TALKING HEADS

Ericsson’s Borgklint says fast and slow data extracts CEM value for CSPs

MANAGED SERVICES
Does outsourcing make you agile or fragile?

BIG DATA ANALYTICS
CSPs must avoid another missed opportunity

CLOCKING OFF!
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Our offering comprises services, software and infrastructure within Information and Communications Technology for telecom operators and other industries. Today more than 40% of the world’s mobile traffic goes through Ericsson networks and we support customers' networks servicing more than 2.5 billion subscribers.

We operate in 180 countries and employ more than 100,000 people. Founded in 1876, Ericsson is headquartered in Stockholm, Sweden. In 2011 the company’s net sales were SEK 226.9 billion (US$ 35.0 billion). Ericsson is listed on NASDAQ OMX, Stockholm and NASDAQ, New York stock exchanges.

www.ericsson.com
I’m just another sucker on the vine

It’s easy to get carried away. The mobile industry in particular has always done so and, as the announcement tempo gathers pace in the run up to Mobile World Congress, the cycle of over-excitement is happening again. Ten years ago, the premature buzz was all about UMTS/3G, five years ago it was about LTE/4G and in between we’ve had GPRS, HSPA and small cells. This year, network excitement will centre on LTE-Advanced.

I don’t want to rain on anyone’s parade but the vast majority of the world isn’t served by decent 3G today, let alone LTE. This isn’t a cause for concern, though. The mobile industry, led by vendors, has always put the technological cart before the horse of consumer demand and that has been fine – until now. The balance is shifting and user demand is looking like it might overtake CSPs’ network capabilities unless the pace of deployment is accelerated.

Having said that, well-performing 3G is probably enough today for most users’ needs. That it is well-performing is important, in many cases it isn’t and that makes it even more incongruous to be talking two technology generations ahead of time about LTE-Advanced.

If the consumer climate was the same as 2003, when CSPs were feverishly pushing the idea of the mobile internet and all the cool apps it would bring on a broadly disinterested audience, I’d advocate a period of calm reflection in which 3G was optimised before attention turned to LTE and LTE Advanced deployment.

Today, though, is very different. CSPs are routinely marketing 4G to their customers and have less work to do in convincing them that they need the speeds available.

For that reason, CSPs do need to address network performance with new technology. It’s not yet clear exactly why, but applications such as social video app Vine suggests users will be uploading and downloading bandwidth intensive video services. Capacity will need to be symmetrical and resilient to deliver the experiences customers expect.

My provider is trying to sell me a multi-gigabyte data bundle – to do that it needs the network capability to support its claims. If it is successful, I’ll try to make certain I use every last byte, consuming as much data capacity as I’m entitled to.

Perhaps it’s just that I’ve finally succumbed and got sucked into this year’s hype cycle.

Enjoy the magazine

George Malim
Redknee beats Ericsson to NSN BSS business purchase

Hot on the heels of Nokia Siemens Networks’ (NSN) disposal of its optical networking business to venture capital firm Marlin, it has found a potential purchaser for its Business Support Systems (BSS) business in Canadian headquartered billing and charging software specialist Redknee.

Redknee expects to finance the transaction through a combination of cash on its balance sheet and debt facilities. Such debt facilities are subject to conditions and will be entered into on and subject to closing of the acquisition. The total consideration paid by Redknee for the BSS business will include €15 million in cash at closing, plus a maximum of €25 million for certain performance-based cash earn-outs expected to be paid over 12 to 36 months post-closing.

NSN’s BSS business, which Ericsson had been hotly tipped to purchase, provides real-time charging, rating, policy, and customer care solutions to more than 130 communication service providers, including half of the top 100 global mobile operators. NSN stated in a release that it believes Redknee is best suited to take ownership of the business based on the strength of Redknee’s management team, continuity of the current BSS portfolio and access to innovation for Nokia Siemens Networks’ BSS customers. Approximately 1,200 employees would transfer to Redknee, underpinning current service levels and quality for customers. The planned acquisition would bring to Redknee a complementary global footprint that spans more than 90 countries across Europe, Asia Pacific, the Middle East and Africa.

Lucas Skoczowski, Redknee’s CEO, commented: “This planned acquisition marks a significant milestone in Redknee’s long-term growth strategy. It would add strong long-standing relationships with new Tier 1 operators and expand Redknee’s market share and presence in high growth markets. Our expanded team would drive the continued success of our customers, as we strive to be the provider of choice for real-time converged billing, customer care, policy and payment solutions in the communications industry. Our commitment to ongoing investment in the product roadmap will ensure that our customers will benefit from the complementary capabilities, larger scale, and impressive IP portfolio.”

Synchronoss buys RIM subsidiary NewBay for US$55.5 million

Synchronoss Technologies, a provider of activation and mobile content management systems for connected devices, has acquired NewBay, a wholly owned subsidiary of Research in Motion. NewBay delivers cloud services, enabling mobile operators and CSPs to deliver content experiences across connected devices such as smartphones, tablets, PCs and TVs. NewBay’s cloud services are delivered to millions of users and stores billions of media files for live operator services around the world.

Synchronoss paid US$55.5 million in cash to Research in Motion Limited, and there was no assumption of cash or debt. The transaction closed at the end of the fourth quarter of 2012.

*By adding NewBay’s technology assets and millions of subscribers, this transaction further establishes Synchronoss as the clear leader in providing cloud based mobile content services for mobile operators around the world. By combining our strengths, Synchronoss will deliver the most comprehensive, scalable and secure cloud platform, and we will significantly expand our early market share leadership position,” said Stephen Waldis, chief executive of Synchronoss.

NewBay’s European customers include a group level implementation at Vodafone Group, in addition to Orange, Swisscom, T-Mobile; US customers include AT&T, T-Mobile, Verizon and US Cellular.
Zain Jordan deploys Astellia monitoring system

Astellia, a provider of monitoring solutions for the optimisation of mobile network QoS and QoE, has announced the delivery of its 3G monitoring solution to Zain Jordan, part of the Zain Group.

Zain Jordan is the dominant player in one of the most deregulated telecom markets in the MENA region. Jordan’s telecoms sector is booming but with four CSPs, competition is intense. Therefore Zain Jordan puts a strong focus on high quality demanding subscribers to gain competitive advantage. With Astellia’s Neptune probing system, Zain Jordan is able to identify the various applications and services being used by its subscribers and perform thorough QoE analysis and reporting.

“The Astellia’s expertise and the fact that we have been close partners for the last three years made it a clear choice for us to renew our confidence and to call on Astellia’s global experience and independent advice to answer our network monitoring needs,” said Yousef Abu Mutawe, chief technical officer at Zain Jordan.

O2 UK selects MACH direct billing

MACH has been selected by O2 UK as a preferred launch partner to enable direct operator billing on its new Charge to Mobile platform. Through MACH’s Direct Billing Gateway, app stores and merchants will be able to benefit from features such as flexible pricing, real time charging and real-time debiting and crediting capabilities, as well as direct refund capabilities, on the O2 UK network.

Through its integration to O2 UK’s Charge to Mobile platform, MACH will offer content partners and merchants a frictionless payment process which reduces drop-off rates and increases conversion rates. MACH’s Direct Billing Gateway also provides a real-time charging process, which ensures instant authorisation and reduced revenue leakage for both pre-paid and post-paid subscribers.

Reliance agrees US$1 billion managed services deal with Alcatel-Lucent

Indian CSP Reliance Communications has announced an end-to-end network managed services contract with Alcatel-Lucent. The agreement is aimed at delivering superior customer experience in Eastern and Southern India from now until 2020.

The contract which extends Reliance Communications’ existing relationship with Alcatel-Lucent will be worth more than US$1 billion. It covers delivery of seamless voice and data communications services to Reliance Communications customers.

Alcatel-Lucent will enhance Reliance Communications’ operations and recover synergies between the CSP’s hitherto independent wireless and wireline teams to form a single network management organisation. Optimised integration of resources will help Reliance Communications to strengthen its focus on growing its business, with top-of-the-line services to customers. Alcatel-Lucent also will drive a standardisation of the tools, processes and best practices that are applied across Reliance Communications’ businesses.

To enable the new model, Alcatel-Lucent will set up and operate next-generation OSS and introduce advanced real-time optimisation tools to improve network performance across all Reliance’s functions.

Rajeev Singh-Molares, president of Asia-Pacific at Alcatel-Lucent, added: “This business association is an extension of our long-standing relationship with Reliance Communications, and our commitment to India. It also demonstrates our renewed focus on managed services as we apply greater selectivity on more value-added contracts. The enormous scope of this agreement will bring a wide variety of skills, expertise and hands-on know-how that we can leverage for the benefit of others.”

Robi Axiata selects Comptel Social Links to automate customer engagement

Robi Axiata, the Bangladeshi joint venture of Axiata Group and DoCoMo, has chosen Comptel Social Links to replace its manual marketing campaign management and analytics tools. The CSP will use the technology to automate contextually-relevant interactions, provide a better customer experience and drive business performance improvements.

Using Comptel Social Links, including its Social Network Analysis (SNA) capabilities, Robi will be able to step up its micro-campaigning significantly. The CSP will be able to detect and prevent multi-SIM usage, identify and reduce churn, and predict customers’ future propensity for product upsells. In addition, Comptel’s predictive analytics technology will enable Robi to segment marketing based on customers’ usage, interests, location, and inclination to churn and influence, as well as utilise advanced offer management to upsell products and services.

“Customers are at the heart of our business, and catering to their interests has always been a key goal for us,” said Pradeep Shiravastava, chief marketing officer of market operation at Robi Axiata. “With Comptel Social Links, we’re confident that we can achieve an even higher level of customer satisfaction by amplifying our marketing campaigns with truly comprehensive insights into their behaviours, needs and desires.”

Timo Koistinen, senior vice president, Asia Pacific, Comptel, added: “CSPs must make differentiation a priority in order to stay relevant. One of the key ways to accomplish this is through contextually-relevant, and even better automated, customer interactions.”
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Visit Our Stand at the MWC 2013 in Barcelona (25-28 Feb) Hall 5 Stand 5G16
Openet claims doubled transactions per second performance

Openet, a provider of real-time transaction management software and services, has announced engineering advances that have improved performance of all systems within the Openet product ecosystem.

Technical innovation by Openet engineers related to protocol handling, core processing, and memory utilisation have achieved more than doubled PCRF performance. Openet claims the advances have achieved more than 200,000 TPS (transactions per second) within a single policy system in lab testing. This measurement includes the in-memory database interaction.

In addition, the company claims it has achieved more than 25,000 TPS per blade for rating decisions. Openet’s product ecosystem includes real-time charging integrated with policy, essential to help operators create, manage and support modern business models.

“Openet attracts some of the world’s best technical talent because we solve incredibly complex problems and improve how operators differentiate their services,” said Openet engineering vice president Shane O’Flynn. “Our software supports more than half a billion smartphone users across the world and Openet engineers deliver the architecture and solutions that give operators the flexibility to support their growing subscriber base and manage the world’s largest and most complex systems.”

MetraTech introduces real-time commerce decision engine

MetraTech has launched its MetraNet Commerce Decision Engine. The Engine powered by Metratech’s RAMP (Real-time Aggregate Metrics Processor) is now embedded in the latest release of MetraNet.

MetraNet is a monetisation platform built on an extensible metadata-driven architecture that makes it simple for customers to model services, introduce services and pricing plans, and to change them in rapid response to market demands. Billing and multi-party settlement functionality such as commissioning, revenue sharing and other B2x compensation schemes is supported on the same powerful platform. Partnerships with content providers, distributors or any other type of third party relationship can be handled with accuracy, visibility and control.

All billing events that enter the MetraNet billing platform have configurable account and usage decision criteria that can be used to decide which contract, agreement or sales criteria to apply to the event and all associated aggregations. There is no limit to the number of decisions or business criteria that can be configured by users. The Commerce Decision Engine can run in real-time where the system maintains a continuous count of each transaction type through counters or in batch mode where multiple batches are sent into the system for re-evaluation.

MetraNet’s Commerce Decision Engine can be easily configured to execute decisions based upon aggregating any type of metric across arbitrary products, services, groups of accounts, usage types, charge types, utilisation or commitment tiers, resellers, national jurisdictions, and multiple currencies. It is now possible for a CSP to run different pricing, bundling, discounting and billing cycle rules for any group of customers defined in any way. All billing information, including departmental summaries, can be made available to customers and internal business intelligence.

Karl Whitelock, director Global OSS BSS Strategy at Stratecast | Frost and Sullivan, commented: “The Commerce Decision Engine continues the push with aggregation of any type of metric across groups of accounts, multinational boundaries, and multiple currencies. This capability is a significant step forward for service providers.”
VanillaPlus Hot List: February/March 2013

The Hot List below shows the companies informing us of recent contract wins or product deployments. If your contract is not listed here email the details to us now marked “Hot List” <editorial@vanillaplus.com>.

<table>
<thead>
<tr>
<th>Vendor(s)</th>
<th>Client, Country</th>
<th>Product / Service (Duration &amp; Value)</th>
<th>Awarded</th>
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</thead>
<tbody>
<tr>
<td>Accenture</td>
<td>KPN, Netherlands</td>
<td>Five year, multi-million dollar (US) contract for development and maintenance of innovative telecoms services</td>
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<tr>
<td>Alcatel-Lucent</td>
<td>Reliance Communications, India</td>
<td>US$1bn, seven-year managed services agreement to establish common operations support centre for wireless and wireline customers</td>
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<tr>
<td>Amdocs</td>
<td>CenturyLink, USA</td>
<td>Consolidated OSS platform to enable service fulfillment automation, optimising network and asset utilisation</td>
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<tr>
<td>Amdocs</td>
<td>Telefónica, Argentina</td>
<td>Wireless transformation programme to deliver consistent user experience to 16.7m Movistar brand subscribers</td>
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<tr>
<td>Astelia</td>
<td>Zain, Jordan</td>
<td>Delivery of 3G monitoring system including Neptune probing system and VIP Care</td>
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<tr>
<td>Bango</td>
<td>Telefónica Digital, global</td>
<td>Partnership to enable direct-to-bill payment for mobile app stores connecting more than 314 million chargeable customers</td>
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<tr>
<td>CSG International</td>
<td>Time Warner Cable, USA</td>
<td>Extension of customer care and billing contract to March 2017</td>
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<tr>
<td>Comptel</td>
<td>Robi Axiata, Bangladesh</td>
<td>Comptel Social Links selected to replace manual marketing campaign management and analytics tools</td>
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<tr>
<td>Comptel</td>
<td>Eircom, Ireland</td>
<td>Comptel Fulfillment chosen to expedite deployment and launch of new services reducing time to market by 75%</td>
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<tr>
<td>Interactive Intelligence</td>
<td>T-Mobile, Austria</td>
<td>Customer Interact Center suite chosen to support Austrian CSP’s 500 agents at two sites</td>
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<tr>
<td>MACH</td>
<td>O2, UK</td>
<td>Integration of MACH Direct Billing Gateway to O2 UK Charge to Mobile Platform to enable one-click payment</td>
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<tr>
<td>MACH</td>
<td>GlobalCharge, Germany</td>
<td>Deployment of MACH Direct Billing Gateway to support direct operator billing service at four CSPs</td>
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<tr>
<td>NetCracker Technology</td>
<td>Astra, Mexico</td>
<td>NetCracker selected to enhance BSS to streamline billing operations and support launch of next generation services</td>
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<tr>
<td>NetCracker Technology</td>
<td>Bell Aliant, Canada</td>
<td>Deployment of NetCracker BSS/OSS to support end-to-end management of FibreOP service expansion</td>
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<tr>
<td>NetCracker Technology</td>
<td>Yes, Israel</td>
<td>Converged billing and customer care systems to support launch of new services at Israeli pay TV provider</td>
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<td>Neural Technologies (Guavus)</td>
<td>Vivotac, Bulgaria</td>
<td>Enhanced contract to continue provision of fraud management services for fixed and mobile networks</td>
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<td>Nokia Siemens Networks</td>
<td>Guangdong Mobile, China</td>
<td>NSN Serve at Once Intelligence customer and business analysis suite deployed for signaling data sharing platform</td>
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<tr>
<td>Pontis</td>
<td>O2, UK</td>
<td>Provision of customer base management and contextual marketing services to UK’s second largest mobile operator</td>
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<tr>
<td>Sigma Systems</td>
<td>Tiscali, Italy</td>
<td>Deployment of Sigma’s Service Management Platform to activate and provision services for mobile subscribers</td>
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<tr>
<td>Tango Telecom</td>
<td>Network Norway</td>
<td>Trial deployment of cloud-based policy control system at Tele2 Group property in Norway</td>
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<tr>
<td>Tellabs</td>
<td>Vodafone, Ireland</td>
<td>Deployment of Tellabs Insight Analytics Services to analyse data contained in multi-vendor 3G network</td>
<td>12.12</td>
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CenturyLink chooses Amdocs for operational support systems consolidation

CenturyLink, the third largest telecoms company in the United States, which has grown rapidly through acquisition, has selected Amdocs for an operational support systems (OSS) consolidation project. The CSP has bought carrier Qwest and hosting company Savvis in the last three years.

Amdocs’ solution, based on a single inventory repository, provides an automated, scalable platform for planning and managing next-generation services. With the Amdocs solution CenturyLink is expected to drive efficiencies with rapid time to market for new product offers. The consolidated OSS platform will also enable service fulfillment automation, streamlining CenturyLink’s ordering process, while optimising network and asset utilisation.

“We chose Amdocs based on its proven experience, particularly supporting ethernet and VPN services,” said Bill Bradley, chief information officer at CenturyLink. “As we look to grow our network business, we will leverage Amdocs’ experience in delivering automated and scalable OSS solutions to quickly achieve a consolidated OSS platform. Not only will this enable CenturyLink to launch future products more rapidly, but it will also reduce costs and shorten the order-to-cash cycle.”

“To stay ahead, service providers need to be agile and ready for the future,” said Rebecca Prudhomme, vice president for product and solutions marketing at Amdocs. “By consolidating functions across multiple technologies and lines of business, and providing a single view of network resources, Amdocs’ solution will increase CenturyLink’s flexibility.”
Wolfgang Kroh appointed new chief executive of Orga Systems

Wolfgang Kroh has been appointed as the new chief executive of Orga Systems GmbH. Kroh succeeds Ramez Younan who has left the company to pursue other interests.

The Executive Board of Orga Systems now consists of Kroh and company CFO Johannes Nussbickel who joined in 2011.

Kroh is an experienced executive from the information and telecoms industry. As former chief executive of LHS Aktiengesellschaft, a vendor of customer care and billing solutions and a Frankfurt Stock Exchange-listed company that was acquired by Ericsson in 2007 and fully integrated into the Ericsson Group in 2010, Kroh will bring his broad general management skills and his long-standing international experiences in sales and marketing into his new role.

His experience of piloting the successful disposal of LHS is being seen by some commentators as an indication that he will seek to prepare the company for sale.

Younan departs having developed the company over the past three years driving healthy growth, global customer and territory expansion and entrance into new strategic industries.

Brocade names Lloyd Carney chief executive and board member

Networking industry veteran Lloyd Carney has been appointed chief executive of Brocade with immediate effect. In addition to his role as CEO, Carney will join Brocade’s board of directors. Carney succeeds Michael Klayko, who has served as CEO since 2005.

“After a thorough and robust search process, the Board believes that Lloyd Carney is the ideal leader to take Brocade to the next level,” said David House, the chairman of the Brocade Board of Directors. “He has a relentless passion for driving innovation and operational excellence. These characteristics, combined with his track record of execution including delivering growth and increasing shareholder value, make him an outstanding choice to lead Brocade into its next phase.”

Carney has built a distinguished career during his nearly 30 years in the high-tech industry including a number of senior leadership positions at various networking and semiconductor companies. Most recently, he was CEO and member of the board of directors at Xsigo Systems, a privately held company specialising in data centre virtualisation, where he positioned the company to take advantage of emerging technology opportunities including cloud computing and software-defined networking.

Previously, Carney was CEO of Micromuse, which specialised in network management software and later became an integral part of the IBM Tivoli framework. He has also held key senior leadership positions at major networking companies including Juniper Networks as its chief operating officer and at Nortel Networks as president of its multi-billion dollar Core IP, Wireless Internet and the Enterprise divisions.

“I believe Brocade is poised to leverage its heritage of strong innovation and significantly disrupt the status quo in the data-networking industry,” said Carney. “There are profound changes happening across high tech today and Brocade has a great opportunity to lead that transformation through differentiated products and customer focus.”

Sandvine, a provider of intelligent broadband network solutions for fixed and mobile operators, has announced that Dermot O’Carroll has joined its board of directors. O’Carroll has spent almost 40 years in the telecoms industry, the last twenty of which as a senior executive in various roles, including with Canadian operator Rogers Communications.

“Sandvine’s customers are some of the most innovative communications service providers in the world. Dermot’s elite experience in the industry will help ensure that the company’s strategy and focus are guided by the voice of the customer,” said Roger Maggs, chairman of Sandvine’s Board of Directors.

Prior to his 15 years at Rogers, O’Carroll was with Unitel Communications as vice president of Network Services, where he was responsible for the deployment of a national advanced voice and data services network. Before that, he spent 15 years with Bell Canada. O’Carroll was the Canadian representative on the board of the Society of Cable Telecommunications Engineers from 2004 to 2010.

Starhome, which provides value-added services (VAS) solutions and services for mobile operators, has appointed Tal Meirzon as its new CEO.

Meirzon spent more than 20 years at various telecoms vendors, holding several positions during his 13-year tenure with Gilat Satellite Networks, including executive product, marketing and business development positions.

For four years, starting in 2008, Meirzon was the CEO of Wavion Wireless Networks, which he grew from a start-up in the carrier-grade Wi-Fi market. Following Wavion’s acquisition by Alvarion in 2011, Tal was appointed COO of Alvarion.

KANA has announced several new executive management appointments, expanding its European leadership team. Importantly, all of the recent management appointments are former Ciboodle executives who have been retained by KANA to grow the company’s operations in Europe. These include Kenny Bain who is now general manager, EMEA; Steven Thurlow, head of worldwide product strategy; Paul White, sales director for EMEA; and Michael Cairns, head of professional services for EMEA.

Klod Ghez has replaced Amir Aharoni as CEO of Mobixell. Aharoni, who co-founded Mobixell in 2000, will remain in the company in an advisory position during an indeterminate transition period. This move is a part of a strategic plan to propel Mobixell forward through its next phase of growth.

For more than 25 years, Ghez has held senior level positions at computer and software companies, both large and small. For the last several years he has been a management consultant for large international corporations. Prior to that he served the board of directors of Octavian, a software vendor in the wealth and investment management industry and served as CEO and president of the company.
One year on from acquiring Telcordia for more than US$1 billion and more recently the acquisition of ConceptWave, Ericsson continues to see great potential for CSPs to extract great value from the data they collect and analyse in their OSS and BSS systems. Here, Per Borgklint, senior vice president and head of Business Unit Support Solutions at Ericsson, tells George Malim how concepts of fresh and slow data need to be understood and identified to feed customer experience management systems with the right information at the right time. Borgklint, who has led retail-based operations for fixed and mobile networks at Tele2 and Dutch operator Versatel, says CSPs will serve customers better and more effectively monetise on their network investments if they refine their approaches and move from reactive CRM to proactive CEM.

VanillaPlus: CEM seems to be used to describe all sorts of functions related to the end user experience. What is the true meaning of customer experience management?

Per Borgklint: You’re right that it’s a very broad abbreviation that is used in a lot of cases. From the CSP perspective it’s about being able to provide timely, intelligent input to deliver actionable insight in real-time. In addition, it’s about making sure CSPs can improve the overall customer experience, drive loyalty and increase ARPU and create a valuable customer perception of the service. It’s more advanced than being only reactive.

A large part of what CSPs are doing today is in voice but in data CEM becomes very important because you are getting into a situation with a very high level of differentiation. If you’re providing video or a live event or addressing services like healthcare, the ability to ensure quality of service is delivered and the ability to inform users in real-time about services and impacts could, if you take it to the extreme, be the difference between life and death.

More routinely it could make the difference between a customer staying or going. For example, a video outage or a break in a scene makes a lot of people very, very annoyed.
When you’re moving from linear to non-linear experiences CEM becomes even more important and because of that it will gradually increase in importance.

VP: Why is CEM more than old-fashioned CRM? What greater value does it bring both to the customer, in terms of improved experience, but also to the CSP as a means to provide services more efficiently while ensuring user satisfaction?

PB: I think it’s good you use the description old-fashioned CRM. CRM cements an old way of working. When you became a customer of a CSP you weren’t able to choose services because CRM is a logistical tool that isn’t able to extract experience-related data in a timely way. As customers ourselves, we’re used to being able to have more impact on our own customer experience to a greater extent than CRM will allow. CRM is mainly focused on internal efficiencies and not necessarily on how you create the best experience for the customer.

CEM focuses on operations and processes based on customers’ needs in a more integrated OSS and BSS environment. It’s about creating efficiency gains where you can move the layer of configuration from an internal thing to an external thing for the benefit of the customer.

That will demonstrate greater value over time. In the short-term greater value is about having the ability to extract aspects of the customer experience that are not living up to customer expectations. In the future, it will become about the ability to deliver specific things you know a certain customer will be interested in based on their behaviour, their geography, their circumstances and other information you have.

In reality services will become much more advanced and interactions between different operations will increase. At the same time, intelligence of solutions will increase and the user will be able to have a far greater impact on what they do.

VP: Should OSS and BSS continue to be regarded as separate disciplines or is the interplay between the two now so intense that traditional demarcations are evolving in a unified approach to the back office? How does CEM fit into that unification?

PB: The interplay is that they are melting together in terms of how a consumer experiences the overall offering but, from an internal perspective they still have different roles to play. BSS is there to ensure that revenue is being charged for in a flexible, controlled manner that gives the CSP the ability to capitalise on different types of user behaviour over the network.

OSS is internal as well as external. Inventory management, for example, gives the CSP a very clear picture of what they can do. Information from inventory management can be used as a trigger to generate sales leads. For example, if fibre is connected to a 50 storey building inventory management systems would be able to tell radio planners that fibre is there. Sales can be triggered by the knowledge that fibre will be in this building by a specific date. You can combine inventory management with other areas of value creation within the CSP. That’s not how it’s being used today, it’s very reactive but it can become proactive.

VP: CEM isn’t only about CSPs’ relationships with their customers. How can targeted CEM aid and enable new service development?

PB: I think that if you go from 2G voice and SMS to 3G and the first data services where the personalisation was low, when you get to 4G the behaviour is very different. A 70-year-old’s behaviour will be very different to a 17-year-old’s. If you can extract this information in real-time you can create service packaging in very efficient ways in a unified product catalogue and deliver that to the customer in the right place at the right time. For an application running either over the network or via an over-the-top (OTT) provider delivery of self-service capability is based on different [sources of] data that are used to create self-service capability. That’s how CEM enables any service that needs a specific quality of service to be enhanced. That also ties in with extracting the right data to create an ecosystem around behaviour and individual needs.
VP: To get the complete picture, CSPs need to draw CEM data from both the network and the handset. How can they make the most of combined handset and network data? What challenges are involved?

PB: Network data is just one part of the whole information available. You also need to understand the handset or terminal capabilities. Serving a specific user who has a specific device and combining different services together means you have to understand the different integrations, service layers and how they integrate.

From a theoretical point of view the challenge is not that difficult but from a practical point of view extracting the data is difficult. There is such a large volume of data but instead of talking about big data, I’d prefer to focus on fresh data – the data that needs to be extracted quickly and acted on. Slow data that can be extracted later won’t necessarily impact customers’ real-time requirements. Fresh data requires intelligence on a different level and differs from CSP to CSP.

The ability to bring these data assets out of the network and transform and transport them in the right way is a challenge and will take time to address. In practice that requires you to understand what data is valuable. Big data is too wide an approach you need to assess which data needs to be extracted while it is fresh and which data can be left and treated as slow data. It’s like selling fish – what can’t be sold that day needs to be frozen immediately. That requires specialist knowledge of the network and of customer behaviour and how you utilise that through policy control all the way through to the end user device or customer premise equipment.

This is a core area for Ericsson and one that we see as very important. We’re continuing to develop our solutions and services in OSS/BSS because we see substantial value extraction potential in these solutions.
CSPs are overcoming their initial reluctance to outsource OSS/BSS but two schools of thought are emerging. Does outsourcing such a critical function make you agile or fragile, asks Nick Booth?

With the pace of change and sheer scale of complexity being created by the move to 4G, never has a technology – LTE – been more ironically named. There’s no time for a Long Term Evolution, today’s communications service providers (CSPs) need to get their business and operational support systems together as soon as possible.

The quickest way to do that is to outsource to a managed service provider, especially when the skills to manage BSS/OSS are difficult to acquire in house. But how vulnerable does this lack of control make an operator? Is that vulnerability worse than the problems that CSPs will face if they don’t fine-tune the machinery for delivering data and video services to their subscribers?

In Europe, CSPs are about ten years behind the US when it comes to BSS/OSS outsourcing, according to the experts below. One of the lessons we can learn is to avoid making unrealistic assumptions when striking contracts. For example, in many deals, the managed service provider has no real incentive to use their initiative to solve problems, because they won’t be any more handsomely rewarded for making the extra effort.
At the moment, the CSP client owns any problem that isn’t legislated for in the service agreement. The classic mistake in the past was to rely on the legal department being able to legislate for every nuance in the delivery of services – as if it was possible to plan for every aspect of a challenge that nobody has ever tackled yet. With CSPs moving to a completely new infrastructure, and level of service, the legal underpinning of contracts has to adapt in line with the shifting of technology. The problem with this is that the legal sector moves at glacial speed, in comparison with the lightning developments in communications and networking.

Nobody moves slower than a corporate lawyer who is billing by the hour, while the pace of technological change keeps accelerating.

Meanwhile, with LTE being a smartphone only technology, the cost of supporting it significantly higher than supporting customers using regular mobile phones – which support voice, messaging and rudimentary data services. “Operators will be faced with spiralling customer care costs as LTE usage increases unless they are able to anticipate, and resolve, network issues before they impact on the subscriber,” says Lyn Cantor, CEO at Tektronix Communications.

In addition, they may not be the only organisation using network data and assets. “Operators are beginning to share networks,” says Francis Haysom, executive director of innovation in Ericsson’s support services business unit. “Sharing and outsourcing OSS/BSS platforms to an expert vendor is certainly on the agenda.”

Managing BSS/OSS becomes a massive responsibility that must be got right. With a shortage of available skills and a market that just won’t wait, a managed service is the only way to keep pace with change, says Alam Gill, CSG International’s senior vice president of managed services. “Traditional outsourcing was based on key performance indicators that didn’t change,” he says. “That’s not sustainable now.”

Gill says service providers need to be more flexible and not wait until contracts are altered before they resolve problems that aren’t litigated for in their contract. “The outsourcer has to put some skin in the game,” adds Gill.

The good news is that the average CSP’s appetite for outsourced managed OSS/BSS is increasing, as they have to support an increased rate of change in their businesses, says Matt Hooper, CMO at MDS. The challenge of supporting a faster rate of change in their businesses hinges on doing more to integrate customer and revenue management systems. “You need to be able to set-up and launch new service in days, not months, which is a wake-up call for the OSS/BSS vendors,” says Hooper.

The risks need to be appropriately assessed and managed, says Warren Tucker, network lead at Accenture. That calls for a culture change he warns. “Too often the measure of success is how hard the provider has been squeezed,” says Tucker. Instead, contracts need to allow the service provider to make money, while at the same time aligning its interest to those of the client. “We have seen contracts where the service provider is obliged to help the client identify and implement innovations or efficiencies, within the main contract or in adjacent business domains. These types of clauses keep the provider focused on the overall interests of the client,” says Tucker.

Ultimately, all parties have to be more grown up about every aspect and every variable – whether it’s the data or the customer experience – between the CSP and its BSS/OSS service provider, says CSG’s Gill. “As an industry we have to move to a more mature relationship with joint responsibility for delivering business value,” says Gill.

Not everyone has a wide enough perspective to provide this argues, warns Tektronix Communications’ Cantor. “The majority of solutions providers and network equipment manufacturers (NEMs), cannot guarantee a 360 degree perspective of network, service and subscriber as they only have access to a limited number of data feeds, primarily their own, also not all equipment or solutions will conform to industry standards.”

Alam Gill: Outsourcers have to put skin in the game
Matt Hooper: Accelerated service launch is a wake up call
As business models evolve, a wide range of business processes are prime candidates for managed services. CSPs are evaluating whether any of their numerous business applications, processes, infrastructure and operations can be better managed by a partner, writes Alam Gill.

Every industry seems to be contending with the same factor – an accelerating rate of change. Change extends from how businesses are run to how they interact with customers. Take the example of the retail industry. Much to the detriment of long-established retail brands, in-store shoppers use their mobile device to scan barcodes, compare prices and reviews among multiple vendors near, far and virtual, and make their purchasing decision with more information and between more choices than ever before. Technology is now the consumer’s best friend.

The pervasiveness of digital information and the devices to access it anywhere and at any time, stimulates behavioural changes that impact how parties - individuals, businesses and business-to-consumer - interact and engage with each other in constructive ways.

There are examples in nearly every industry, and in each there are three common enabling factors – and all three of these attributes are communications services:

1. Increased network bandwidth in order to deliver unparalleled capacity for high-definition, high-quality digital interactions
2. The predominance of IP networks accelerates the development and adoption of new services from previously separate features that can now be unified as they are digitised
3. Mobility for the masses – not only for people, in all geographies and in all socio-economic classes, but for ‘things’ (devices) as well

Communications service providers (CSPs) are at the epicentre of enabling this change. Basic communications services requirements are embedded in each application that has been imagined to date: ubiquity, reliability and quality.

This is good news for CSPs as these factors have been primary attributes of the network business for decades and arguably no other market entrant is as well-positioned to compete in these areas.

If CSPs focus on nothing else, these are the attributes which should remain a top priority as their business models transform and evolve. CSPs are expected to do this while meeting customer experience expectations, retaining profitability and driving revenue growth.

**Applying the three factors**

Under these conditions, every CSP is evaluating every part of its business and where it can benefit from change. Increasingly, they are evaluating whether any of their numerous business applications, processes, infrastructure and operations can be better managed by a partner.

Whether it goes by the name outsourcing or managed services, CSPs more frequently acknowledge that there are organisations better suited to performing these functions, thus freeing the CSP’s time, resources, energies and capital for evolving business models, launching new services, and bettering their customers’ experiences with these new services.

For years the primary drivers for outsourcing have been cost reductions and increased technical efficiency through staff augmentation and simple out-tasking.

While capex and opex reductions and increased technical efficiencies have remained top priorities in recent years, in response to challenging global economic conditions and the change in the communications industry, other CSP outsourcing drivers have advanced in parallel.
For example, carriers have built and owned their own solutions in the past, whereas financial services firms for example have deployed a more generic architecture. CSP staff manage most applications and operations, while outsourcing the occasional simple component or task. This traditional approach can often fall short when rolling out next-generation services enabled by high-capacity LTE networks, like m-commerce or high-quality video streaming. Many carriers are proving the business case for outsourcing to assist with rapid roll-out and to deliver ongoing improvements for the services and their business overall. The business case delivers to both the top and bottom line and is an investment in their customers as well.

For most CSPs, the back office has been optimised to support the legacy part of their business. A service provider business launching today would begin with the basic principles of automation, interoperability and ongoing process improvement. CSP organisations remain people-intensive and can benefit from an outsourcer’s business expertise, application knowledge and a focus on process optimisation. The outsourcing partner can bring a fresh eye, better utilisation of staff and better perspective based upon industry best practices and an eye towards the future.

To accommodate the speed of change and increasing globalisation of both service providers and services, enabling flexibility is critical. Historically, seven- or 10-year outsourcing contracts were the norm, but the average contract terms today are three years. The ability of a CSP to look ahead and see what their cost base is likely to be in the future is a lot harder to do than a decade ago. A ‘lock-in’ for 10 years puts carriers at risk. To become that next-generation CSP, you need flexibility and responsiveness to change.

The role of BSS
As a CSP focuses on developing and executing new strategies and business models, outsourcing for reasons other than cost management will become dominant. As business models evolve, a wide range of business processes from the traditional Business Support System (BSS) domain are prime candidates for managed services. Traditional and well-established processes that don’t require change can be managed more effectively in a consolidated environment that an outsourcer can provide.

In addition, the outsourced processes can be folded in as new services are launched. For example, when new services and wallets are launched, the need to add another silo of payment processing is removed if the payment process has already been decoupled and centralised by a partner. BSS processes that are candidates for outsourcing include customer care, billing, payment processing, wallets, receivables management, revenue recognition, disputes and adjustments, partner management, settlement, and finally analytics across all transactions and each of these functions and processes.

Owning and operating these outsourced processes is only the beginning. The managed services partner of these processes, through a combination of consolidation, expertise and embedded tools, delivers a range of overlay services that enables these processes to add value to the CSP’s business including:

- Administration across all layers, from the facilities in which the applications reside through servers, storage, operating systems, applications, operations and staff
- Monitoring across multiple application and process dimensions, including user activity, security, application performance, process accuracy, and customer-facing metrics like usage patterns and quality KPIs
- Audit logging across those same functions for compliance purposes
- Error correction and trouble-shooting across all processes and functions
- Reporting at the application level, the process performance level and the business metrics level

We are also moving towards an environment where managed services are based on business outcome based contracts. Previous simple SLA based contracting is being replaced by an approach where the partner and the CSP is joined hip to hip to drive towards success through BLAs (Business Level Agreements).

By leveraging managed services, CSPs will be freed to keep pace with network evolution, industry expansion and changing consumer demands that are filling those networks with new and developing services. Outsourcing the management of how the back office is streamlined is a major step for many, but by finding the right outsourcing partner this approach is the best course of action for CSPs who want to transform their business and become the next generation CSP.

To accommodate the speed of change and increasing globalisation of both service providers and services, enabling flexibility is critical.

www.csgi.com
The term big data is associated with capturing and analysing consumer behaviour using the web. The velocity and volume of digital transactions captured and processed to achieve business value require changes in the software systems to support petabytes of structured and unstructured data. These systems must be distributed, delivered in a cloud-computing environment and need to support in-memory database management. The data can be structured or unstructured. Structured data includes HLR records, IP application flows, geopositioning and billing detail records. Unstructured data includes tweets, Facebook posts and any other form of social content.

Revenue generation and data monetisation are driving the market for big data. The vast amount of information that operators hold about their subscribers has been largely untapped, but could be harvested to answer key questions and predict future scenarios. Smartphones, the availability of broadband and maturity of ecommerce enable more cost-effective advertising and big data will play a pivotal role in understanding buying behaviour and spurring customer demand. However, big data projects will require real-time data capture and analysis.

**Revenue generation**

CSPs can profit from big data internally and sell it to advertisers. Telefónica’s Smart Steps service takes this approach: it captures, processes and then sells the anonymous data of its customers to retailers and public-sector organisations.

Our research has found immediate benefits of big data projects that can best be articulated in use case studies that we have published in our Telecoms Software Strategies programme. Rotational churn in a prepaid market uses data analytics to understand usage patterns, social network connections and business intelligence to predict churn. This predictive analysis can be used to proactively connect or promote loyalty offers before the customer is lost. Other revenue-enhancement strategies focus on yield optimisation. CSPs can measure load by cell site and target high-value users with promotional offers that encourage network usage. This generates incremental revenue without affecting service quality and uses investment in sunk network cost.

In the M2M market, big data can be used to identify crowd movements and traffic jams using location-based data. This data with analysis can be sold as a value-add application to redirect customers to storefronts or seek alternate routes. M2M instrumentation in the transport and automotive industry tracks assets and environmental conditions, and supports remote surveillance. Data streams can be processed quickly to alert a parent to the erratic driving of their teenage child, for example, or to interact with electronic billboards to display ads based on the demographics of drivers passing at specific points in time.

The following are the three greatest inhibitors to realising the benefits of big data:

- Multinational CSPs operate as independent entities, which restricts their ability to unify marketing campaigns, standardise product sets, and rapidly launch new services.
- Security and privacy concerns could spur regulators to enact tougher regulation and increase churn. Telefónica recently withdrew support for its Smart Steps service in Germany because of consumer privacy concerns.
- Technology-driven projects that do not assess the business requirements and do not deliver actionable reports.

We recommend that CSPs embarking on a big data analytics project identify a specific business objective that is well defined in scope. CSPs should be able to classify the project either as revenue-generating or productivity-enhancing with a clear cost-benefit business case to back it up. M2M is revenue-generating, whereas network optimisation is focused on capital efficiency. Be aware of privacy issues that could spur regulatory investigations. Understand how unstructured data will be used, which accounts for a large percentage of the value of big data analytics. And finally, use the supplier community where 80% of the solution can be achieved quickly, and customise the remainder.

The legacy cash cow of voice services is disappearing quickly, but new business models are emerging and the data analytics gold rush will reward the innovators that act quickly and deliver compelling business cases, writes Patrick Kelly.
The network you can see versus the one you can’t

There are many mobile operators who regard a green indication for their network as a sign that it’s not only good to go, but that their subscribers are satisfied. Announcing his company’s new, enriched capability as the first Telecoms Intelligence Provider, Lyn Cantor explains why green lights don’t provide enough insight and how CSPs can gain far more by taking a four-dimensional approach.

Communication services providers (CSPs) routinely encounter problems in areas not always revealed in the network overview. In the bigger scheme of things, they may seem small, but to the individual subscriber the small things count. Dropped calls, failed handovers, interrupted videos, delayed receipt of messages, and the many other glitches that may have passed unnoticed in the mobile world of yesteryear are unacceptable today.

The notion that a subscriber might have their ID stolen is untenable, but it happens. Not any more, if the network hides problems now, it’s time to resolve them for the future. Technology-agnostic solutions and tools are available that create meaningful observations from data across networks, legacy and new generation technologies, services utilisation and subscriber journeys.

The Telecoms Intelligence Provider

A Telecoms Intelligence Provider helps operators understand their entire environment and what goes on in it; the four dimensions, or 4D, of 4G: Subscriber behaviour, the Services they consume, the Network environment itself, and the Technologies in play. Real-time end-to-end data collection and analysis across each of these dimensions can give operators the visibility they need, to deliver the experience and services their customers want. They are in an ideal position to do it particularly since they are not troubled by the security issues often affecting OTT players – such as identity theft - and can ensure greater interoperability through initiatives such as Joynt, the commercial brand of the GSMA Rich Communication Suite.

To interpret and monetise the data available to them mobile operators have to approach it on a micro level, rather than as indicative trend data. Operators are realigning their business models to offer the same agility as OTT players, the same range of exciting user services and the same thrills of discovery for users in the new, exciting and enriching experiences they access at the device level. The operators can now offer competitive propositions, but with added security and quality of service.

Hidden problems in the network can now be easily located to drive better experiences. Without a view of precisely what’s going on, from a user perspective, there can never be a truly end-to-end solution that eradicates the glitches. With the heightened demands of LTE, glitches will become inefficiencies, which will turn into complaints, which will become a negative and time-consuming drain on resources. Such concerns can now sit where they belong, back with the OTT providers.

The Telecoms Intelligence Provider is able to leverage network information to drive better subscriber experiences. The days of one-dimensional and two-dimensional passive monitoring are over; the operators need to appreciate the rich insights hidden in the wealth of data stored across their networks. A miss can be as big as a mile if operators fail to follow and analyse every path of the data journey; valuable insights lurk as much in those parts of the network they can’t currently see as in those that may be more obvious, but will never deliver the full story.

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The author, Lyn Cantor, is president and chief executive of Tektronix Communications
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POLICY PRESENTS THE COMMON THREAD THAT SUPPORTS SERVICES, SUBSCRIBERS AND FUTURE BUSINESS MODELS

The services, content and applications that communication services providers (CSPs) will provide to their customers and partners are proliferating at such an accelerated rate that it’s sometimes hard to keep track. Along with all these new services come radically different business models, new network technologies and a blurring of traditional demarcations between service and network.

Right now it is only a matter of a couple of years before we will routinely see consumers buy services, such as a turbo button to accelerate download of HD TV, on-demand, charged to their bill. That sort of experience will need to be supported in real-time.

Equally, as CSPs move away from metered voice packages and sell flat-rate data capacity, users will want to bolt-on additional services. That might involve a data top-up, a deal on roaming data for a day or a week, or paying for premium access to specific content.

It won’t just be a mono-directional relationship of CSP to customer. Customers may select family plans in which they get a bundle of devices and data which they apportion within the family. Parents will apply policy using online interfaces. Other customers may choose to make a gift of bandwidth to a friend.

Individual applications will also be bundled and sold. Users’ bills won’t be a list of bits and bytes. They’ll be composed of a Facebook bundle, Skype minutes and music streaming.

These services aren’t just consumer phenomena either. Businesses will participate. Some may partner with CSPs to subsidise delivery of premium content. For instance, a user that subscribes to a premium sport service, might find the broadcaster is prepared to subsidise the cost of mobile download. The consumer gets the content delivered for free, the broadcaster pays the CSP for its delivery.

Finally, enterprises will apply policies to their workers. That might enable better segmentation of private versus work use or enable secure access to corporate applications and data. Telecoms managers will use CSP interfaces to set policies for individual workers.

The common thread with all these new services and the business models that support them is policy – not as a means to control consumption but as a means to encourage monetised network usage and support emerging business model.

VanillaPlus calls this Total Policy and this Spotlight presents a vision of how policy is maturing and becoming integral to CSPs’ development.

We hope you find the Spotlight informative
Policy control and management was originally all about protecting the network from greedy bandwidth hogs. Now though, policy is poised to become ubiquitous and will have influence on CSPs’ entire businesses. George Malim explores the challenge and the opportunities.

Policy management or control has been latched onto with great excitement by CSPs. However, it is now entering a third phase of its development. If the first phase viewed policy as a means to protect the network by throttling back on high data users and the second phase extended policy from being purely protective to being a stimulus for new revenue, increased traffic and improved customer satisfaction, we are now ushering in Policy 3.0 – or Total Policy. Total Policy is complex because it encompasses everything a user might want to do with their CSP services. All the elements of Policy 1.0 and 2.0 are contained within it in addition to applying policy across the entire service and network portfolio. There are multiple complex dimensions to take into account here. These include: policy across multiple network technologies, policy across family bundles or shared data plans, policy across the content delivery value chain to encompass third parties, policy that takes into account multiple devices and roaming and policy that enterprise customers can access to apply to their own users and services.

The scope of Total Policy is so wide and requires the narrow PCRF (Policy Control Rules Function) approach to integrate into a starburst of systems and technologies. CSPs aren’t there yet but they recognise the benefits they could accrue from revising their approaches to policy. For that reason, they’re re-assessing the performance and capabilities of what they have in place now so they can put the flexible platforms that future monetisation opportunities will require in place.

“Capabilities vary very widely from supplier to supplier,” points out David Knox, senior product manager, integrated charging and policy at CSG International. “One PCRF may...
The first stage was about control and the second phase, which is getting towards Total Policy, is about getting policy out from the back end into the hands of business customers so they can apply policies to their users.”

Oisin O’Connor, director of product marketing at Openet, also sees the evolution towards Total Policy. “It has migrated from simple access controls and fair usage to service innovation,” he says. “The new wave is about policy as an innovation platform to enable more real-time offers. As CSPs increase the sophistication of their service offerings, instead of having 30,40 or 50 different data tariffs, they will have thousands. It’s going to world that’s fairly sophisticated in terms of tariffing and you can’t present all the tariffs to the end user so you’ll have to segment them.”

Beyond consumers
It isn’t just about bringing content and services to consumers, though. Rob Smith, director of market development at MDS, which focuses on the small-to-medium enterprise market, says policy is equally applicable as an enabler of SME services, applications and content. “The same rules apply to enterprises as they do to families and consumers,” he says. “The need is to put complexity in the background and make it easy for customers to adopt [complex services and bundles]. The need for policy is obvious because it enables CSPs to do that.”

CSPs are experiencing a lightbulb moment as they realise what Total Policy can enable them to do. “It didn’t make sense so much in 3G but in LTE, the mechanisms are in place at the core network level. That gives CSPs a good chance of being able to deliver the experience as offered,” says Knox. “Suddenly the business case for bandwidth based services, such as higher bandwidth for the next hour or week, become technically feasible.”

Smith agrees: “The first stage was about control and the second phase, which is getting towards Total Policy, is about getting policy out from the back end into the hands of business customers so they can apply policies to their users,” he says. “For me that’s potentially where things like analytics come in. Users will be able to see if a service has hit a basic service level, for example, or temporarily upgrade their service. There are lots of scenarios like that and policy can help to monetise the opportunities.”

O’Connor thinks flexibility will be the key enabler. “The key is flexibility so you can build the use cases beyond what you see today,” he says. “You need to know you can do it in a cost effective manner. CSPs need to be comfortable that they are buying a platform for today and tomorrow. At the heart of that is the integration between policy and charging and some secure authentication to allow CSPs or third party applications to talk to the policy layer.”
Within the strategic partnership, Kapsch CarrierCom has added Openet’s award winning Policy Manager and Express Solutions to its portfolio. Kapsch CarrierCom is a global systems integrator of telecoms infrastructure. Openet’s flexible and secure policy solutions provide both new and existing customers with enriched and innovative services that will enhance their experience of their network service.

Kapsch CarrierCom has almost three decades of experience in the design and system integration of Operational Support Systems (OSS) and Business Support Systems (BSS). Openet, which has been voted number one policy provider for the last two years by Infonetics Research, also has experience of working with Tier 1 service providers that spans more than two decades.

The deployment supports approximately 19 million mobile subscribers, enabling them to benefit from enriched and innovative services and an enhanced customer experience.

“Kapsch and Telekom Austria Group are connected through long-term business relations. Through Kapsch’s knowledge and experience as our business partner in the area of system integration, an efficient integration is guaranteed,” says Johann Pichler, CTO of Telekom Austria Group. “Openet has made it easy for us to offer our operators within the Telekom Austria Group flexible and secure policy and billing solutions to support the smartphone revolution, while providing both new and existing customers with enriched and innovative services that will enhance their experience of our network service.”

Thomas Schöpf, COO of Kapsch CarrierCom, says: “Kapsch and Telekom Austria Group have been cooperating for several years. The knowledge we have gained through providing regional services and support within our cooperation with Telekom Austria Group is crucial for the integration. Openet’s Policy Manager delivers exceptional performance and flexibility and is an ideal solution to enable a safe mobile experience for Telekom Austria Group’s operating companies.”

Kapsch and Openet have worked together developing policy-based solutions since 2011. This new partnership further cements their relationship. Both companies are now investing together to offer a best-of-breed set of solutions for their customers in this fast growing market.

**Key features of the solutions set include:**
- fair usage restrictions on data plans
- notifications to prevent bill shock
- tiered data service plans
- service passes for flexible usage charging
- shared data plans
Launching LTE services
As CSPs continue to roll-out LTE, policy management is becoming of even greater importance as they seek to monetise effectively on the renewed round of capital investment in network build and deliver excellent customer experiences to their users.

“The roll-out of LTE, is driving investments in policy and charging control systems to facilitate the launch of speed-based service pricing and to prepare for more complex network services such as service passes for data roaming,” adds Schöpf.

The main benefits of Openet’s solutions to Kapsch’s customers include:
1. Increased data revenue
2. Access to real-time information
3. Differentiation by offering more tailored plans to their subscribers
4. Faster service introduction and capex savings
5. Reduction in subscriber churn
6. Flexibility to modify solutions
7. Improved network control by enforcing fair usage restrictions
8. Real-time notifications to customers on data usage

Benefits of Openet’s solutions to the subscriber:
Policy solutions can improve the subscriber experience by providing an opportunity for increased engagement, visibility and control. Subscribers can monitor their data consumption in real-time, set personal alerts, apply parental controls and purchase services directly from their Smartphone.

About Kapsch CarrierCom
Kapsch CarrierCom is a global system integrator and supplier of end-to-end telecommunications solutions for public and railway operators, urban transport organisations and companies seeking real-time asset management solutions. By providing the full set of professional services alongside mission- and business-critical telecommunications, Kapsch CarrierCom is the trusted partner for clients around the world. Strategic partnerships and a strong focus on innovation in eight R&D centres in Europe and Asia, make Kapsch CarrierCom a market specialist in telecommunications. Kapsch CarrierCom is part of the Kapsch Group and has its headquarters in Vienna. For more information, please visit www.kapsch.net

About Openet
Openet is a global leader of high performance transaction management software for network operators, enabling them to innovate how people, machines and services interact with their network. Openet's portfolio combines market leading policy and charging control with device and third party interaction to deliver innovative charging models, to control operating cost and to personalise services. More than 80 of the world’s largest service providers in 28 countries use Openet’s high performance software. For more information, please visit www.openet.com

For more Information visit www.openet.com/Kapsch
In the long term, Long Term Evolution (LTE) product and service offerings demand effective union between policy control, payment and billing systems and deep analytics solutions at the network core. The problem is that none of these were built with this intention in mind, writes Jonny Evans.

The challenge here is that billing systems weren’t developed with the ad hoc service use recognition on which CSP hopes of personalised service provision on LTE networks are built.

“You need to combine the revenue management, analytics and the policy,” observes Gordon Rawling, director of marketing at Oracle Communications. “This is not the way these were architected,” he adds.

David Knox, senior product manager for Integrated Charging & Policy at CSG International, acknowledges that the scale of the challenge. “Historically one of the areas that a lot of CSPs have said is most challenging is integrating policy management with their charging server,” he says.

Billing systems must interface with Policy 2.0 servers, and be equipped – or retro-fitted – with the capacity to...
differentiate between traffic types and device/user-based permissions in real time.

This challenge is an opportunity, with vendors developing integrated analytics packages that can take this load away from billing.

“We are working closely with CSPs to implement systems on their network which can analyse this traffic,” says Barry Marron, marketing communications manager at Openet.

Policy is interrogated each time a person or device climbs aboard the network. “Policy touches every transaction in the network...every single data session interacts with the PCS, so scalability is essential,” says Tekelec CTO, Doug Suriano.

This is a fundamental shift in what policy does. Current Analysis analyst, David Snow explains the shift: “While Policy 1.0 was defensive, Policy 2.0 enables CSPs to allocate resources better, it’s an enabler.”

The ability to recognise what’s happening in the network on a per user or per device basis should help CSPs guarantee QoS to premium users while enabling pre-paid subscribers to receive services they’ve not seen offered before.

In this case, a premium user’s traffic is prioritised at all times, while non-premium users may be able to stream their video in HD just by tapping a Turbo button that appears on their iPad, and paying a small fee, for example.

“The end user on a pre-paid contract is not going to want to wait for their service to upgrade when they’ve hit the Turbo button while streaming a movie,” adds Marron.

Ann Hatchell, director of data experience solution marketing at Amdocs, emphasises the need for speed when it comes to response time for policy systems. “It is vital that any policy solution chosen for advanced 4G networks has an intelligent policy rules engine, using real-time and contextual data from the network and subscriber, such as usage patterns, service entitlements and network conditions, to create dynamic policy rules that provide premium and guaranteed access to certain applications and subscribers,” she says.

Policy systems must be flexible, configurable. They also need to work with efficient analytics tools, says Graham Kunz, product marketing manager at Empirix. “Without these it becomes very difficult to charge an enterprise customer for QoS and be able to come up with a report showing the service they experienced.”

Applied correctly, policy should enable CSPs to check real-time data on what’s happening on their network, enabling ad-hoc insight into user needs and an opportunity to monetise what events are taking place across their hitherto relatively dumb data pipes. It is important standards are used in deployed solutions.

“It is critical operators deploy policy solutions that have proven interoperability with a wide range of vendors,” says Hatchell.

LTE is data-centric: not just in how traffic is carried, but how it might be understood. “LTE is going to drive service innovation, the more [services] CSPs generate, the more they can improve networks,” says Marron.

For most CSPs, the challenge is that of putting analytics into the core flow. “This means charging can be done in different ways. The billing system ... doesn’t have to understand the different types of traffic,” he explains.

It’s also about net neutrality-busting bandwidth deals between CSPs and content providers, who might pay for prioritised delivery of their content over the network. How well does policy support this?

“Policy control...allows for mutually beneficial partnerships with OTT providers such as Netflix,” says Hatchell. A recent Amdocs survey claimed 74% of OTT providers and 70% of CSPs already see each other as potential service partners.

In future, CSPs might offer subscribers free or low-cost Netflix access with guaranteed QoS levels. They might be notified when a premium service is being used through intelligent application detection functions and standards-based Sd and Rx interfaces.

“The OTT vendor, in this case Netflix, would pay for the access or they could share cost with the operator,” Hatchell says.

CSPs are addressing this challenge, says Robin Kent, director of operations at Adax Europe: “I think you’re starting to see some of this now and you’ll see more delivered in the next 12-months or so.”

Less upbeat, Kunz observes: “I don’t believe CSPs are ready to do this yet. Their priority is to roll out LTE services. I don’t see policy and control being [put in place] for another 12-18 months.”

“There’s a real earnest desire to do things differently,” says Rawling. “To put together the stack that supports the future instead of the one that looks backwards.”
EXPERT OPINION:

Policy Everywhere -- the brains of ‘ThinkingNetworks’ and future business models

To make the most of disruptive internet/OTT service models and to become true digital lifestyle providers, mobile operators need to elevate policy and extend its reach across networks, applications and devices so that networks dynamically respond to changing subscriber and service needs, writes Houck Reed, vice president of product management and marketing at Tekelec.

Whether VoIP, social networking, big data or over-the-top (OTT) ecosystems, many disruptive technologies will galvanise mobile operators to transform from where they are today to their roles as digital lifestyle providers.

The question is: How intimately can operators get to know their subscribers? How can they get close enough to understand what engages them, what disenchants them, what moves and inspires them – not only as individuals, but also as members of communities and groups in an increasingly mobile and social-media-oriented world?

The answers lie in the treasure trove of contextually rich subscriber data operators possess, and the ability to monetise that data depends on the sophistication with which operators apply policy to enrich apps and services. To get the answers, operators will extend the reach of policy beyond core networks to the ever-expanding frontiers of: Smart, connected devices; Machine-to-machine (M2M) devices; and OTT, cloud and service delivery platforms. In essence, operators will take policy everywhere.

The Policy Everywhere approach means operators enforce policy wherever it is needed, including on mobile devices. They define policy centrally within an intelligent, independent control layer to apply policy rules across networks, devices and applications.

The ability to enforce rules around charging, authentication and authorisation in such an extensive way will elevate policy from its predominant role of monitoring monthly quotas and fair-use management to a role of enabling new digital lifestyle services and business models flexible enough to support best effort internet, OTT subsidised data, M2M, and cloud services.

The goal is to gain the type of control that empowers operators to build new use cases, the type of which can:

- Relieve congestion on licensed spectrum through intelligent Wi-Fi offload, which would be based on preferential network access, subscriber tier or type, device, application, quota, or network conditions.
- Influence subscribers’ data experiences, triggering innovation around subsidised or toll-free data, opt-in mobile advertising, customer loyalty/rewards programmes, and application-based plans with partner ecosystems.
- Engender provisioning of policy as a service to OTT application providers.

In fact, the majority of use cases brought about by Policy Everywhere will bring operators’ monetisation and personalisation campaigns to life.

Why the time is now

Operators are approaching the last of three main revenue waves: voice revenue derived from basic voice communication and mobility; messaging revenue generated by peer-to-peer short message service (SMS); and access revenue driven largely by data demand.

Operators can no longer afford to put off planning and architecting for a Policy Everywhere future now that OTT VoIP, social networking, cloud services, and video are affecting their core revenues. And they have to proceed before current hindrances permanently set them back, such as point policy solutions that only integrate with specific charging systems, gateways or Deep Packet Inspection (DPI) functions.
The solution will be policy-directed, software-defined networks.

**Policy Everywhere and the anatomy of ThinkingNetworks**

For operators, the end game of network design is what Tekelec calls ThinkingNetworks – highly evolved and software-defined networks that think for themselves like a human mind does, yet remain malleable enough that network architects can readily troubleshoot and adjust network resources to meet changing demands in real-time.

ThinkingNetworks self-organise, self-optimise, and self-determine responses to unprecedented and unpredictable events, enabling operators to better anticipate subscribers’ behaviours and future preference patterns.

For ThinkingNetworks to successfully orchestrate the subscriber experience and manage virtual network resources, Policy Everywhere comes to fruition as policy gains network, subscriber, device and application awareness.

It does so by working closely with Diameter network elements including advanced subscriber databases and Diameter signaling routers.

For that reason, the triumvirate of Policy Servers (PCRFs), Diameter Signaling Routers (DSRs) and subscriber profile databases will become harmonised within a dedicated Diameter control layer through which operators can grow and shrink capacity, and monetise assets according to what they learn in real-time about subscribers, applications and services.

This dedicated control layer is the New Diameter Network (NDN), and it is within the NDN that the anatomy of ThinkingNetworks begins to take form so that operators gain control of not only bandwidth, applications, time, and speed, but also control of signaling, compute resources, devices, and internet protocol (IP) flows. Within the NDN, policy gains awareness of what the network, subscribers, applications and devices are doing at any given time because it is more centrally defined and independent of underlying network infrastructure. This awareness and independence affords policy the chance to become the brain of IP networks.

The awareness and hence intelligence is brought on by Diameter signaling, with DSRs becoming the central nervous system constantly exchanging messages among policy servers, charging systems, subscriber databases and gateways to monetise services. Dynamic information is fed to subscriber profile repositories. These repositories act as the memory by storing profile, state, behavioural and usage data that can be used for further personalisation of services.

**Become a digital lifestyle provider**

In the development of ThinkingNetworks, the NDN moves to the cloud, something Tekelec calls CloudXG. It represents a fundamental shift in the way operators improve network scalability and flexibility, as they leverage virtualisation and software-defined network (SDN) technologies to deliver dynamic and elastic scalability in terms of sessions, transactions, and throughput. Through commercial off-the-shelf (COTS) hardware supported by virtualisation middleware layers or hypervisors, operators reduce capital and operational expenditures by moving virtual resources to different locations based on changing traffic levels.

The elastic, stateful cloud architecture sets the stage for lifestyle-oriented MobileSocial environments, in which operators don’t just passively facilitate the flow of services among subscribers and OTT service providers, but rather actively push what, when, where, and how services are offered to particular subscribers, based on many factors including specific usage behaviour, preferences, and service agreements.

Though the network remains a critical differentiator in this evolution, it is the unified view of dynamic and static subscriber data from the network and big data sources that become operators’ biggest asset. It makes them more valuable as enablers to third parties such as OTT players, mobile advertisers, app creators, content providers or verticals like healthcare, utilities and automotive – all of which seek to converge big data into something people care about on a personal level.

It’s at that point that the sky’s the limit for new digital lifestyle services, as operators will be limited only by their imaginations. For operators, the stakes have never been higher and timing never more critical as saturation in voice, messaging and access services eats away at profits, and as OTT players and others race to innovate.

To secure their claim in the digital lifestyle ecosystem and capitalise on the fourth revenue wave, operators must move quickly to transform their business models and their networks into ThinkingNetworks. That journey begins with Policy Everywhere, and as evidenced by the number of announcements around policy, that journey has already begun.

**www.tekelec.com**
The mobile ecosystem continues to expand at lightning speed, with endless innovation and new applications of connected technology. Similarly, the industry's premier event is expanding in 2013. Mobile World Congress is relocating to a new world-class venue, Fira Gran Via, in the heart of the Mobile World Capital. With this convergence, the possibilities for global impact are endless.

Join us in Barcelona as together we explore the New Mobile Horizon

www.MobileWorldCongress.com
The mobile ecosystem is expanding at lightning speed, with endless innovation and new applications of mobile technology. From contactless payments and augmented reality to embedded devices and connected cities – mobile technology is changing the landscape. The impact mobile will have on the world is limitless. Even the landscape of Mobile World Congress itself will look different. The event has outgrown its traditional site at Montjuic and is relocating to a state-of-the-art facility at Fira Gran Via.

Highlights of Mobile World Congress 2013 include:

- CEOs of the world’s most influential companies will share their visions of the mobile landscape while inspiring attendees in the event’s thought-leadership conference.
- More than 1,500 of the industry’s leading suppliers of mobile devices, services and technologies will be part of the exhibition.
- More than 12,000 application developers will gather for App Planet to be educated, energised, and challenged.
- The world’s largest consumer brands will join the Congress for mPowered Brands, where marketers’ knowledge of mobile as a marketing medium will be accelerated.
- The GSMA will recognise the industry’s greatest achievements, new technologies, innovative devices and ideas through the 18th Annual Global Mobile Awards.

During the four-day event, more than 70,000 senior mobile professionals will network and exchange ideas – one of which may further change the landscape of mobile. The theme of this year’s event is the New Mobile Horizon. Barcelona, as usual, will provide the platform to explore that.

www.mobileworldcongress.com
The action-packed agenda focuses on:

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There's more to outsourcing than cost savings

Sometimes the false economy of attempting complex tasks yourself, has its own logic, finds Nick Booth

They say it’s always a false economy to attempt any job where you have no expertise. Builders often ask, “Who on earth did this?”, when examining my handiwork, before shaking their heads in sorrow that “this will have to come out”. Yes, I know, putting the damage right costs far more than I would have saved. Yes, I know about comparative advantage calculations so, yes, I know that hiring an expert works out cheaper, even if their hourly rate exceeds your own.

But you know what? Conventional wisdom is wrong. My DIY failure is money well spent, for one previously unreported reason. It silences those awful nagging voices in my head that keep repeating themselves all day. “You could do this! You’d save a fortune. Why don’t you have a go?”. As a sufferer from these voices, let me tell you this: exorcising these doubts by proving my incompetence is worth every penny that I ‘wasted’. I’m sure I’m not the only person to be troubled by these internal dialogues. Elsewhere in this issue, we discuss the pros and cons outsourcing BSS/OSS systems. Running these vital services is a rare skill which is highly rewarded. I couldn’t get anyone to admit as much, but I suspect that in every CSP there’s at least one person thinking, “We should be doing this ourselves. I could integrate silos. I could knit systems together. It would look great on my CV. How hard can it be?”

I’m sure I’m not the only person to be troubled by these internal dialogues. Elsewhere in this issue, we discuss the pros and cons outsourcing BSS/OSS systems. Running these vital services is a rare skill which is highly rewarded. I couldn’t get anyone to admit as much, but I suspect that in every CSP there’s at least one person thinking, “We should be doing this ourselves. I could integrate silos. I could knit systems together. It would look great on my CV. How hard can it be?”

Those of us who envy techies their mysterious, unachievable skills are shocked to find that, in their parallel universe, they think the grass is greener on our side. Verizon recently reported that it uncovered a software developer who was outsourcing his job to China. If I could develop software to a professional level, I’d be happy with that. I’d be developing my “Who Do You Sue” legal game show for the iPhone. Not this developer.

His bosses, so the story goes, had no idea he was sub-contracting out his career. Nobody noticed because the firm was happy with ‘his’ work and the rogue delegator spent his days seeking pleasure on Facebook and eBay. He’d have got away with it too, if it hadn’t been for those meddlesome kids from Verizon, who spotted an odd pattern of activity in his Virtual Private Network (VPN). They reported that the company had been infiltrated by a secret outsourcing genius (as he must have been, to successfully delegate all his work without a hitch) and subsequently fired him.

The risk of outsourcing was a US$50,000 fee to the Chinese developers, so we have to presume he was rewarded with considerably more in his salary. The other risk that he hadn’t counted on was that his employers, having discovered his ruse, would be short sighted enough to sack him. Surely any man that can handle an outsourcing project so faultlessly must be a project management guru. I can’t understand why his employers didn’t harness this creative talent. Surely they will come to regret this action – who is to say the next developer they take on will achieve any better results? Perhaps they ought to headhunt the man in China – after all, he knows all the company secrets now.

I can’t help thinking the company handled this wrong. They didn’t do a good risk reward analysis. What was the risk of firing him? Pretty big. Wouldn’t they have been better off to let things lie?

I often feel like when I upgrade my phone. My new Samsung Galaxy is a case in point. In theory it creates so many wonderful possibilities, as the man from the mobile operator promised. Sadly, those possibilities haven’t turned out to be things I really needed.

The rewards of most smartphones are outweighed by the risk that you get a handset that thinks it knows better than you. Until you can tame your mobile, you end up with a gadget that constantly inserts the wrong words into your messages, calls people you don’t want to speak to and gets in the way when you want to answer an urgent call.

Maybe this is the mobile operator’s revenge, for forcing them to make such a frightening investment in LTE and forcing them to embark on impossibly difficult BBS/OSS projects. Still, if they ever wanted to outsource this job, there’s a man in America who is just brilliant at managing outside contributors. He’s so good that nobody will even notice that the job is being run externally. He’s available too, so he won’t need to be handsomely rewarded. His last employer just sacked him.
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Billing’s back on the CEO agenda

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Billing’s back on the agenda

In a recent social media exchange with Olivier Suard, a former marketing director of Comptel, we joked about how all billing concepts I was reporting on and he was marketing a decade ago are finally being seen in the market. OK, we’ve had a dotcom bubble bursting and a double, or triple, dip recession to contend with but, nevertheless, it seems to have taken an overly long time for the concepts of 2003 to emerge into reality.

Billing has changed – it’s moving away from metered voice minutes to data bundles with a range of bolt-on propositions and content-specific deals to be offered to consumers. Turbo button to accelerate that HD video download, madam? Facebook bandwidth monthly subscription, sir? Cloud-based storage service for your smartphone-generated content, anyone?

These are the billing propositions systems must support, if not now, then very soon. Once they’re in place, CSPs will be able to bring innovative, profitable services to users and make sense of their 4G investments. As Lucas Skoczowski, chief executive of the soon to be radically enlarged Redknee, emphasises on page S6, CSPs need more agile solutions so they can personalise the customer experience and deliver relevant, attractive services.

The C-suite recognises this and that’s why billing is back on the agenda.

Enjoy the supplement!

George Malim
VanillaPlus: Amid all the changes we’re already experiencing and those that are shortly to arrive, how do you see the mobile industry in three years?

Lucas Skoczowski: To quote a famous Canadian, Wayne Gretzky, we ‘try to skate to where the puck is going to be and not where it has been’ in our approach to our business strategy and how we support our CSP customers through the development of our roadmap for our products and services. In the next three years, we see three key trends which will change the mobile market significantly – the continued rise of smartphones, ongoing innovation in data services and the proliferation of m-payments.

Firstly, we see that the industry is becoming a smartphone world. We’re already seeing 100% smartphone usage in mature markets and uptake is increasing in emerging markets with the launch of much cheaper smartphone models. The industry has to consider what serving an entirely smartphone owning market means in terms of the services CSPs support and also in terms of billing and how people will want to use their smartphone to interact with their account. The challenge for us is to enable CSPs to deliver a great smartphone experience in an easy way.

Another aspect is the ongoing changes in data services used by subscribers. We’ve been in the business of monetising data services since 2001, and have seen huge changes in usage, the types of services available and advances in device capabilities through the 2G, 3G and 4G evolutions. Looking ahead, we see a lot of upcoming disruption associated with video applications and content on the mobile. Vine, the new video service that Twitter has launched, is a good example of this – where it became the #1 social app on iTunes within 24 hours of it launching. Although it is too early to gauge its long-term impact, what is clear is that people will generate much more video content and will consume it on their smartphones.

The third significant trend will be the different services that will use the mobile phone as a method of payment. We saw it first in emerging markets, such as Africa, and it’s now appearing in different forms in mature markets. We see applications and interfaces on the phone that interact with the back office infrastructure, provided by billing and customer care solutions, will become the norm. CSPs have a great capability around core real-time billing and making this available to application providers will be one of the key things for CSPs to focus on within the next three years. For us, enabling our CSP customers with real-time systems that have highly configurable monetisation capabilities so that they can easily set up these application and content partnerships and then to be able to adapt to the market quickly as new services become available will be important.

VP: You mentioned users will generate content – what impact do you see that having?

LS: It’s important to note that they will not just...
be watching or consuming but also creating and sharing. What does that mean? Obviously there will be huge growth in data traffic with much more video and interactivity and also by bringing these different types of content together. Social media is a key driver of this trend.

**VP: How can service providers use social media to benefit their business?**

**LS:** There are two aspects to this. One is social media as a service provided over the smart phone or data network. The other is social media as an enabler for CSPs to interact with their customers in new ways.

I’ve already started to see CSPs use social media platforms, such as Twitter and Facebook, as a channel to communicate with their customers. There are a large number of new opportunities here. For example, the ability to connect Friends and Family tariff plans with social media could be compelling. We’re working with Microsoft on leveraging the next release of its Dynamics CRM platform, which will build in connectivity to the leading social media platforms. If, for example, a semi-disgruntled user is broadcasting that they’re unhappy, we will have the ability to look for that on Twitter and turn it into a case for the call center to follow up. Previously the primary interaction with customer care would have been via the call center. Customer care agents will now be able to reach out to customers, receive feedback and provide help through social media.

The other aspect concerns how customers use social media. It has been reported that mobile users spend 30 percent of their time online visiting social networks. I’d be the last to predict what is going to happen in terms of the applications that will emerge but social media will bring about a new
CSPs need more agile solutions to personalise the subscriber experience and provide exceptional customer care. The era of billing and bundling in different ways. New partnerships are one way that this will emerge. For example, in some of the Asian markets, network operators provide a bundle composed of a smart phone and free WhatsApp usage. As real-time billing systems are integrated with network capabilities and policy management, we will see an explosion of innovation in pricing and bundling services and content for subscribers. From our perspective, enabling our CSP customers to make innovative, personalised offers to their subscribers and communicate in real-time with these subscribers will be critical. The transparency, also provided through real-time capabilities, when interacting with subscribers, is another important success factor in enabling CSPs to attract and retain subscribers and ultimately remain effective. The ability to provide real-time, accurate pictures of usage and then making new options available will transform today’s business models.

VP: What is needed to monetise this?

LS: The WhatsApp example is a good way of achieving this and it is something Blackberry also has done quite well. From a billing perspective they offered an unlimited bundle of Blackberry usage per month across BBM and messaging along with the normal voice, SMS, and data tariffs. If you think about that from a back office perspective, it means identifying the content associated with different applications and integrating this into the subscriber’s billing profile. The next step for a CSP is to move this billing to real-time by leveraging an integrated converged billing, customer care, and policy management solution. This enables the CSP to eliminate a lot of the headaches of having many different systems which haven’t been integrated, and instead focus on bringing out new offers to address the needs of their market segments.

VP: What does this mean for service providers today?

LS: CSPs need more agile solutions to personalise the subscriber experience and provide exceptional customer care. By implementing a converged end-to-end billing and customer care platform, CSPs can quickly support new services, applications and business models and when integrated with real-time rating, CSPs will be able to bring innovative data services faster to the market and monetize them. CSPs need to assess whether their existing billing system can support these new services and with the flexibility and scalability that will be required in the future.

In order to do this, CSPs need a technology roadmap that addresses these new business requirements. CSPs can make the challenge more manageable by targeting a segment in their subscriber base with specific capabilities. We have seen CSPs becoming more willing to look at different parts of the market that they are trying to serve and come up with specific solutions to serve them. For example, one of our Tier 1 customers in North America wanted to launch a sub-brand in order to target a new segment of subscribers. They found that their legacy billing solution did not have the capabilities needed to support the customer experience it wanted to provide or the services it wanted to launch. In addition, its legacy billing solution did not provide the flexibility or time-to-market it needed to support a new brand launching to the market. Ultimately the business case led them to implement a cloud-based, adjunct billing system to support the business and technological needs and the future sub-brands it wants to launch. This type of business model enables CSPs to have the best of both worlds – whereby they can leapfrog the barriers to innovation from their legacy billing system and also obtain a low-risk investment strategy.

VP: How do you think the cloud will impact the future of communications and commerce?

LS: The cloud will become a key enabler for CSPs to launch and support new services. Infrastructure cloud service providers, such as Microsoft Azure, are providing the scale and flexibility for new consumer applications to be developed quickly and to reach a global audience. In addition, it is creating new ways of generating revenue, such as from M2M solutions, as well as the ability to charge.

From an enterprise IT application perspective, the cloud can allow CSPs to experiment with new services. Billing solutions that are implemented via the cloud or in a Software-as-a-Service solution provide greater flexibility and lower the risk for CSPs to target new market segments, like in the case of the Tier 1 North American operator, or for new entrants, such as MVNOs, to launch to the market quickly – with an investment strategy that they can align with the pace of their business. We are increasingly seeing cloud-based delivery for IT applications as a key mechanism that overcomes the barriers for entry or investment.
If end-to-end billing is your destination, you really wouldn’t want to start from the position many communications service providers (CSPs) are in now. They face very difficult journeys with terribly old fashioned vehicles and massive baggage. Meanwhile, their light-footed OTT rivals have been given a head start. As if that wasn’t bad enough, there’s some dispute about the map and definitions of terms.

The goal of end-to-end billing can be likened to a futuristic shopping centre, where the retailers – the CSPs – enjoy complete omnipotence over their subscribers. They see everything subscribers do, understand it and can control. Old telcos have walled gardens, CSPs have to create Eden and constantly tempt the subscribers into consumption. If subscriber A is thinking of watching a film, their CSP can put all the right conditions in place to aid their enjoyment and gently move them to a high definition view. Meanwhile, at the other end of the scale, Subscriber Z wants to socialise more aggressively and use these social recommendations to help them shop online. An omnipotent CSP could help them assemble all the right information, fine tune the network and account for all these transactions accordingly.

You can’t have a good business without an all-seeing, omnipotent billing system. That leaves the CSPs with some tough strategy decisions to make, writes Nick Booth.
Monetising network investments, competing with OTT players, and delivering on increased customer expectations are all big topics to tackle – and have interdependencies. Yet, tackling all of these at once can be a daunting or a near impossible task for CSPs that have disparate ecosystems in place.

It is well known that outdated BSS silos do not support the monetisation and customer experience needs of the connected world, and are hardly efficient. Time to market of new services and lines of business is certainly impeded with multiple systems. In addition, they fall short in providing actionable real-time insights based on usage patterns, services being accessed and customer care channels being utilised as silos typically have their own ways of accessing and interpreting data. And, of course, treating policy as an ‘add on’ does not facilitate the appropriate blending of both subscriber and network information to monetise the influx of data - including OTT services - running over CSPs’ networks. Policy must be integral to the BSS solution to facilitate these new needs.

To cut through the clutter and compete in the connected world, CSPs would be wise to consider a more holistic approach towards advancing their BSS ecosystems to meet the new needs of the hyper-connected landscape.

To gauge whether existing BSS infrastructure is up to par, CSPs should ask themselves whether their BSS system(s) can:

• Share real-time customer and product data: Across critical business functions and any customer interaction channel

• Combine analytics with real-time insights (network, usage, customer channel): And take appropriate action (personalised recommendations, campaigns and promotions)

• Support policy-enabled charging and traffic management as a single solution: For any service or business model

• Seamlessly support new business models: Connected - such as M2M or 4G/LTE - and/or convergent, such as multi-service/payment, business models without requiring a forklift upgrade or full system replacement

• Connect CSP business processes and BSS systems to the social media world

If the answer is ‘no’ to most or all of these questions, then the current ecosystem is impeding growth.

Increasing competitiveness, revenues, and customer retention

To tackle the big items, such as monetisation, competitive differentiation, and customer experience optimisation, CSPs will need to adopt a future-proof BSS solution that supports both today’s and tomorrow’s business needs.

Such a solution must support a large and dynamic services catalogue; enable personalisation by sharing a single real-time view of the subscriber and their account with an ability to act on this view via analytics. It needs to be able to extend this real-time view to customers to support account transparency and provide the tools to better monetise the services and content they will need to sell in the future.

In addition, as each CSP has a unique business situation and will evolve to address new and emerging business models in its own way, the solution must be open and modular in nature to address the specific needs of today while providing the agility to seamlessly add-on functionality as needs continue to evolve. For example, injection of real-time capabilities and...
policy controls into existing postpaid environments as a first step can allow CSPs to protect existing investments while being able to address real-time demands such as bill shock prevention, revenue protection, plus increasing consumer demand for real-time updates and real-time marketing for their postpaid customers. The ability to later expand this solution to full convergence makes this first step future proof.

The proof is in the profits
The Comverse ONE® Billing & Active Customer Management solution shares a real-time view of customer and product information across business functions spanning policy to CRM to charging and billing. The solution’s open and modular architecture offers varying deployment modes to support converged billing, real-time billing, postpaid billing, and real-time for postpaid. The solution can also extend account information and case resolution capabilities to social media sites via connection with Comverse Share – a service-oriented solution that adds a social layer to operator services and business processes to cost effectively unlock rich social media opportunities.

Comverse ONE’s unique architecture is an enabler of cross-organisational efficiencies, advanced monetisation, marketing innovation and a superior end-user experience in the converging, hyper-connected landscape. CSPs all across the globe are using Comverse ONE to secure success, examples include:

- **Real-time credit control:** A European CSP augmented its Comverse Kenan postpaid billing system with key real-time advantages such as spending control capabilities — resulting in doubling the number of postpaid mobile subscribers.
- **Comprehensive CRM & BSS:** A CSP in the Middle East selected Comverse ONE with telco-specific CRM (campaign, case and interaction management) to support rapid launch of an entirely new 3G network. Results included a dramatic reduction of average call handling times and faster time to market - configured, tested and launched a complex plan in one week. Another CSP in Western Europe, reduced time-to-market by 50%.
- **BSS linked with policy:** Tight linkage between BSS and Policy Management enables a northern European CSP to introduce effective segmented/personalised data plans quickly using both network and subscriber dimensions.
- **Smooth path to convergence:** A CSP became the first in Western Europe to support video on demand services with real-time charging capabilities. The CSP now bundles effectively across cable and mobile lines of business, and has garnered a 44% increase in VOD transactions over the previous year, and a 51% increase in net new subscriber additions.

Whatever your evolution path, Comverse ONE makes the transition achievable with a proven deployment methodology that leverages deep-rooted expertise in both IT implementations and network complexities to minimize cost and risk. With Comverse ONE, expanding your connected horizons, in the hyper-connected landscape is efficiently attainable.

Comverse at MWC: Boosting agility and profitability in the hyper-connected landscape

In presentations, demos and meetings at Mobile World Congress (MWC) 2013, Comverse will demonstrate how Comverse ONE BSS helps secure business agility and long-term profitability.

See how you can gain seamless entry into new lines of business via convergent architecture:

- Advanced policy-enabled charging, marketing & traffic management and advanced analytics for all services and business models (M2M, Cloud, Data)
- Multi-channel (including social), consistent and targeted marketing & customer management

The Comverse MWC booth features over a dozen innovative hand-on demos, including M2M enablement solutions that highlight how CSPs can morph from connectivity providers into high-value M2M service providers and Actionable Analytics to transform CSPs’ data into actionable intelligence for contextual marketing, support and customer care.

Comverse ONE demos that show how to fuel your entry into new domains include:

- **Social media extensions to Comverse ONE:** Add a social layer to customer communication and management systems, utilising social channels to drive marketing and sales activities, improve customer care and enrich the user experience with value-added social services.
- **End-to-end policy definition, inclusion in an offer and offer presentment:** Introduce innovative data plans to market faster and at lower cost. Let your marketers roll out superior revenue-accelerating plans intuitively and quickly.

To learn more about Comverse at MWC 2013, contact us to schedule a meeting and for additional info on Comverse presentations, demos, meetings, networking cocktail and other special events at the Comverse booth (Hall 3 booth 128 (B)).

www.comverse.com
In this idyllic trading environment, every supporting system – CRM, customer analytics, network operations and billing control – must work in instant, perfect harmony, according to billing specialist Redknee. But any CSPs who think they can reach this point by migrating their legacy systems are kidding themselves, according to Marcos Malzone, Redknee’s director of business line management in converged billing solutions.

Many CSPs can’t admit their hotch potch of information silos contain barely compatible customer records, prepaid credit information, tariffs and account information. Bringing all this data together, just to bill retrospectively on voice calls and texts alone, requires a super human effort. In comparison, processing the far more complex streams of video, games and apps, then rationalising that with networking information and regulating it via a billing system, is miraculous. CSPs need to move to a totally different dimension. Without making a realistic assessment of the scale of the gap in class of service, CSPs will find it difficult to reach their destination of omnipotent end-to-end billing, he argues.

“The CSPs need to know more about the customers, they need to be able to see what they’re doing and they need to create policies for how they react to whatever the subscriber is doing,” says Malzone. Unless they bite the bullet and recognise the scale of the challenge involved in reconfiguring and fine-tuning their old systems, the CSPs will be giving themselves too much to do, when there is so little time to do it. “Until they do this, they cannot get creative in the way they interact with customers,” says Malzone.

How close are the CSPs? From a technical perspective the objective is clear and it is doable, according to Timo Ahomaki, Tecnotree’s CTO. “The goal is to create one process throughout the entire chain which is transparent,” he says. There are two obstacles that must be overcome before ‘frictionless billing’ – his term, is achievable. The first, the billing technology, is relatively easy. It’s the second challenge, the business process issue, that will take some time, resources and political will to resolve, as it involves people and entrenched practices. “The business processes are much harder to change. There are more stakeholders and more unknowns,” he says.

Roaming is a case in point, says Graham Kunz, product marketing manager for Empirix. If there was perfect communication between CSPs and subscribers, many of them wouldn’t get stung by massive data bills when they go abroad. “A lot of the data plans for CSPs are best effort anyway,” says Kunz, “if a subscriber uses Skype or WhatsApp now, there can’t be any guarantee over the level of service.” So subscribers get the impression they are dealing with a dumb pipe provider, a feeling that is reinforced when they try to query their holiday bill. They don’t get this feeling from their limited experience with interacting with OTT players.

In the meantime the newer OTT players are racing ahead, warns Rob Smith, director of market development for billing outsourcer, MDS. The mobile network operators are creating problems for themselves by trying to do it all, says Smith. The masses of information that could be used for improving the customer experience are trapped in information silos and systems bottlenecks. There are historical lessons that CSPs can apply to this current end to end billing crisis, Smith argues. “Vodafone Live is a good example of what happens when a CSP thinks and acts too network centric,” says Smith. His argument is that CSPs should concentrate on tying services in together and that trying to control every aspect of the network is a bridge too far. The answer is in the cloud, he argues. “The big idea now is billing as a service,” says Smith.
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1. What is the principal product or service supplied by your organisation at this site? (Tick ONE only)

- [ ] Systems developer / vendor
- [ ] Mobile Network Operator / MVNO
- [ ] Communications service provider (cable, ISP, telco, etc.)
- [ ] Network operator / carrier
- [ ] Government agency / regulator
- [ ] Systems integrator / consultant
- [ ] Equipment (hardware) producer / vendor
- [ ] Corporate communications end user
- [ ] Other (please specify) __________________________

2. Which of the following best describes your job function? (Tick ONE only)

- [ ] Billing / Customer care
- [ ] Business development
- [ ] Communications / technical consultancy
- [ ] Corporate management
- [ ] Financial management
- [ ] IT / MIS management
- [ ] Research / Systems development
- [ ] Sales / Marketing / Product management
- [ ] Strategic / Network planning
- [ ] Systems integration
- [ ] Technical management
- [ ] Other (please specify) __________________________

3. When your organisation purchases communications products / services, do you? (Tick ONE only)

- [ ] Influence the purchase
- [ ] Specify the purchase
- [ ] Authorise the purchase
- [ ] Have no direct input

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Please ensure that you have answered questions 1-3 above and have signed and dated this form. Incomplete forms cannot be accepted.

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IBM: “Throughout the incredible journey of the telecom OSS/BSS sector over the last 10 years, VanillaPlus has remained a reliable source of both key news but also informative, objective and thought-provoking assessments of the key trends which have shaped our industry. I am looking forward to VanillaPlus playing a key role in providing valuable insights as we enter one of the most exciting phases of the telecom OSS/BSS market evolutions.”

Kieran Moynihan, VP & CTO Telecoms, IBM Tivoli Division.

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