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TEAM EFFORT
Sharing the Blame for Failures in Competitive Telecommunications

1996 – the FCC drops the green flag, and the race for competitive communications is on. What a race it is:

- Some 1500 new service providers spring up.

- The network vendors are delighted.

- Software application engineers are delighted.

- The investors are delighted.

- New services are created and brought to market by scores of new companies.

2001 – the industry is collapsing and everyone is trying to figure out what went so very wrong. Consider:

- Where did we think we would find 1500 management teams with start-up and operations experience?

- Creative financing from the network vendors tempted naïve management teams to choose networks before deciding what services were to be offered to which markets.

- Software applications with appropriate business functionality at a reasonable price were not available in time to support the new service providers.

- Customers proved reluctant to leave the incumbents for upstarts with unproven service delivery capabilities.

The new service provider management teams were short people and short experience. Faced with limited staff, these management teams looked to their suppliers to provide them with the questions, answers, and staff they were missing. They looked to the network vendors to sell them the right networks. They looked to software vendors to sell systems complete with appropriate business policies, methods and procedures, co-carrier agreements and regulatory reporting requirements they needed. And they looked to Systems Integrators to identify and solve every other business issue necessary to get their businesses up and running.

However naïve it seems to us now in perfect hindsight, who should bear the responsibility for this crashing house of cards? Should the network hardware vendors have known better than to try to sell some three years worth of networks in one year? Often to people who had never built out one network before? Should the software application vendors have built their piece of the solution puzzle to fit neatly into the surrounding applications? Should the systems integrators have known that their traditional pre-implementation "Requirements Confirmation" phase was inappropriate, given that their clients had not yet understood their business requirements, much less prioritized them in readiness for "confirmation"? Should the investors have better understood what a complete and executable business case must include? And where were the strategic consultants and other industry gurus who should have been able to foresee the need for very different solutions for this new industry?

It is of course easy, and largely accurate, to say that the blame should rest with the service provider management teams who stepped up to the challenge of delivering on their business plans. Only they had the responsibility to fully understand the issues, implications, and requirements for success. There however could be made a reasonable case to spread the blame around a bit. I suggest a long look in the mirror for all suppliers and partners too.

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