OSS Needs a Leap Forward
Will consolidation make it happen?
By Barbara Lancaster

Most of the time, I look at the world of Operations Support Systems through the service provider's eyes. I see essential systems required to run operations and help earn revenue. At other times I have the perspective of an OSS vendor. I see talented people fighting in a crowded market place to win customers. Occasionally I try to rationalize these points of view to make sense of it all, but it proves to be a road to eternal confusion and thus I only attempt to resolve this conundrum during holidays. When I consider who might win with OSS consolidation and when the sector will really consolidate, it's clear to me that ultimately we will see a leap forward, and not a slow crawl. Follow my logic.

The Service Provider's Fine Hat

With my *Service Provider* hat on - a business-like piece of formalwear to be sure – I wonder why OSS must be so difficult? Why does buying and implementing a new system have to be such a horrible experience? Why are all these vendors out to trick me? Why are there more vendors than customers? I see a market served by a large number of competing OSS vendors, who seem to take special pleasure in making product-against-product comparisons as difficult as they can.

Every OSS purchasing decision contains big elements of uncertainty. Each Service Provider's OSS environment is unique and any change or addition needs hundreds of moving parts to be expertly managed. I certainly don't need unique selling propositions from my vendors. What I want is to specify what I need and then choose the best from among a few good suppliers who can meet my needs exactly, no more and no less - no functional overlaps to pay for, no gaps to work around.

The service provider wonders why the OSS sector can't get its act together. Why can't we have a relatively small number of competent, trustworthy suppliers offering a simple range of broadly comparable products? That doesn't mean they all need to be the same, but some basis for comparison is needed. If I have to choose between a Kia and a BMW I know that at least that they'll each have an engine, four tires and can get me to the supermarket. If only OSS applications were as predictable and fundamentally comparable.

If it were possible to wave a hand and create positive change, I'd fix it so that every time I needed to buy a new system I'd be able to choose from just a handful of vendors. These vendors would have broadly comparable offerings that can meet all of my essential requirements. A simple basis for understanding and comparing these vendors would save me months of equivocation, ambivalence, soul-searching and heartburn. Ultimately, I'd leave just the right number of vendors in business, so I could negotiate prices by setting

them against each other. I like competition, but what I need is *intelligent consolidation* of the OSS sector.

The OSS Vendor's Leather Helmet

Donning the OSS vendor's hat is like strapping on an old leather flying helmet – the kind early aviators wore as they struggled to keep their wood-and-string contraptions aloft. From the vendor's perspective I think, OSS *consolidation*? *OSS* consolidation? Listen, chum, this is a business, not a welfare society for struggling Service Providers. We hold to the idea of free markets, and this industry is only going to consolidate when the market is good and ready. Right now, there's nothing in it for me. Service Providers say they want rationalized system functionality, open standards, modularization, NGOSS compliance, and plug-and-play integration. We'd *love* to provide all of these things. But what's in it for us? Where's the money? Who is going to pay us *extra* for all these things? In fact, service providers say that what they really want is to *slash* the cost of acquiring and implementing systems. Slashing prices neither excites suppliers, nor does it give us incentive to act.

If every company in the OSS application business moved quickly in the direction service providers want, we'd rapidly end up with a few large vendors selling applications that could be made to work together seamlessly and effectively. Service providers might think this wonderful, but what happens to the hundreds of vendors in the market today? Few are confident that their companies will survive, and it's not just the small companies that feel this way. A few more years of selling expensive products in a confused market doesn't sound so bad, especially if the alternative is to face extinction in a streamlined market where every application is a standardized commodity.

Service Providers, the OSS vendor thinks, must believe we live in some kind of planned, centralized, Soviet-style economy – except without the centralization or the planning. The quirk of free market economics is that when it operates at the deal-by-deal level, it can influence product design and – to some extent – local pricing. But mostly the free market is not very good at driving a whole industry in a particular direction, regardless of what's good for the consumer. Individual purchasers really don't have much say. So Service Providers, just be patient. Keep issuing those RFPs and keep paying those system integration bills. And don't blame us vendors for your indecisiveness. We hate long sales cycles even more than you do.

The Disruptive Perspective

As December arrives, we'll into the "bah humbug" season. I can indulge my occasional hobby where I look at the OSS sector as an impartial spectator who happens to read a lot. Let's call this "The Disruptive" perspective because it does not attempt to rationalize the differing perspectives of vendors and service providers.

From this point of view, what I see looming is the all-broadband, all-IP world and the end of traditional telephony as we know it. I see dramatically simplified billing requirements and much more autonomous network management with smarter network elements. For the foreseeable future IP will direct the bits. What networks have to do will

be increasingly simple in concept – carry those bits. At the same time the network will become increasingly smart, able to manage and repair itself and instruct the few humans left when to replace something that physically breaks.

In this new world, customers will manage all aspects of their service themselves. The idea of having to phone an office somewhere to place an order or increase bandwidth will be as quaint as having to talk to an operator to connect a call connected to a friend in the next street. This – according to all that reading I've done of course- was once how telephony worked.

Customer self management – and the competitive free market – will drive the simplification of services and the rationalization of charges. The cost of creating an itemized bill will soon far outweigh the possible losses of 'all you can eat' flat rates. It will soon cost more to build an OSS environment than to build the infrastructure that carries the traffic, especially for smaller service providers.

Let's think clearly what this means for the OSS environments of the future. No matter how I look at it, I can only see future support systems being relatively cheap to buy, install and maintain. They should be simple in their use, even if they are complex under the surface. If they aren't cheap and simple, they will not be a *sympathetic fit* for the future networks. Technology systems need each component to be around the same place on the price/performance curve, and telecommunications is no exception.

Would we have had a mobile communications revolution if handsets had been the size and weight of a breezeblock at a cost of $2000 dollars each? No, no matter how low the cost of building base stations and core transport fell. Similarly, I don't believe the network service providers of the future will be prepared to invest more effort time and money in their billing systems than in the network that carries the traffic.

Service providers tell me there is already something of a *sympathetic disconnect* between the price/performance of networks and the price/performance of OSS environments, and my assessments agree. As networks move further forward, the disparity could grow. Some skeptics believe that it won't happen for a long time, but the breaking point will happen sooner rather than later.

A Leap Forward or a Slow Crawl?

When the price/performance gap grows large enough to spur people to action, we will see an upsurge of new thinking in the OSS world that will move the whole industry forward in a leap, rather than in painful small steps. Then we will see a shakeout of vendors driven by the impetus of this leap forward, and that will be a healthy thing.

Some of these OSS companies will be newcomers - new kids on the OSS block who perhaps earned their credibility in other business areas such as retail, manufacturing, or even Sim games. They'll have nothing to lose in the old OSS market, and be happy to build for profit in the new one. The new generation of OSS vendors will also include a few who are the smartest of the current breed, who already see what is coming and are working to intersect their future. But in the end, consolidation will happen because smart

people in the OSS industry see great business opportunities and want to seize them, not because they are listening to the complaints of today's Service Providers about the current structure of our sector.

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