
Creating Early Adopters for New Network Gear
After solutions, real solutions?

Barbara Lancaster
Blancaster@LTCinternational.com

Large incumbent carriers are now the main targets for hardware vendors selling new technology products. In the current environment, service providers expect vendors to come up with some very good reasons to take on the risk of early adoption. This requires vendors to work even harder to understand the business and operational challenges faced by their customers.

Vendors of telecommunications gear are now focused squarely on the only folks in town with real money to spend – the large incumbent carriers, the RBOCs, ILECs and PTTs.

This certainly appears to be a better option than selling to the competitive carriers, who are rapidly dwindling in numbers, and even the well-run survivors lack the market support necessary to fund further network investment. Investment in next-generation carriers is just beginning to take focus, so those carriers aren't a viable target market just yet. So the incumbents it is.

Selling established products to big carriers has always been tough. Such expert customers are practiced at playing vendors against each other and striking really good deals for familiar products that fit easily into their existing networks. Selling new technology to incumbents is even more of a challenge, which is why vendors have often preferred to target new carriers for new technology. Persuading large established operators to adopt innovative products presents some specific challenges that many network vendors are not well equipped to handle.

Vendor brochures for groundbreaking products describe appealing benefits such as “enables faster time to market”, “creates new high margin services”, and “reduces maintenance costs”. These business benefits are undoubtedly based on what their product has been conceived, designed, and built to achieve – but they tend to reflect results that can be more easily achieved in a Greenfield build, not necessarily in the more complex operational environment of a large incumbent carrier.

Managers in the incumbents know that the benefits do not flow automatically. The new gear must co-exist with the old. The “old” includes people, processes and operational systems too.

To catch the attention, and the checkbook, of the incumbents, vendors must be able to demonstrate much more than the power of their product. Incumbent decision-makers need to know the total cost of ownership of acquiring, implementing and maintaining the product, at a very detailed level. They must consider things like:

- What are the problems involved in interconnecting the new equipment with the existing network, or would an overlay work better? What needs to be changed or reconfigured in the existing network to bring the new equipment into use?
- Can this equipment be provisioned, activated, monitored and managed by any of the existing Operational Support Systems? Do we need new network element managers? What is involved in integrating the new elements into our old management systems?
- If we need new management systems, has the software been developed yet? Who else is using it? How difficult will it be to integrate with the other systems? What are the training requirements for users of the new systems? How will it impact how they do their jobs?
- What special skills are required to install, configure and maintain the new technology? How much training is required? What category of technician will be required? What will the vendor do to provide technical support and how will we get it?
- To launch the new services enabled by this product, what existing services may be cannibalized? Can the new services be added to existing Product Catalog systems? What are the training impacts to Customer Service groups? How does this impact the invoice structure? How does it affect existing Service Level Agreements, with customers, with partners, with suppliers?

The list of questions goes on. It is a long list and the answers are unique to each carrier, reflecting their existing networks, service portfolios, systems environment, growth philosophies and geographical footprint.

Many network hardware vendors have not yet done the detailed work required to understand these issues, impacts, and obstacles, and so are not prepared to present a compelling cost/benefit story. The job of figuring out how to achieve the promised benefits falls squarely onto the purchaser. The result: slower acceptance of the technology, significantly longer decision-making cycles, and more time and money spent in the testing labs.

And perhaps something more important: it results in lack of confidence in the vendor as a qualified partner. If the vendor cannot speak to the complete impact of adding the new equipment to the network, then the incumbent is forced to question the promised benefits. If the vendor hasn't understood the complexity of their world, what other unforeseen interoperability problems might arise?

Developing the answers and having a comprehensive solution to sell requires a level of expertise and investment few vendors have planned. All of the larger hardware vendors have certainly made an effort to position their products as part of a "solution" –a word that now creates more suspicion than trust in the minds of service providers.

A true solution must actually address a real business challenge. It must solve an operational problem or create the ability to seize a new revenue-earning opportunity. To position an innovative product in the context of a real solution requires the vendor to have a much wider and deeper understanding of the operational environment than ever used to be the case. Paying lip service to this concept does not impress results-oriented, pragmatic decision-makers. They need some very good reasons to take on the risk of early adoption.

Especially in this environment, vendors need to make it an easy buy decision for their customers. More than ever, this needs a clear understanding of the customer's needs. Great products do not happen by accident. Neither does the ability to make it possible for a service provider to adopt a new product quickly and confidently. Vendors who simply sell their technology will continue to be frustrated by the reluctance of service provider executives to sign an order. Vendors who pay serious attention to the full scope of what is really needed to bring that technology into productive use will get a hearing, even in these cautious times.

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Barbara Lancaster is a founder and President of LTC International Inc.

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USA +1 972 234 8997

Europe +44 131 200 6066