

# ***The Customer Focused Lean Operator***

***Business Transformation for Service Providers***

Jim Warner  
President  
TeleManagement Forum

**Welcome to IM 2005 &  
TeleManagement World  
Co-Location**

**"The Place to be for OSS/BSS Issues"**

# The Brave New World

*TM Forum envisions a transformed telecom market*

## WHERE

Operators have radically better:

- Operational efficiency
- Customer service
- Business agility

## VIA

High levels of business process:

- Flexibility
- Automation

## BUILT ON

Software technologies that are:

- Widely available
- Open & Flexible
- Scalable
- Easily integrated

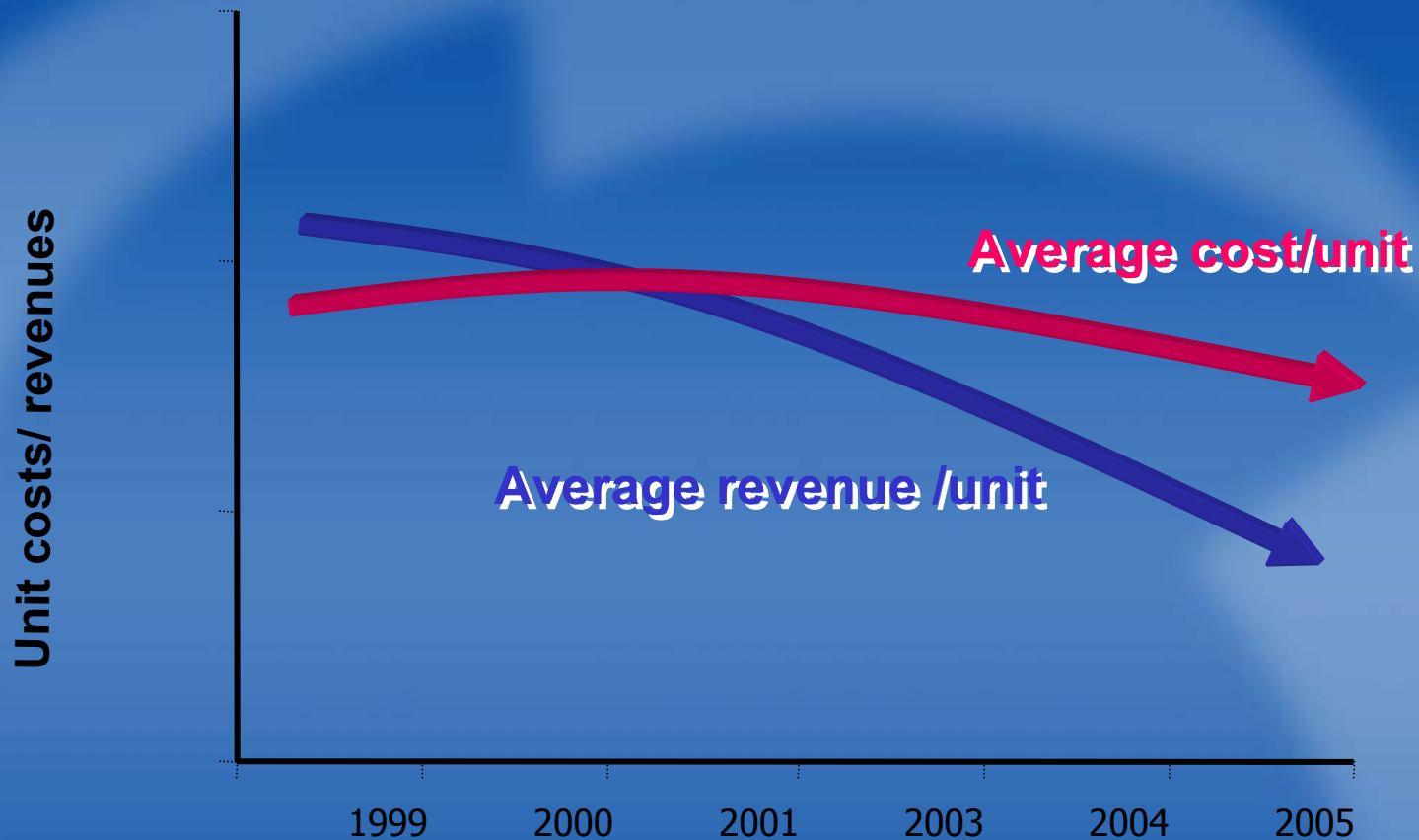
# OSS/BSS Industry

- Total OSS/BSS: \$50 B
  - Fulfillment 100% / yr growth
  - Assurance 5% / yr. growth
  - Customer Care & Billing 10% / yr. growth

# Industry Drivers

- Mobility
- Affordable, Ubiquitous Broadband
- Device & Application Convergence
- Internet Protocol (IP) Foundation
- Tailored, User-Focused Services and Content
- Outstanding Customer Experience
- Business Transformation

# Revenues Falling Faster Than Costs for Most Services



# What Are the Operational Impacts?

## **Commodity voice / bandwidth services -**

*Market being fought on price / quality*

### **Success depends on:**

- ♦ Driving high volumes/high market share
- ♦ Ultra-low operational costs (zero-touch)
- ♦ Significant levels of customer service & quality

## **Advanced / information services -**

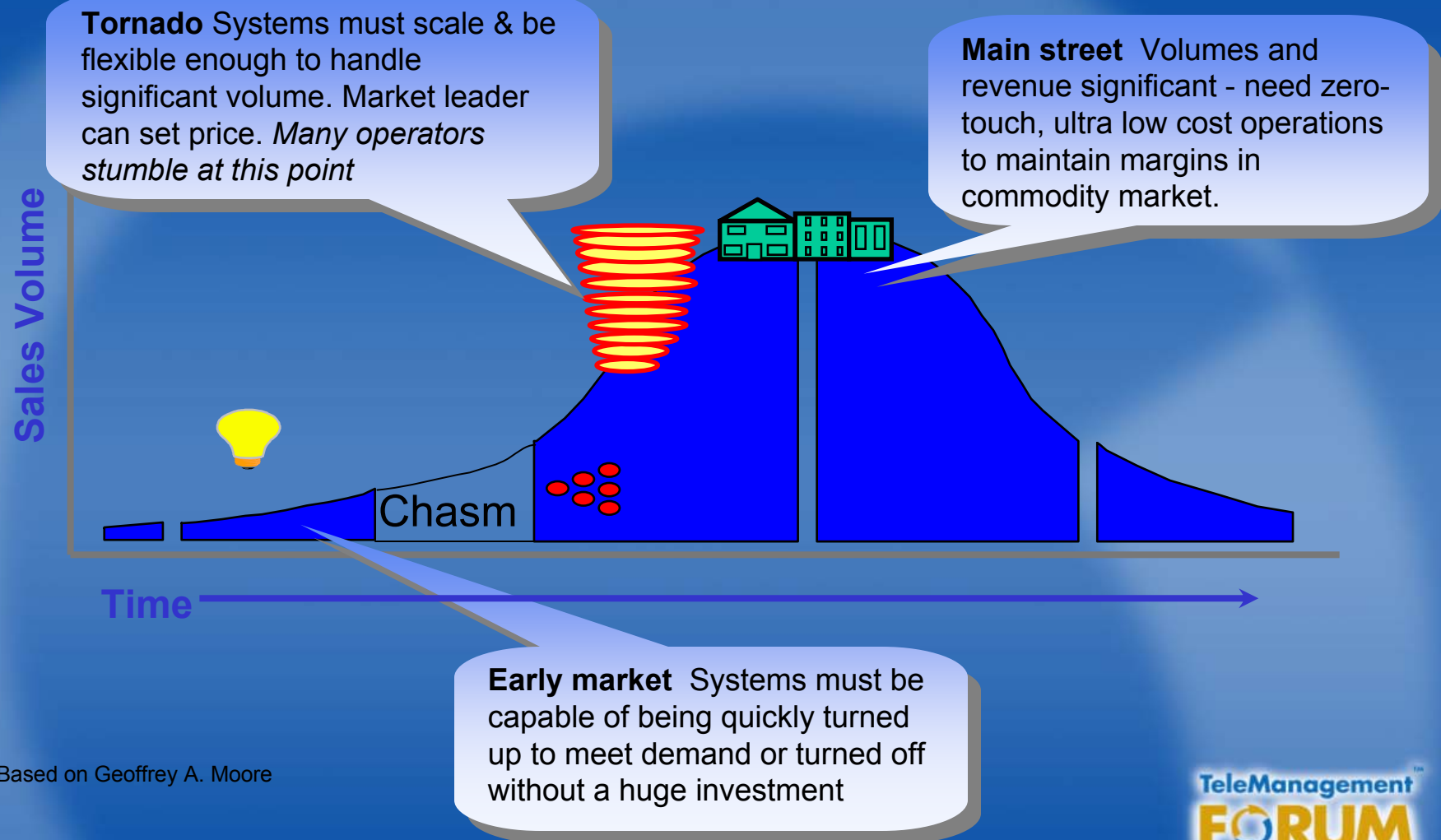
*Market being fought on innovation, speed and brand*

### **Success depends on:**

- ♦ Significant operational flexibility
- ♦ Fast reactions to changes in the market
- ♦ Rapid introduction or changes to products



# Different Strategies for Stages of Service Life-cycle





# The Death Spiral of Cutting Costs

Declining profitability

Across the board  
opex and capex cuts

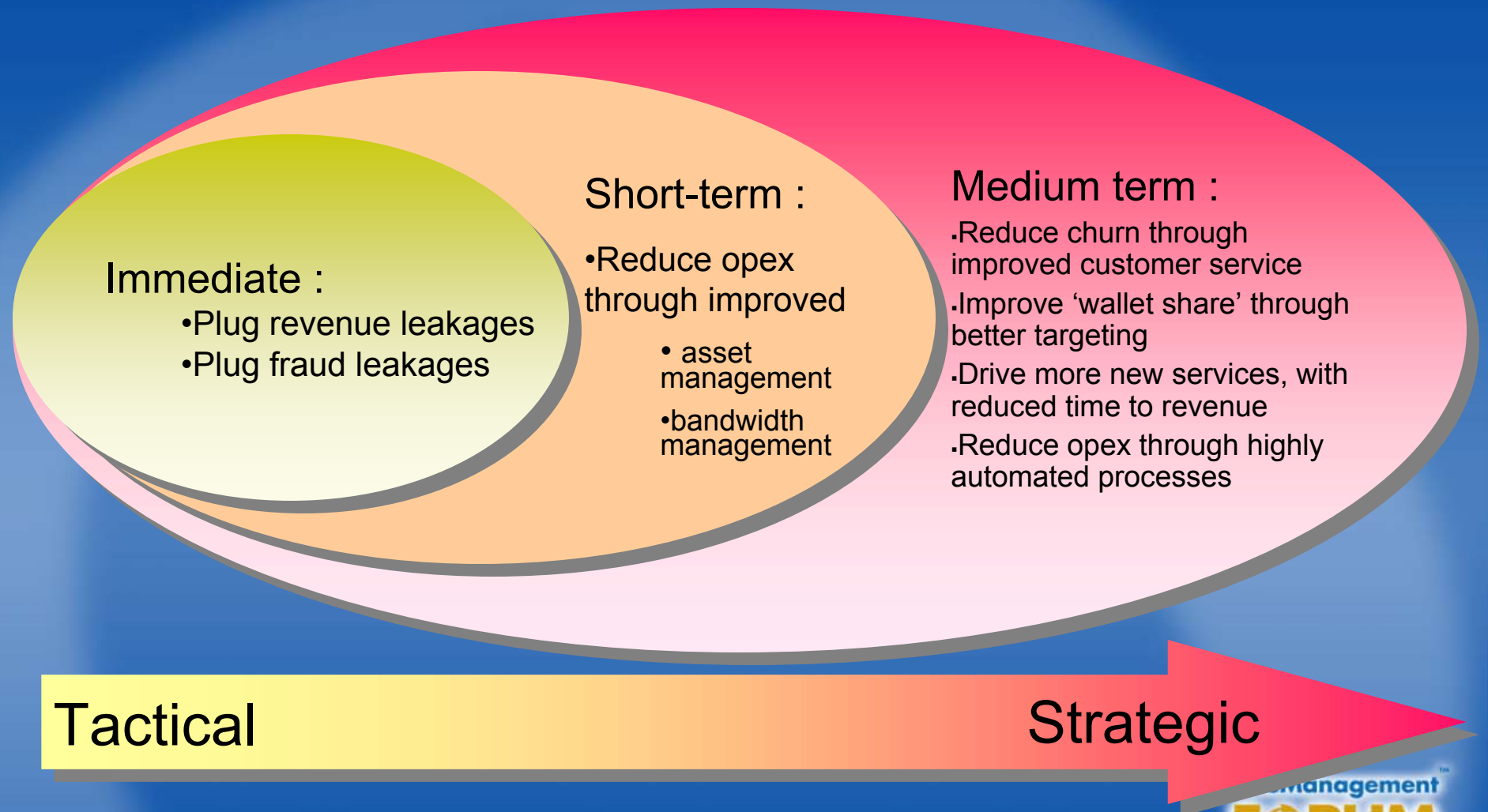
Declining  
profitability

Customer service  
and quality declines

Market share  
declines

# Must Transform the Business

## Efficient - Flexible - Innovative - Responsive



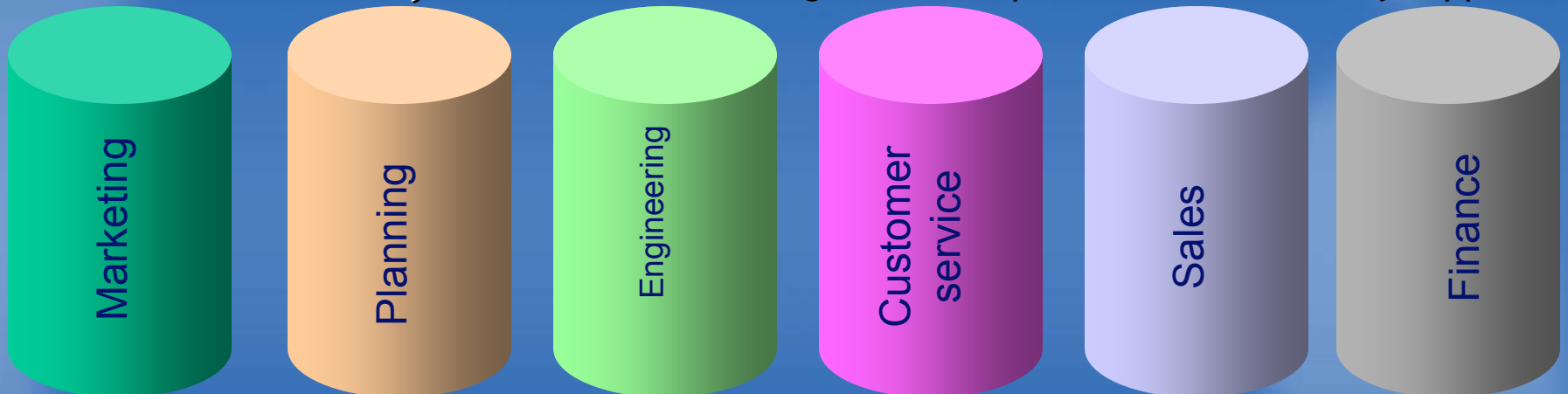
# 'Lean' Operator Goals

- Ultra low cost operations
  - High levels of automation & integration
  - Information integrity
  - Customer self management
  - Low cost of change
  - Commercially available, off-the-shelf, software
- Highly flexible infrastructure
  - Service development at Internet speed
  - Fast time-to-revenue
  - Rapid response to business changes and competition
  - Real-time flow-through service delivery
  - QoS guarantees



# Today's Back-office Reality

- *High manpower costs* because of a lack of automated process flow-through
- *Poor time-to-revenue* because of rigid and inflexible business processes
- *Weak customer service* because of poorly integrated systems with inaccurate data
- *Slow growth* because processes and systems can't scale
- *Slow new service introduction* because of inflexible systems with high costs to make changes
- *Poor economies of scale* because of fragmented acquisitions and too many suppliers



**No one owns the end-to-end process of delivering service  
Organized around internal fiefdoms - not the customer**

# Telecom Must Learn From Other Lean Industries

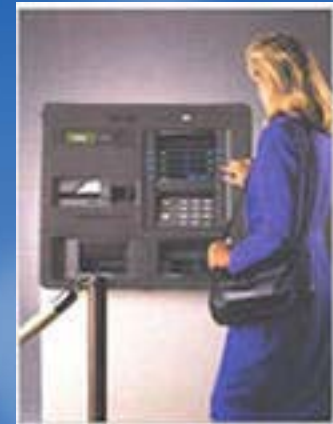


## Low-cost airlines –

- Heavy use of IT and customer self-service
- Demand based pricing
- High occupancy levels
- Heavy use of outsourcing

## Banking –

- Highly automated capital flows
- Customer self-service
- Elimination of manual back-offices
- Fast-changing financial product life-cycles



## Retailing –

- Highly automated flow-through
- Just-in time stock control
- Management of cost-base end-end
- Flexible product life-cycles

# Today, around 50% of all OSS/BSS spending is not productive

Around 12% CapEx  
or around 4%  
of revenues  
spent on OSS/BSS



But up to 50% is  
spent on  
integrating  
dissimilar  
systems



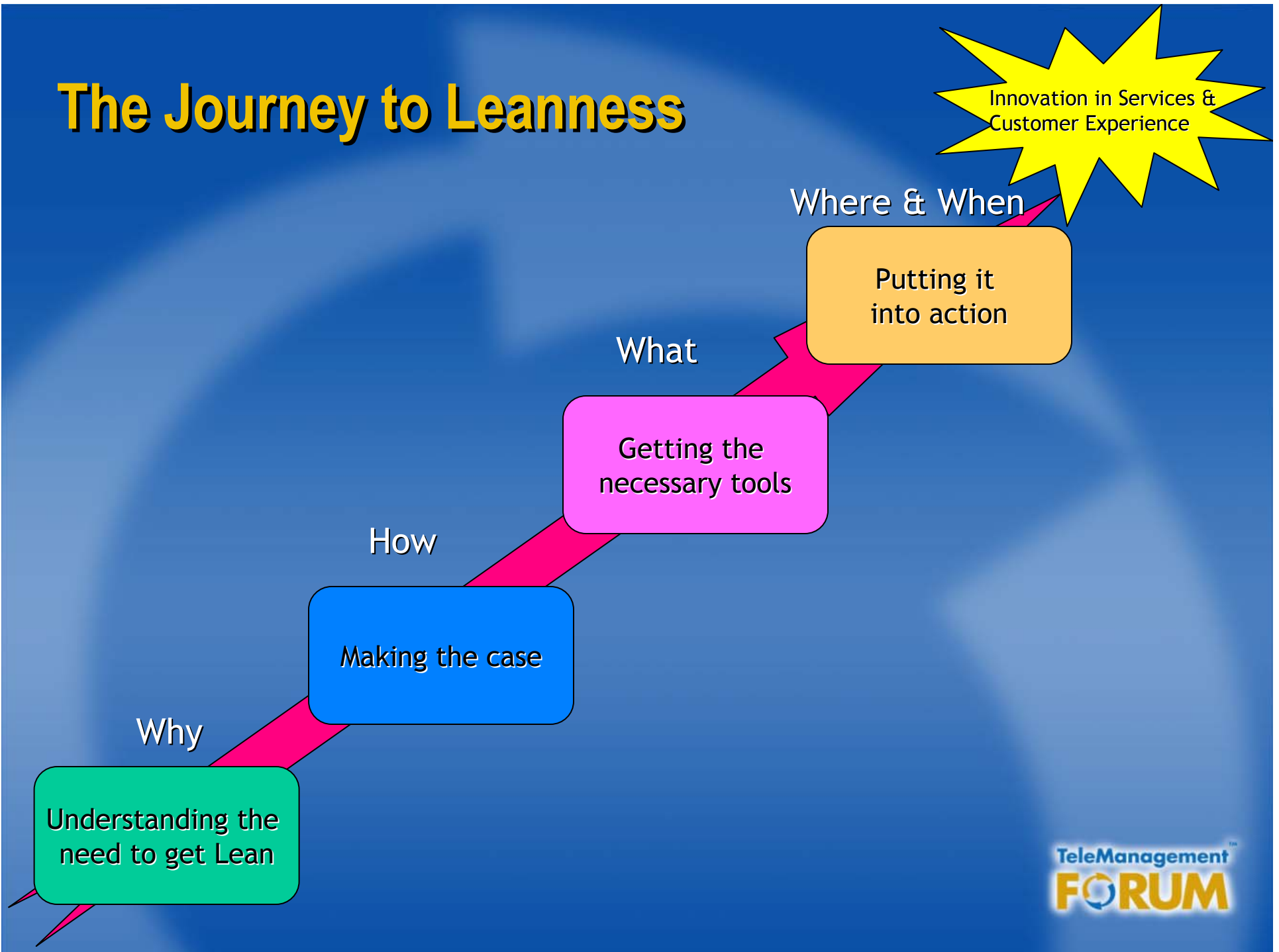
*That 'integration  
tax' could be  
slashed if operators  
bought against  
common standards*



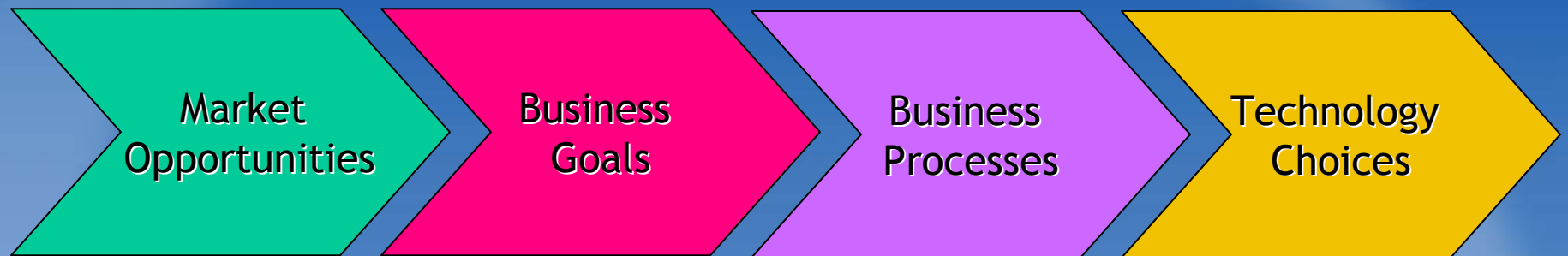
# Becoming a Lean Operator



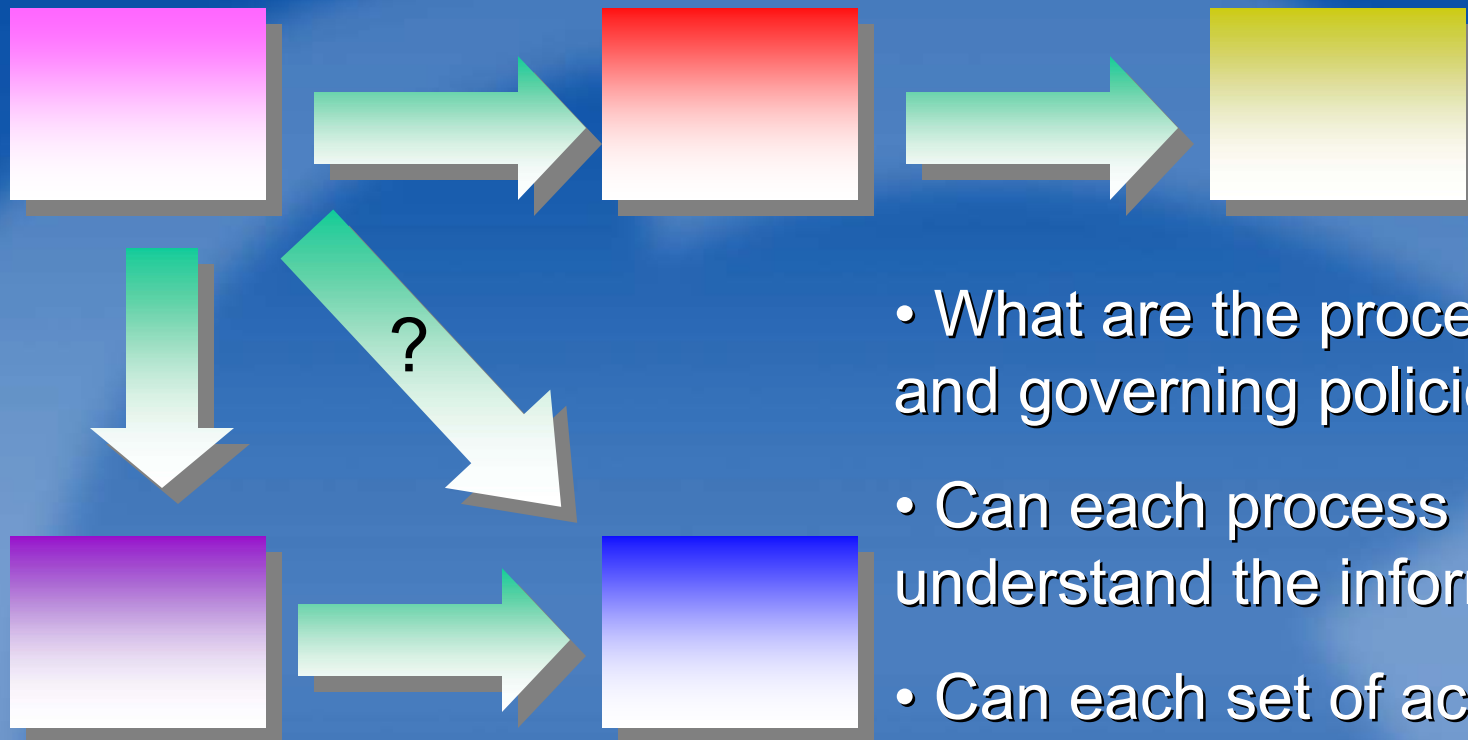
# The Journey to Leanness



# Decision Hierarchy for Operators/Providers



# 3 things to get right



- What are the process steps and governing policies?
- Can each process & system understand the information?
- Can each set of activities interoperate?

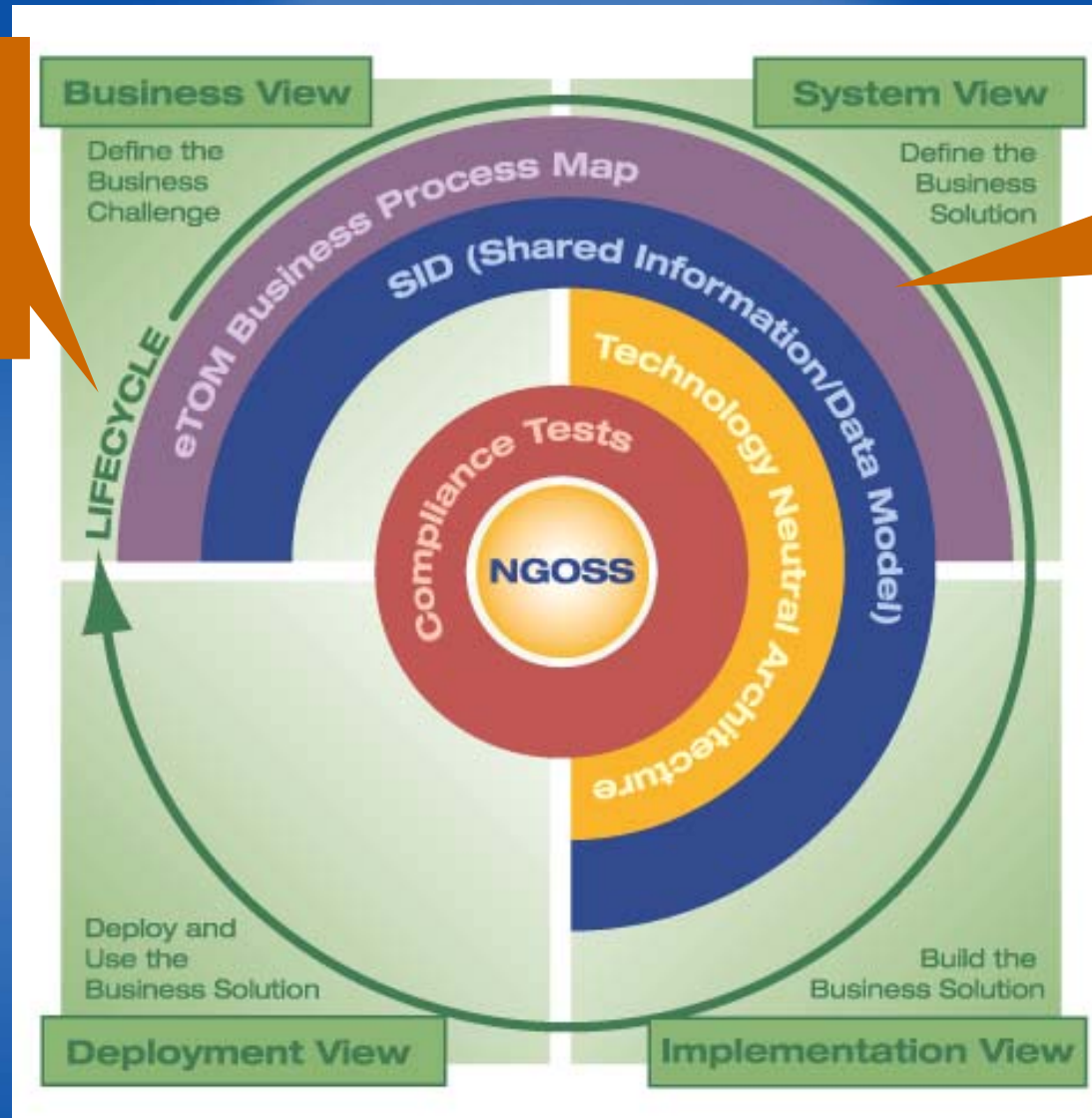
***•Defining and developing each of these uniquely for your company is prohibitively expensive***

# NGOSS – New Generation Operations Systems & Software

- Industry-agreed, business & systems framework to guide the development and implementation of 21st Century Communications Management
  - Defines methodologies for evolving OSS and BSS infrastructure into a lean operations approach
  - Specifies the key characteristics of OSS/BSS that allow high degrees of process integration and automation
  - Developed by major operators and suppliers worldwide
  - Driven and managed by TM Forum
  - Implemented as a set of best practices captured as information models

# NGOSS Views & Lifecycle

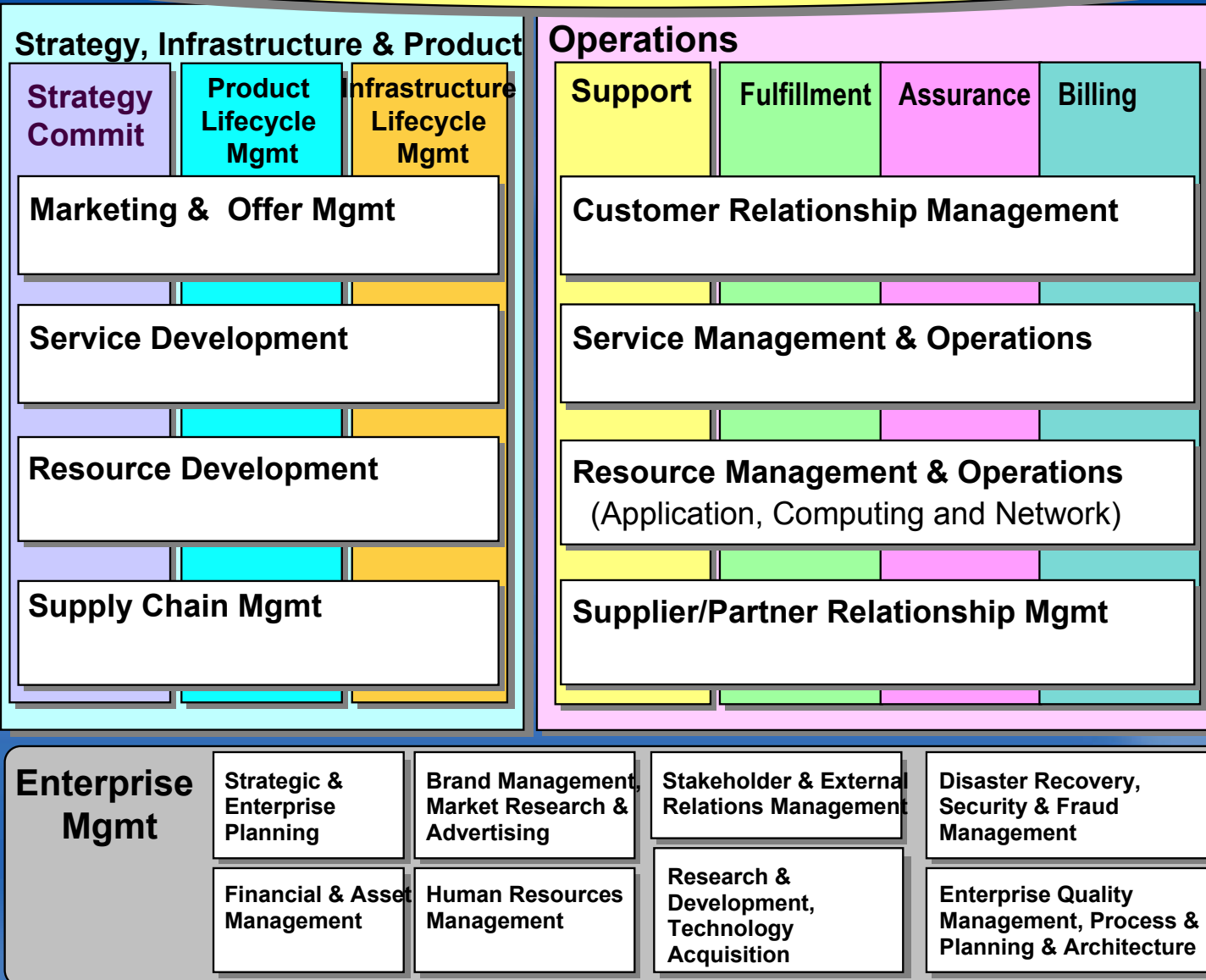
eTOM  
Business  
process  
definitions /  
models



SID  
Shared  
Information  
Model

# eTOM Business Process Map

**Customer**



# SID - Shared Information & Data Model

- Information is the right data getting to the right place at the right time to effect action

## Market / Sales

Market Strategy & Plan

Marketing Campaign

Contact/Lead/Prospect

Market Segment

Competitor

Sales Statistic

Sales Channel

## Product

Product

Strategic Product  
Portfolio Plan

Product Performance

Product Specification

Product Offering

Product Usage Statistic

## Customer

Customer

Customer Order

Customer Problem

Applied Customer Billing  
Rate

Customer Bill Collection

Customer Interaction

Customer Statistic

Customer SLA

Customer Bill

Customer Bill Inquiry

## Service

Service

Service Applications

Service Performance

Service Strategy & Plan

Service Specification

Service Configuration

Service Usage

Service Trouble

Service Test

## Resource

Resource

Resource Topology

Resource Performance

Resource Strategy &  
Plan

Resource Specification

Resource Configuration

Resource Usage

Resource Trouble

Resource Test

## Supplier / Partner

Supplier/Partner

S/P Interaction

S/P Order

S/P Performance

S/P Bill

S/P Plan

S/P Product

S/P SLA

S/P Problem

S/P Bill Inquiry

S/P Statistic

S/P Payment

## Enterprise

(Under Construction)

## Common Business

Party

Business Interaction

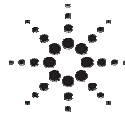
Location

Policy

Agreement



# Who's Backing NGOSS?



**Agilent Technologies**



**ORACLE®**



**Lucent Technologies**  
Bell Labs Innovations



**NEC**



**granite systems**



# Thank You

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