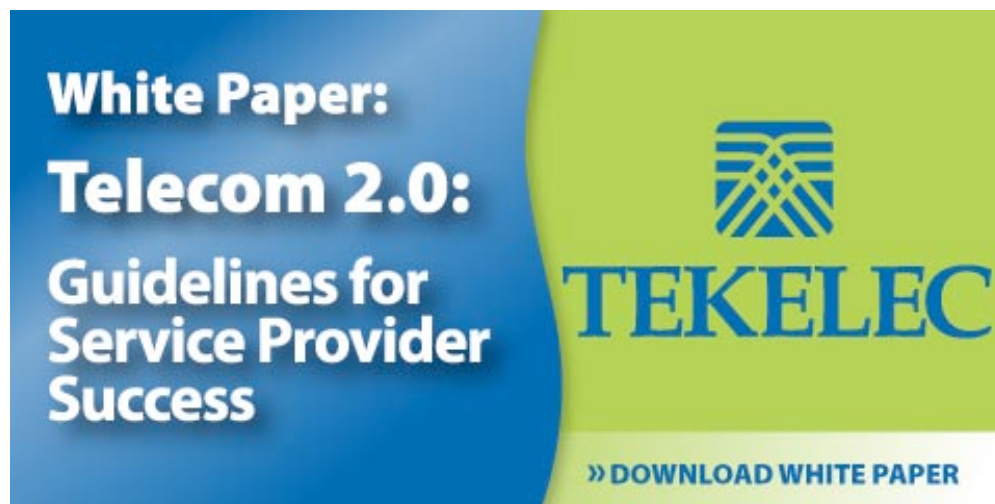# Pipeline

Knowledge Is Power

The BSS Report: Microsoft's Place in the BSS Food Chain
By Ed Finegold

The BSS sector is odd, from an IT industry perspective, because it isn't dominated by Microsoft, Oracle or other massive companies whose TV commercials you're likely to see during *The Masters*. The big dog that dominates billing needs no introduction, and will receive none here. In this bizarro world, the biggest dogs play catch-up when it comes to COTS sales. There's a different perspective to consider, however, because Microsoft – and other major technology suppliers – tends to play a more fundamental role in the food chain. In short, there is an increasing number of CSP IT shops and BSS product suppliers who use Microsoft technology to build and run their applications.

Online Influences
.NET and its associated technologies, like C#, Silverlight, Visual Studio, and Sharepoint, have been used increasingly in the CSP community during the past five years. This is significant because though Microsoft still isn't the dominant IT technology supplier, it was almost completely absent from the space (other than Office) ten or fewer years ago. Conventional wisdom held for years that Microsoft just wasn't carrier grade, but this attitude seems to have shifted. A market that was once all about five-nines reliability, swore by Unix (and later Linux), and adopted Java and J2EE technology en masse has changed.

In evaluating this shift, we can't overlook the online world's influence. Many online developers use Microsoft tools and development environments for creating applications and websites. These tools are relatively simple to acquire, learn, and use. There's a large pool of talented developers who are fluent

in these technologies. "As a company we have a concentrated focus on the developer community," says Terry McGuigan, managing director – telco industry, for Microsoft.

For a CSP market that wants to catch up with what's been happening online, it just makes sense that its IT shops would adopt Microsoft technologies more than in the past. If you want to get an application up and running quickly that sits on a straightforward, Sequel database and works wells with Internet Explorer, you're probably going to write in C# and use a lot of .NET resources to deliver it. With more time to market pressure in the CSP community for new apps, and more budget pressure for simpler and less expensive IT solutions, it shouldn't come as a surprise that Microsoft technologies would be gaining ground inside CSP IT shops.

ISVs on Microsoft

Microsoft's poster children for BSS suppliers that have built impressive, carrier-grade applications on Microsoft technology are Metratech and Tribold. They've all spent enough time talking about their relationship that it doesn't need to be repeated here. The bottom line is that these are two companies with forward-looking BSS solutions build on Microsoft technology.

Metratech offers a billing and payment solution that's been adopted increasingly in the CSP space, but can range outside of the CSP market as an enabler for all sorts of payment systems, from POS terminals and stored value cards to automated toll tags. Tribold has built a solid business in the product and offer management arena. This is a complex and increasingly pressured area of functionality that is often a weakness for legacy billing environments.

Then there is Info Directions, a company that has made the Inc 5000 the past two years, doubled in size in the past four years, and was named one of the best companies to work for in New York State in 2009. Roughly 6 years ago, the company took a big chance and rebuilt its Cost Guard billing, selling, and operations solution on .NET and C#.

They Called It "ASP"

Don Culeton and his engineers believed that the application service provider (ASP) model, as it was then called, was where things were headed. Despite the fact that its business grew up with onsite solutions, Info Directions launched its new product as a .NET-based ASP offering and had to convince customers to change.

"Our customers have caught up with us and this decision to go in the SaaS direction," says Don Culeton, founder and president for Info Directions. About SaaS models, he says they "are obvious now, but back then it wasn't the case." He says a panel of customers spoke at the company's recent User Group meetings about converting to the SaaS way of thinking after being reluctant to change early on.

Info Directions is a Microsoft Gold Partner which, says the company, they've leveraged for marketing but only more recently for engineering. "We sent a lot of developers off to Tech Ed over the last four years," says Culeton. He says his company has learned how to optimize how they use Microsoft technology and "as a result we have overhauled major components of our architecture.

Of those new components, Ray Shear, senior engineer, says "we were running 600,000 invoices per hour and we weren't really breathing hard." He says that with a combination of Microsoft's latest software and new Intel hardware "our scale numbers are dramatically better than we've ever seen. The architecture seems to scale linearly as we increase the hardware…Our first prototype was 10 times faster than our production engine and we're running 80 times faster than our (production) billing engine."

Info Directions has expanded into point of sale, operations, and wireless. It has grown from a base of smaller rural, competitive, and independent telcos to support national wireless brands and Tier 2 multiservice providers. Its hosted environment supports a range of business models and billing approaches and is both PCI and CPNI compliant. This company provides an example of were good engineering applied to Microsoft technology can produce a real carrier grade platform.

The Revenue Side
Microsoft's McGuigan says that his company is becoming more of a partner to CSPs than a vendor because "we are working with them on the revenue generating side." Microsoft is involved in IPTV roll outs that represent new revenue streams for CSPs. Microsoft also partners with telcos in the SMB space to offer a load of value-added applications – email, collaboration, unified communications, CRM, security, backup and restore, hosted Exchange, hosted Sharepoint, and data center services. "Microsoft is a service provider in that sense," McGuigan says. He adds as these offerings roll out, Microsoft is finding that "an offer that has a Microsoft brand and a CSP brand is more powerful than either brand independently."

Being a partner to CSPs across so many different arenas vastly differentiates Microsoft from most BSS suppliers. BSS vendors tend to interact with very specific organizations for what can be limited engagements. In most cases Microsoft's partnership occurs at a strategic or even Board level. It is a fundamental technology partner, not just a solution supplier. So while we may not typically think of Microsoft as a BSS supplier, because it's not a pure play vendor, we can't overlook its growing presence across CSP organizations, including the BSS domain.