



EXPERT OPINION:

Emerging victorious from an economic downturn

How telcos can right-size, innovate and maintain high quality customer service

The telecommunications industry isn't recession-proof, which is why service providers are doing everything they can to keep their operations lean and reduce their bottom lines. But providers that cut operations down to subsistence levels can easily jeopardise the availability and quality of the services they deliver as well as their ability to meet customer expectations and SLAs (service level agreements).



The author is Stephen Hateley, market director, Service Provider at InfoVista

By tabling next generation network transformation projects and product development, they won't be prepared to launch new revenue-generating services when the economy does improve, forfeiting opportunities to competitors. They risk losing customers as well as evolving top-line opportunities, which NGNs and 3G+ services offer.

In sharp contrast, telecommunication companies that have continued to invest in product development and that stoke the fires of capital investment projects such as NGN transformations will emerge from the economic downturn better prepared. These proactive service providers will be able to deliver services more rapidly, widely and cost effectively. They'll also be able to introduce seamless management capabilities over services that span converged NGN infrastructures, to ensure a quality customer experience and SLA compliance.

Service providers must find the right balance between right-sizing their businesses and staying strategic in terms of planning and investment — so that when the clouds of economic doom do pass, they haven't lost their customers due to the impact of severe cutbacks and service level deterioration. With the right balance, they'll be better prepared to deliver lucrative next generation services.

However, such balance can't be achieved without an in-depth understanding of how resources are being used by customers and services, and an intelligent prediction of resource utilisation tied to business growth. Insight at this level will empower service providers to do more with less, get the information they need to plan efficient and effective competitive strategies, and streamline operational activities by reducing

costs through process automation and getting maximum value from their OSS and performance management systems.

Rightsizing — How it affects service providers and their customers
Innovative steps like moving to converged IP networks offer service providers a cost-effective way to deliver multiple (mobile, broadband and business) services over the same core infrastructure. That's more revenue potential over fewer pipes. However, with the scaling back of excess bandwidth, service providers will need to rely on capacity monitoring and planning capabilities to maintain healthy capacity thresholds and meet users' expectations for availability and quality.

In a multi-vendor infrastructure it's difficult to monitor and assure network performance and service levels, especially with multiple, non-interoperable management tools. A single tool that can provide a comprehensive view of service performance across the network infrastructure beats multiple tools that take time and money to integrate, or require lengthy processes to manually reconcile data. This performance management software must also automate processes to make it easier for operations to holistically view the often-complex network and service infrastructure, quickly troubleshoot and resolve problems, monitor and plan capacity, and launch new, revenue-generating services.

Business service providers
As IP-based applications become increasingly critical to business operations, some enterprises are accelerating their migration from legacy telecom services to IP or Ethernet and combining multiple services onto a single platform to reduce costs. Others are turning toward the

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management of applications across corporate and wide area networks, and techniques such as traffic analysis, application optimisation and acceleration, to further increase business efficiency.

To differentiate their portfolios and leverage the aforementioned techniques, managed service providers should look for the best way to harness network and OSS-based capabilities. The key will be an ability to monitor network, service and application performance on a consolidated platform, which should bring both operational and cost efficiencies. Business service providers must be able to meet this need while ensuring optimum delivery and performance of critical business applications.

Business service providers must be able to help their customers optimise their operations and enhance profitability during challenging economic times. Equipped with a single, scalable and cost-effective performance management platform, business service providers can offer their managed service and enterprise customers a more complete picture of service performance and enable them to monitor and optimise the performance of their network and application infrastructures.

Mobile operators

Mobile data services are experiencing unprecedented growth that is accompanied by demands for greater bandwidth and user expectations of unquestionable quality. Meeting both demands can be achieved only through a holistic understanding of services and the resources supporting their delivery, as well as an overarching view into the user's quality of experience. Otherwise, subscriber dissatisfaction and customer churn are likely to result.

Mobile operators should look for a set of tools that can comprehensively troubleshoot issues impacting the mobile data services domain while allowing them to gather information on service-resource usage for proactive planning. Through proactive capacity monitoring and service assurance, mobile service providers can better manage mobile services and applications, ensure the quality of those services over a consolidating network infrastructure, get the most out of existing bandwidth, and determine when more bandwidth or redeployments are necessary.

Broadband operators

Residential broadband users, home workers and small-to-medium businesses (SMBs) are demanding higher bandwidth to support the ever-growing list of applications offering

entertainment and enhanced business efficiency. Broadband service providers are continually playing catch-up as they try to meet this escalating demand for bandwidth. Failure to meet the demand can result in service bottlenecks that lead to degraded network performance and a poor subscriber experience.


In a competitive market, end-user migration or churn is a real concern so every effort must be made to monitor end-user quality of experience and to anticipate network or service events that could place broadband revenue streams in jeopardy. To do this, broadband service providers need a performance management system that allows them to reduce operational delays and ensure fast time-to-market of broadband services, eliminate inefficient bottom-line infrastructure spending caused by stranded network capacity, and more quickly and accurately identify the root cause of service disruption or access issues so problems can be resolved before customers are impacted.

They also need the capability to understand consumer behaviour and adoption patterns so they can better plan future service launches as well as bandwidth utilisation and growth.

Proactive capacity monitoring is key. Anticipation of subscriber-driven, network and service growth is a high priority for service providers. To anticipate correctly, service providers require knowledge of existing capacity usage from the core out to the service or access domains, and identification of capacity growth trends. When done successfully, this can drive balanced deployment of services across the infrastructure, which ensures efficient use of investments and provides input into cost-effective planning decisions. It can also help ensure well-behaved network traffic, service availability and quality, and satisfied customers.

Conclusion

Telecommunication companies that invest in NGN networks and service assurance capabilities such as performance management and capacity monitoring will emerge from the economic downturn better prepared than telcos that have gone into hibernation mode.

These proactive service providers will be able to deliver new innovative portfolio offerings more rapidly, more widely, and at lower cost than competitors. They'll also be able to more seamlessly manage the services they deliver along the converged NGN infrastructures to ensure a quality customer experience as well as compliance with SLAs. 

“Proactive service providers will be able to deliver new portfolio offerings more rapidly, widely, and at lower cost.”

VanillaPlus Jargon Buster

3G: 3rd Generation mobile communications

NGN: Next Generation Network

OSS: Operations Support System

SLA: Service Level Agreement