

Pipeline

Knowledge Is Power

www.pipelinepub.com Volume 4, Issue 7

TMW-Americas: Changes in a Shifting Market

by Tim Young with commentary by Wedge Greene and Barbara Lancaster

In May, we were able to attend the TeleManagement Forum's TeleManagement World (TMW) show in Nice. In November, we were able to visit the TMW-Americas show to see what's changed since we last heard from the TMF and its constituent companies.

The TMW-Americas show rolled into Dallas a month early this year. That's a welcome change, as a trade show in December is just begging to interfere with end-of-year plans. The event offered three days of solid programming, boasting multiple conference tracks, keynotes, roundtables, social events, a full expo floor, a showcase for TMW Catalyst projects, and the slick new "Content Encounter."

On the expo floor, the largest booths were the realm of the larger companies, including those that may be household names, but not in the OSS space. CA and SAP occupied the largest booths, alongside perennial TMW show-presence, Amdocs.

The expo floor itself was larger than the previous year, spilling over into an additional room. Traffic seemed somewhat lighter than it was in Nice, even correcting for a smaller overall attendance. Many firms reported that the bulk of their luck in terms of contacts, leads, and other types of possible new business came from prearranged meetings and the TMF's Executive Appointment Service. No surprise there. Booth traffic may be your bread and butter in lots of industries, but the OSS field is way down the list.

The entire event was sporting a bit of a different focus. While the players were all the same, and the name had only slightly changed, the focus was much more on content and device plays than ever before. The slick and pricey "Content Encounter" dominated the Catalyst area, and seemed to steal the thunder somewhat from the ordinarily bustling Catalyst showcase. Content Encounter took you through the delivery of next-gen content from start to finish, ostensibly. It was interesting and worth a look.

It's very existence, though, underscored an omnipresent theme at the TMW-Americas show: What is the place of the service provider in the face of new and different offerings from content and device companies, and the ever-present threat of competition between cable, telco, over-the-top (top buzzword of the event: See

LTC commentary below...), and other providers? Are traditional SPs going to be just a bitpipe? Is that such a terrible fate? Having a "Content Encounter" as a focal point proved that the TMF is aware of the shifting market and is willing to, in one way or another, shift with it.

Notes from the Expo Floor:

I spent most of my time on the Expo Floor and in meetings with various vendors and service providers. Here are some highlights:

"High Definition" was the order of the day for Netcracker, sporting announcements at the show dealing with their solutions for enabling service providers to fulfill and provision high definition and high bandwidth services over WiMAX, VDSL2/2+, and Metro Ethernet infrastructures. The company was highly visible at the event, with executive panels, conference programming, ample signage, and a breakfast event featuring Telus's AJ Musgrove.

Nakina Systems was at the show with news of a potentially exciting partnership with Juniper Networks in which Nakina will provide Juniper's service provider customers worldwide with a carrier-grade, multi-vendor, multi-technology network management solution. In addition, Nakina had a spokesman from Time-Warner Cable on hand to discuss how Nakina's solutions were helping Time Warner remain competitive in the market.

Sigma Systems was on hand, with their CTO, Brian Cappellani, giving an address on the battle between Cable MSOs and Telcos. In addition, Sigma had a lot to say in conference programming and through their literature about how the eternal cable vs telco struggle is being elevated as all parties evolve and mature as they increasingly become value-added service providers while simultaneously fending off over-the-top SPs craving their piece of the contested marketshare pie.



Axiom had a great deal to say about two exciting developments. One dealt with their continuing involvement in the PSA (Product and Service Assembly) project, which began as a TMF catalyst and has become a marketable solution, proving once

and for all that Catalyst projects are more than just playgrounds for engineers, and can be birthplaces and testing grounds for new and valuable technologies. We'll continue to watch as the firms involved in PSA continue to investigate the Active Catalogue.

Axiom also had plenty to say about its emerging work with WiMAX, hosting joint meetings with representatives from UK WiMAX provider Freedom4.

TierOne OSS was at the event demonstrating the continued evolution of their firm. The group is proof that there is no substitute for experience, as it sports an executive team with a truly impressive OSS pedigree. At the show, they debuted their bandwidth management solution, TierOne™ enSEMBLE 6.1.

CA was at the event further cementing its presence in the OSS space. The giant touted its 40% growth in the previous fiscal year and made special mention of its fault and performance management solutions as well as its product and portfolio management solutions.

JacobsRimell was at the event, emphasizing its focus on rapid product assembly. The firm had a fresh whitepaper available addressing the need for CSPs to develop a "long tail" of services through data-driven product assembly. JR also demonstrated its implementation of OSS/J Order Management and Inventory APIs.

Subex Azure emphasized its work in revenue assurance, prominently featuring its Revenue Operations Center (ROC). CTO Mark Nicholson showed the same scholarly enthusiasm for the OSS space with Subex as he did with pre-acquisition Syndesis through conference programming and individual meetings that underscored the ROC's capabilities in maximizing revenue. One set of statistics of note: according to an independent study commissioned by Subex Azure, telecom operators think revenue leakage of 1.8% is "acceptable." They believe their actual leakage is about twice that. How much are they actually losing? 13.6 percent. Perhaps a reality check is in order.

Amdocs, ever the presence at TMF events, was at the show demonstrating its convergent IMS charging solution as part of TM Forum's Seamless OSS/BSS for IMS Services Catalyst Project. In addition, the company touted customer wins with Vodafone Portugal and T-Mobile. In a move dedicated to furthering the company's tradition of thought leadership, they were quick to mention their informative and very lightly branded OSS community website, osstransformation.com.

Tribold continued its strong showing at recent TMF events with great visibility in the context of conference programming, as well as an extremely informative roundtable on the realities of modern product management. That event, which I was fortunate enough to chair, will be further explored in a feature in next month's issue.

2008 and Beyond

After seeing what was bandied about and thrown around at this year's TMW-Americas show, I'm interested to see what's next from TMW and the TMF. What will Nice be like this year? How will the Dallas show grow and change? Will it remain in Dallas or is a shift in venue in order? All of these questions are sure to be answered

in good time.

We wanted to maximize input on the TMW-Americas show, so we solicited the input of frequent contributors Barbara Lancaster and Wedge Greene of LTC International. Here's what they had to say. Be aware that the views of LTC International are not necessarily those of Pipeline Magazine.

Conference [definition: a pre-arranged meeting to exchange information]

By Wedge Greene and Barbara Lancaster

TM Forum's Management World Americas was a good trade show. But how was it as a *conference*? TMF started life as an organization with service providers as its members and as target beneficiaries of its development efforts. The TMF conference might have been a place where service providers – and others – could confer on the challenges facing the industry. TMW gave us some of that, but could it have given us more?

With some 1500 people apparently focused on making and renewing contacts, and using break times to exchange information about their priority challenges, it was clear that the event still works as a place to network, to make sales pitches, to gather information about the latest goodies from the vendors. That's all well and good. However, in the keynotes and the many forum sessions, it was not easy to discern a clear purpose or theme, or even a sense of urgency about the future of the industry. This seemed to us to be a step back from TMW in Nice, earlier this year, where we reported favorably on the emergence of a sense of realism about where the industry might go and what it needs to do to get there.

Has the purpose of the TMF changed while our expectations did not? Is TMF (or at least the conference) now just about making deals? Does TMF still intend to transform the industry?

The Keynotes

We always look forward to the keynotes. TMW Nice delivered at least two major hits – informative, fun, and thought provoking. In Dallas, the keynotes featured a couple of service provider reps (three if you count RIM as a service provider). This is important. Service providers attend this show to learn from each other, not just to be sold to. Our favorite?

The Hit

For some time the industry has been seeking a corporate role model – an example of a major old guard communications company successfully making the transition to a modern, IP-based new world leader, succeeding with the transformation of their OSS/BSS systems as well as converting to NGN IP infrastructure. BT's 21st Century project looked good in at first, but seems to be faltering at completing the transformation of the whole network and company. Telecom Italia's approach while working for them seems a bit too edgy for most carriers. Telstra's transformation seems to have run out of resources, bled out by perhaps too many projects and not enough direction. So where to look next?

Telus, the incumbent western Canadian carrier looks like a very good candidate. Kevin Salvadori, Telus' Executive VP of Business Transformation & CIO gave a

strong keynote laying out why and how they did it. It was a credible story. Even if the presentation prettied up the story, skated over some difficulties and maybe overlooked some missed original goals, it might well be the “real life” transformation story we need. Like BT, Telus is still a work in progress, but there are lessons to be learned if other companies want to try to emulate this early success and adapt the Telus strategy to their own circumstances. As a world role model, Telus is on the small side for a major carrier and that might have made the complete transition more manageable; however, it does not lessen the significance and impact of management attitude and buy-in. This may just be the single most important reason for the success, more important than picking any particular product or even architecture.

There is nothing new here that can’t be found in dozens of books on large-scale change management, but it seems that Telus decided from the very top of the company to follow the recipe. Mr. Salvadori’s message was cleanly delivered in slide after practical slide.

His key program success factors:

- Executive Support, executive support and executive support
- Committed Business leadership
- Disciplined Project Management
- Innovative thinking
- Adapt to the unexpected
- Strong external business partners

Key elements of the technical strategy included:

- Build your own architecture,
- Stick to it,
- Pick partners who will adhere to it.

In Kevin’s words, the technical mainstays were network and service *abstraction*, leading to reuse, repeatability, and adaptability.

But this success story, complete with an NGOSS-like architecture for the support systems, may be coming too late and at too great a cost. Telus has spent over \$400 million just on transforming the revenue systems, with the assurance systems still to be addressed.

Too late and too expensive was a topic taken up by many hall conversations, which quickly became the real conference, displacing the foreground panels and presentations.

A Wake-up Call

Martin Creaner, now President of the TM Forum, was the first keynote speaker to mention “Over-the-Top Services” (spoken in caps). OTT services is the buzz-expression for services carried over the networks, delivering value to customers,

but without any carrier service provider being involved in planning, selling, provisioning, or servicing them – and of course without any traditional telco booking revenue directly from them.

Martin illustrated the challenge by reference to Google's recent announcement of an open source mobile operating system, Androidphone. This is a real issue that even the WSJ understands: "Google is trying to loosen the grip wireless carriers have over the software and services consumers can access on cellphones." [WSJ 10/30/07](#)].

Martin laid these issues directly before the conference participants in his opening remarks:

- Potential "Collapse of the central premise of the [Telecom] Industry – billing for communications services."
- "Increasingly possible to completely sideline the traditional service provider."
- "Apple dictating what service can be delivered to the iPhone." Terms: everything goes thru Apple. General evolution from "Billing-central to Advertising-central revenue models."
- And again the fact that, "Google purchased 15% of all servers sold anywhere in the world last year."

Martin assured us that the TMF is on top of all this. Martin: "SDP is the international, multi-organizational response" that allows SP to build new applications that "give great value and a reasonable price." "TMF are the architects of the SDP."

However, we have to report that there was a degree of skepticism about this among the delegates in the halls. And in the rest of the conference, we seldom heard of the SDP program that was the talk of last year. Instead, we heard Amdocs, the Platinum sponsor, stating that all of the tools already exist to build new services, and that there is no need to wait for an SDP. Indeed, new software tools allow over-the-top companies to build services with no need for, or desire for, IMS either.

Martin did a fine job in raising, in his relaxed, professional way, some real issues facing telecom carriers. However, the rest of the conference sessions were flabby in comparison, more or less ignoring the looming need to find some way of working with OTT service providers to make some money together.

New TMF Program - Device Management

This year the TMF is launching a new program aimed at managing end-user devices: specifically, the ones sold by telcos and cable companies, such as mobile handsets, set-top boxes, and home gateways. The conference track devoted to device management was an indication that there is a lot of work ahead if any coherent story is to emerge. The industry is awash with specifications, many that clash, and the business model for interaction with devices is not set. Indeed we heard stories ranging from very tight management of desktop boxes with signaled QoS, to advertisement-supported mobile handset calls, and to vendors (Apple) capturing the complete management of the consumer device (iPhone.)

The TMF is targeting a universal approach for managing not just the expected 1 trillion future end-user devices but "any content on any network on any device" in a converged telco/cableco/media world with "a lightweight, simple approach to managing all devices as quickly as possible." We would add that these trillion devices include home management and non-end-user devices such as sensors and other edge devices of "pervasive computing." And in adding content management, some argue that mining customer habits for business intelligence needs to be part of the story: it apparently works for Nextel. And then Identity Management and DRM have been placed in this program too. With Chris Ballard, the TMF has chosen a more than competent lead for the Device Management track, but at this point this initiative may be an exercise in herding cats.

Another Newbie – NGOSS Harmonization

In contrast, another new program, NGOSS Harmonization, seems somewhat too narrowly defined. Rather than re-visiting, for today's technology and market, the once unified vision of TNA, SID, eTOM, TAM, and adding back Infrastructure services, this team's work plan is to balance contract definition with the SID. In seven years there still is no fixed definition of "Contract" and it seems much of the membership prefers this. While this is not a re-casting of the Red Team, our advice to this team is "aim higher and strive for larger and more useful goals."

Executive Master Class

The Executive Master Class corralled the likely spenders into one room for four hours with Keith Willets, Robert Rich, and Colin Orviss. The session was well-attended with service providers turning up from the US, Europe, China, India and the Middle East. These sessions are interactive with free participation amongst the group. Keith laid out the tone of these discussions, but Rob's presentation was the most informative with plenty of analysis from several sources. The naming of the Over-the-Top innovators along with their penetration and growth rates was informative, describing their size and demographic of their users - just who they are, who the advertisers are, and how much everyone is spending. This Executive session gets nearly universal good buzz from those that attend, and the outsider must marvel at the way this team works the crowd like coordinated sheepdogs.

This session is also a good indicator of industry executive sentiment. Asked to discuss several models for the future of telecom (see [Buying Telecom Futures](#) published March 2007 in Pipeline), the general consensus was that "Telecom is in the service-enabling business" best described where this group considered the industry was heading. Telcos are in the commerce-enabling business today and the view was that this would continue: most participants seemed to feel that telco/cablecos would, ultimately, not be the biggest players in the retail services business. One could argue that this sounds an awful lot like bit-pushing is a good thing after all. If representative of executive sentiment throughout the global industry, this is a significant change in attitude compared to a couple of years ago.

The Sessions

As usual, the TMF staff and their on-floor conference management hires did a fantastic job of running a smooth, nearly trouble free conference, but the overall

conference material was not so clear or well messaged.

There was some good news. An excellent example of exchange of information in a conference session was the presentation by Martin Huddleston of QinetiQ. It seems that FineGrain NGOSS is alive and advancing but not in service providers; instead it looks to be enabling the interconnection of the various NATO networks and services.

Many service providers are still committed to transformation using NGOSS or Prosspero with SOA technologies, including AT&T, Verizon, BT, and Vodaphone. An informative session presented by cable companies underlined the value of NGOSS principles in evolving service provider architectures, but at the same time suggested that COTS applications still don't deliver what TMF conceived all those years ago. BT is committed to a component architecture which groups sub-assemblies into reusable "platforms." AT&T is following a "culture of architecture": they call their approach CARTS - Common Architecture for Real-Time Services. Planning is intended to control all parts of the delivery life-cycle: plans go from the abstract architectural ideal, to the implementation plan with on-the-ground systems, to the project plans that incorporate political compromises.

Convergys cogently returned call centers to the attention of the TMF. Contact Centers need to be re-purposed with the new technology of SOA and enabled with collaborative NGOSS approaches. As Contact Centers change from a focus on efficiency to effectiveness, they need new tools and business models, which are areas the TMF could take up, but it was also pointed out that individual consumer spending on mobile phones, home connectivity and on media content has remained steady for several years – so what is the incentive for operators to invest in significant change?

Both Amdocs and Oracle declared (at last) that they will be re-engineering their product suites along NGOSS lines. Good news. Tal Givoly, Chief Scientist of Amdocs continues to have a good grasp of where the industry is, what is threatening it, and where it can go with Web 2.0 – but one wonders if his vision will end up anywhere in the actual offerings of this mega-vendor.

In fact, 2007 was mostly the year of the mega-vendor. There was a clear message from the service providers that they were investing in just a few big SI and OSS/BSS vendors – preferring "efficiency to differentiation," but given the mixed project delivery results, it is hard to demonstrate that big equals "efficiency." So, are these investment decisions sound and insightful? Or are they driven by exhaustion in the face of the power of marketing might?

Mark Francis of AT&T crystallized a strongly emerging trend: "We (as the Service Provider) cannot abdicate the role of Principle Integrator. The SI is a partner, but not a leader." That's good news, too.

There were some issues, however, to be addressed. We understand that for the last few years the TMF turned over the selection of papers and the organization of tracks to a third-party conference organization. This explains the mess of unrelated, mostly vendor-delivered conference sessions. We now understand that the TMF leadership recognizes this problem and is looking into it. It was regrettable that some conference chairs were not up to par. A good chair can tie together sessions and ask insightful questions that give presence and theme to the track – but this did not always occur. Indeed, only one chair came from a Service Provider – the rest were vendors or forum staff.

Once upon a time, the panelists would have been helped out by a degree of expert participation from the audience. After one session at this conference, an audience member said he found the discussion of the implications of 'domains' in the architecture of management most interesting, but could not follow it all Not many years ago, five architects would have jumped in, expressing different views and interpretations, all to the benefit of the audience. They would have continued their debate out into the halls for the further edification of by-standers. Unfortunately, that did not seem as common at this event.

Conclusions

In the end, in addition to answering questions, the TMF conference programming raised some others:

- To what extent will the continued burden of heritage applications and a reliance on big COTS products, linked by expensive systems integrators, hinder the teleco/cableco Service Providers as they face the challenges of the new OTT world?
- Is there any future value in the big Operators besides their network plant and its reliable high-quality operation?
- Why is the integration tax still so high, and why have we stopped talking about it?
- What is the role that the TMF must play in all this? And how can future Management World events really support the TMF's role?

This is the take home value of these meetings: the TMF still provides an opportunity to confer with other experts and deeply committed individuals on where to navigate and what to do next. We found many individual talks that did provide good information, and had many useful, lively and interesting exchanges of views.

Whereas at Nice we found the overall message, in the presentations and in the halls, was one of Change or Die, this time the message more muted. At worst, the theme was: "become a transport utility and see your revenue opportunities constrained" or: "avoid becoming a bit-pusher by finding value in content services." The only exception to this conventional wisdom emerged in the Executive Master Class sessions – the most involving and participative of the events on offer. Perhaps we need more such sessions.

This is still an industry in transition – but to what is not so clear. What will TMF do to help plot the course? With all the talk and assessment of Over-the-Top Services, Web 2.0 and even Telco 2.0, we cannot help but note that the TeleManagement Forum is not a destination on MySpace, nor a Facebook group you can join. TMF 2.0 is still to come.

If you have news you'd like to share with Pipeline, contact us at editor@pipelinepub.com.