pipeline: What is your perspective on the future for the Latin American market, and what kind of growth or advancements do you expect to see there in the next two years?

Desch: We see a lot of exciting growth in Latin America, and a lot of emerging competition in the carrier space in wireless and IP services. We see a specific trend of managing inside and outside technicians more effectively. As an example, we had an announcement where we brought our Force product to Telmex. Prepaid and wireless data are exploding, so we think there's room for our network services platforms there. We're seeing an emerging need for service resource management also. We've opened two



offices in Brazil just recently and have offices in Mexico City, Buenos Aires and Miami. Latin America is close to home and we have a good presence to build on.

Pipeline: People are beginning to see large beige fiber distribution frame cabinets hanging on telephone poles in their neighborhoods. How is Telcordia involved with the fiber to the home and fiber to the curb roll-outs LECs like SBC and Verizon are pursuing?

Desch: We're in active discussions to help with these fiber buildouts. For example, we're adapting our core OSSs to support FTTP and to integrate [our LEC customers'] ability to offer TV and data over fiber along with the services they support today, like helping them add FTTP to the workforce management systems. Right now we're helping them deploy faster and more effectively and to work through some of the initial services challenges.

Pipeline: What can you tell us about Telcordia being sold and where you are in the process? What does a change in ownership mean for Matt Desch?

Desch: We're still very deep in the process right now. I've been gratified with all the interest in us and the respect we've been given by many involved for what we've accomplished in our transformation. I'd say it's moving along more quickly than I expected, but it still has some ways to go, and it's impossible to forecast when it will be completed.

My goal is to make sure Telcordia has a home with owners who want to see that it reaches its full potential and who want to help Telcordia make the biggest impact on the industry for our customers and employees. As for me, I'm as excited as anyone. Assuming the new buyer would want me to be a part of it, I'd be thrilled to continue toward the goals we've been working to achieve for the last few years.