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# SPECIAL SUPPLEMENT

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## ENTERPRISE SERVICES: SHOW ME THE MONEY

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# ENTERPRISE SERVICES: SHOW ME THE MONEY

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Automation, visibility and reusability are the watchwords for operators who want to run profitable, sustainable enterprise services. As is well understood, they have a way to go to achieving these aims, but much can be done to move toward them, which is the theme of this supplement.

Typically each department within a service provider has its own way of doing things, including different processes and data models. As a result, there is no end-to-end visibility of key processes, such as order management, which makes it very difficult to give enterprise customers accurate information about service delivery. This in turn has serious consequences for their business and customers.

To be able to leverage their advantages – scale, networks and brands – in enterprise services, operators need to adopt a more uniform way of doing things. In particular, they need a more standardized approach to Business Support Systems and Operational Support Systems (BSS/OSS) so that economies of scale can be gained from automation and reusability of service components. Unless the provisioning of enterprise services is moved to a standard architecture, the level of manual intervention (which can be as high as 95 percent) is just not viable. It is too slow, expensive and unwieldy.

Hence the drivers for operators to undertake transformation programs, in the enterprise service context, are:

- improved customer experience (and customers' expectation are rising all the time);
- increased IT agility to support the rapid launch of new, evolving enterprise services; and
- increased scalability as operators look to grow their enterprise businesses.

## Implications for customers

The transformation strategies and approaches that operators choose will have a profound effect on their enterprise customers. As shown in Figure 1, this is complicated by the way that service providers handle the procurement, design, development, build and operational running of services for enterprise customers.

In sharp contrast to consumer services,

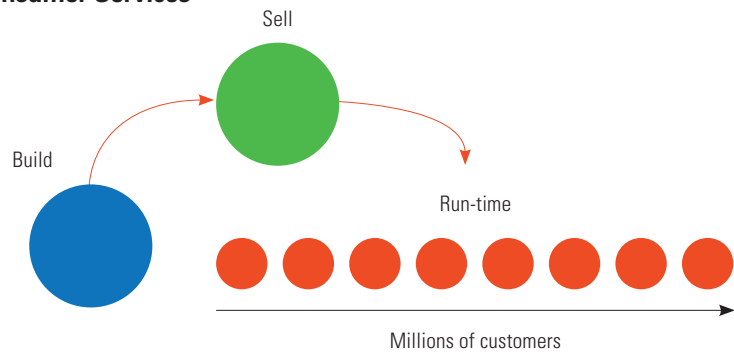
operators typically sell a contract to an enterprise customer, then work on how they can best deliver the services. Hence the sell, build, operate stages are not sequential, but tightly coupled.

Service providers have to navigate enterprise customers' large-scale, complex, centralized procurement practices. In the early stages there is a great deal of back and forth as the details are ironed out through many iterations. As the offer is refined and defined, decisions are made about the most pragmatic and effective approaches and prioritization of which areas should be addressed first.

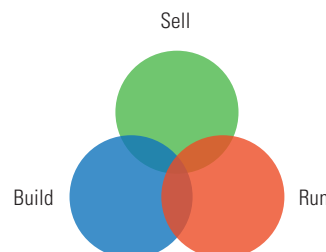
Operators understand they need to move away from the time-honored practice of a siloed, department-by-department focus on service delivery toward a 'factory' service assembly approach (see Figure 2). This allows new products and services to be pulled together dynamically by assembling standard parts, using the same provisioning processes and systems.

Figure 1: The top graphic shows a typical consumer service rollout where the key processes are decoupled. The bottom graphic represents enterprise services where the key processes are tightly coupled.

## Consumer Services



## Enterprise Services



Key differential: The enterprise customer is present across the sell, build and run operations

**Configurability means differentiation**

This consistent modeling approach and configurability enables operators to offer differentiated services, while keeping customization to a minimum. By moving to a simpler platform with standardized processes, services can be dynamically bundled with different commercial ‘wrappers’, such as tailored pricing, additional redundancy and service level agreements, without impacting underlying fulfillment processes.

While it may not be practical to offer on-demand bundling for large, complex enterprise orders, dynamic service bundling capabilities can be leveraged by internal teams to speed up the delivery of components of the overall order while at the same time providing more visibility on its phased fulfillment.

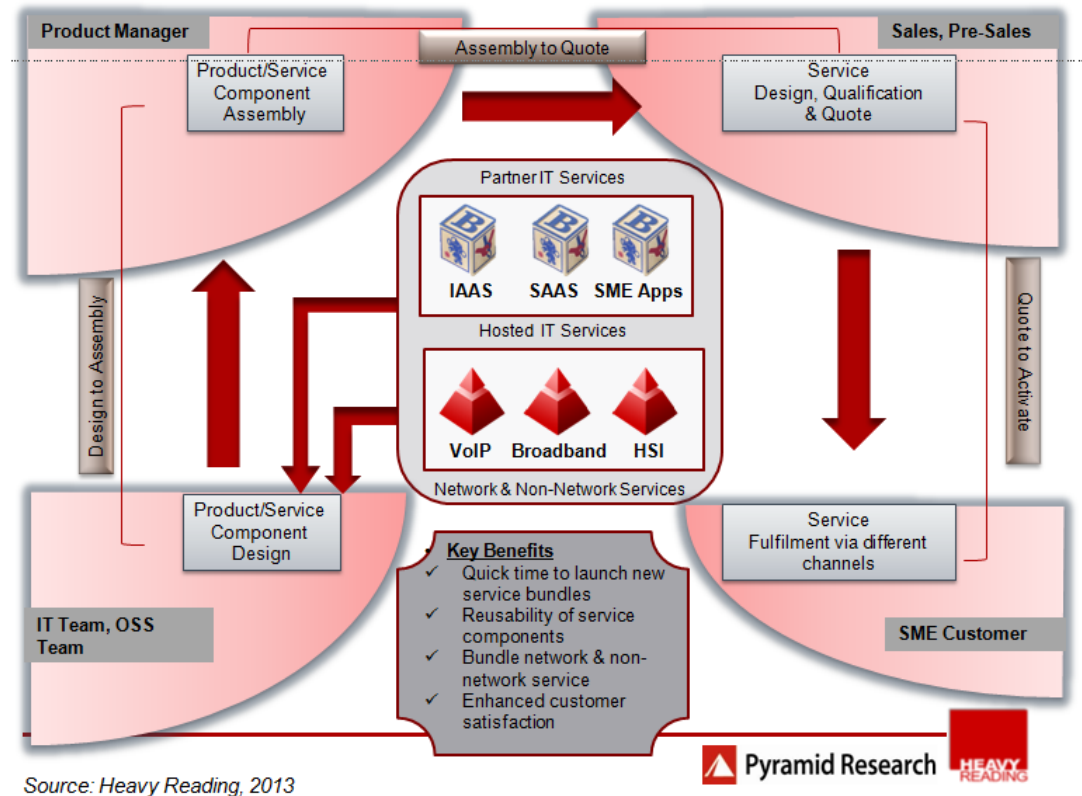
By leveraging re-use, service providers can maximize automation without sacrificing flexibility. Clearly service providers are always going to have to undertake a certain amount of customization for enterprise customers. By their very nature, there will always be a tension between standardization and customization in the provisioning of enterprise services. The trick is to keep customization to a minimum, to be adaptable and think about the best places to introduce it, from both an operational and customer experience point of view.

**Simplification and standardization**

It is essential to ensure that the basics are right before scaling up a service. There are many complementary, intrinsically linked ways of moving toward this ‘service factory’ approach (again, see Figure 2).

A common data model is particularly important for ensuring data integrity between

Figure 2: Service factory strategy in context of bundle services



Source: Heavy Reading, 2013

inventory, customer relationship management and billing to safeguard against revenue leakage, which can result in losses of up to 5 percent of revenue for complex enterprise network connectivity services.

Also, a common data model supports increased automation and flexibility. Doing things manually simply doesn't scale; it is expensive and inflexible. A common data model also brings much greater visibility across key processes, such as order lifecycle management, whose importance is paramount.

Rob Rich, Managing Director, TM Forum Insights Research wrote: "Order management systems are among the most mission-critical for communications service providers. They can potentially enable (or inhibit) new revenue streams, contribute to customer satisfaction (or frustration), speed (or slow) new products to market, and decrease (or increase) operational costs," in a TM Forum *Quick Insights* report,

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He further noted, "Catalog-driven order management systems are now coming into their own. Early implementations of these systems have shown them to be more flexible, responsive to change and less expensive to own than traditional systems."

## Managing risk

Big transformation projects are inherently risky. To help manage the risk, operators need some 'quick wins'. Leaving sunset services alone and focusing on strategic services with big growth potential is usually the best bet.

Telekom Malaysia (TM), a finalist in TM Forum's Operational Excellence Award 2013, is a great example of this one-service-at-a-time approach to transformation: It was able to launch Metro Ethernet services in fewer than 10 months and keep customization down to under 20 percent (see Figure 3).

TM is Malaysia's largest integrated

communications solution provider offering voice, Internet, data, and ICT and business process outsourcing solutions. TM's BSS/OSS transformation project for enterprise connectivity began in 2009 as part of Project NOVA, a company-wide initiative for optimizing end-to-end processes for launching and delivering next-generation services. The services include IP-based triple-play, IPTV, Metro Ethernet and IP virtual private network (VPN).

Metro Ethernet services were successfully deployed on the new platform in January 2011 with subsequent enhancements in 2012. The BSS/OSS platform for Metro Ethernet services has been rolled out nationwide to 14 states and is used by 2,500 users. The deployment of more complex IP VPN services on the platform is also underway, with a go-live date for later this year.

Prior to the project, TM was unable to support end-to-end business processes for delivering Metro Ethernet and IP VPN services due to a fragmented IT architecture and non-standard,

Figure 3: Metro Ethernet – improvements in key performance indicators



manual processes across multiple groups. This resulted in high order fall-out, poor order visibility, long order-cycle times, revenue leakage, inability to scale to support future growth and high operating costs.

The operator chose to deploy a TM Forum standards-based architecture to reduce cost and risk, increase flexibility and optimize operations. To ensure strong alignment to the Forum's Business Process Framework (eTOM), the company selected two pre-integrated solutions from Oracle, certified as being conformant to the Framework.

This approach ensured strong alignment with TM Forum's Information Framework (SID) data model, which simplified cross-application interface contracts and data transformations. It also accelerated solution design and integration.

### Cloud dilemmas

Offering cloud services to the high-growth small and medium enterprise (SME) market has proved a tough nut for operators to crack, and, under great pressure to get into the market and gain experience, many have opted to partner with a cloud broker. While the industry tends to embrace the philosophy of much tighter integration between Network and IT, the challenges of providing cloud services have pushed operators in the opposite direction.

Operators' great strength is their networks, but they have found it hard to leverage them as an integrated part of their cloud services portfolio, and have typically set up their cloud business as a separate silo. Access to the services is available through a different portal to the core connectivity services, with no single entry point to all services for customers. This has not necessarily resulted in a great user experience for SME customers.

Secondly, it means that operators can't easily bundle cloud services with core services, nor flexibly attach different 'commercial wrappers' to combined offers.

As a short to medium-term measure, this is a pragmatic approach with a number of precedents; for example, this is similar to the road taken for VoIP services. Initially they were provisioned separately, but are now embedded

in most operators' core systems.

Following this precedent, the next step for operators concerning cloud services would be to 'repatriate' the cloud broker silo into a more unified service delivery approach, for both cloud and core services. Service providers can still leverage the strengths of the cloud broker in a more unified service factory to keep time to market momentum while at the same time regain full control of customer relationship management and increase differentiation.

### In conclusion

The transformation strategies that operators choose have profound implications for their enterprise customers, as well as for the operators themselves. Transformation needs to be approached with caution, and no time is wasted in planning and adopting a pragmatic, multi-phased approach to implementation.

It is essential that operators can monitor and measure the success of the approach taken, how the services are performing and customers' satisfaction with them. Establishing the right key performance indicators is of acute importance, as shown by TM's example in Figure 3.

Too often in the past they were around measuring network parameters, rather than what mattered to the enterprise customer. They need to be specific and based on business outcomes, such as reducing order cycles from weeks to days or minutes.

The operator should strive to establish where the customers' pain points are and figure out how they can be most effectively addressed, in the short and long term. This is arguably one of the most effective ways to win more business from an enterprise customer.

If you are interested in learning more about industry best practices and how other B2B operators are successfully transforming their IT architectures to improve the enterprise customer experience, please contact [comms-oss\\_ww@oracle.com](mailto:comms-oss_ww@oracle.com) to set up a consultative meeting and/or workshop.

TM Forum's new report, *Enterprise services: Big opportunities for smart operators*, is free to download from [www.tmforum.org/entservices2013](http://www.tmforum.org/entservices2013)

