
Leading the Charge to New Generation OSS***Where is the NGOSS Gorilla?***

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The concept of NGOSS seems to be sound and worthy. But what are the chances it will actually happen? Our assessment is that the incentives for the vendor community to make it happen are not sufficient to deliver the industry transformation the NGOSS visionaries would like. The service provider community is likewise reticent. Is NGOSS going to become just another good idea shelved in the library? Or will it be a means for some enterprising company to achieve market leadership?

An important reason for the disappointing results of many telecom service providers has been the lack of fit-for-purpose, affordable, and maintainable OSS applications. Ironically, there is sometimes not much *support* provided by Operational Support Systems. The effect on service providers is far reaching:

- Costs for system acquisition, implementation, integration and maintenance are much higher than predicted.
- Productivity gains expected from increased automation are not achieved, leading to higher staffing and operating costs than forecasted.
- It is a struggle to meet service commitment dates and service level performance agreements when so many tasks remain integrated only via "sneaker ware". Poor service quality leads to loss of customer confidence, and heroic effort to rectify the problems, which in turn puts more pressure on operating margins.
- Customers, investors and service provider management teams all suffer the frustrations of too much cost for too little support.

The consensus among market researchers is that the global spend on telecommunications OSS applications and Systems Integration is some \$20 Billion each year. At the same time, a January 2002 report by McKinsey highlights some disturbing trends, suggesting that the telecommunications industry has only marginally improved its productivity over the past ten years, with even these low gains apparently driven by improvements in management capability, not software applications.

How did we get into this situation, and how are we going to get out?

One of the principal causes of the complexity of today's OSS environment is the complete lack of system functionality standards. For example, developers of billing software can effectively set their own scope for their own "billing" system. Some include data collection from the network; others don't. Some include invoice

preparation; others don't. Some include customer inquiry management; others don't. You get the idea.

Now consider that there are sixteen major business processes involved in delivering services to customers (from Marketing through Service Delivery to Service Management and Billing). There are dozens of OSS vendors for each of the areas, and each offers its own interpretation of scope for each of these sixteen functions. It is an enormously complicated, time consuming and expensive task to figure out which OSS components to choose, and how to resolve the overlaps and gaps across them.

Enter the TeleManagement Forum (TMF) and the New Generation OSS initiative - NGOSS. The TMF is an international group of service providers and vendors working together to develop standards and common terminology, to drive down costs and drive up interoperability. They have been very successful in getting network elements to work well together, and have turned their attention to the OSS situation, hoping to gain the same rationality in OSS functionality and interoperability.

NGOSS™ is the term TMF uses to describe a "loosely-coupled" distributed component architecture along with business application components upon which a service provider business can run. The components interact through a communication infrastructure and can be programmed via a process management tool to apply the service provider's processes and policies against the functionality provided by the components.

Sounds great – and we believe that like the TMF's Telecom Operations Map (TOM), NGOSS is essentially sound thinking. For service providers, widespread adoption of NGOSS principles would mean:

- Dramatically reduced cost to acquire, implement and maintain "plug and play" OSS components
- Much better end to end control of business processes linked to support systems
- Reduced time to market for new services, which would be quickly and easily supported by off-the-shelf components.

So when will it happen? Who will make it happen? Will the service providers, who arguably have a lot to gain, get together to drive standardization, as they have done over the years with much success at the network element level? Will the vendor community work together to achieve a common benefit? Or will one or a small number of vendors decide to use NGOSS as a way of transforming the market in order to achieve dominance?

The incentives for application vendors or systems integrators to drive the market purposefully towards NGOSS are not exactly overwhelming. Today's dominant players are making the right sort of supporting comments, and some are planning

to meet the potential requirement to be NGOSS-compliant. However, we can understand why, in their hearts, they might prefer the new generation to be a long time coming.

Newer OSS players clearly are enthusiastic about the concept, but they lack the financial resources to drive the detailed NGOSS development standards. They also cannot afford to invest in developing only to NGOSS principles until there are clear signs that the investment will pay off.

So, if today's dominant OSS vendors and systems integrators are less than eager to drive down OSS costs and dramatically shorten systems integration projects; and new OSS vendors lack the clout, who is positioned to make NGOSS a reality?

In our opinion, it will be a major player – an “800-pound gorilla” - in the computer systems arena who currently doesn't offer OSS applications, yet. For this type of player, it would be all upside – new markets, new revenues, and an opportunity to pull through core product sales and expand an already broad footprint. Microsoft, Oracle, HP and Sun Microsystems all have the clout to drive towards OSS discontinuity and all are unencumbered by “old” OSS elements that would be expensive to re-tool to conform to the NGOSS plug and play vision.

If one of these gorillas decides to back the flexible, manageable and scalable architecture envisaged by the TMF, service providers just might get the tools they need to slash OSS acquisition and integration costs, drive down operating cost, and improve customer service.

What's in it for that gorilla? A dominant share of a market that, even when rationalized, will likely be \$10 Billion.

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