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Managed service provider market set to boom

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SunTec is a leading provider of relationship-based pricing and centralized billing solutions for banking, financial services, and Insurance (BFSI), convergent transaction pricing and billing solutions for Communication, Media & Entertainment (CME) and advanced meter-data management and billing solutions for Utilities industries. SunTec envisions to is to be a global leader in enterprise-wide value management software solutions with a commitment to deliver customer satisfaction, employee empowerment and to thereby provide value to the stakeholders of the company. SunTec have conceptualized and created their core pricing and billing platform, horizontal in nature and flexible enough to address the pricing and billing requirements of any transaction-based vertical.

K Nanda Kumar
Chief Executive Officer,
SunTec

On 2007 revenues and expectations from 2008

Though the OSS/BSS market has been on a growing path in 2007, the pace has not been very attractive. Mostly revenues came from operators deploying billing systems or solutions that aid roll-out of new NGN, triple-play and quadruple-play services.

It is nothing different in 2008; the revenues for the OSS/BSS sector will mainly flow from 2 angles - deployments that help operators plug gaps to roll-out new NGN services and deployments for convergent billing. With moderate growth from last year (a compound annual growth rate at around 4-5 percent), this year's market in India can be expected at Rs. 2,500 crore by year end 2008.

On major market segments

Much of the growth in the OSS/BSS market can be attributed to the NGN market growth. Especially this becomes more prominent in India with high wireless penetration and increased VAS offerings by operators to combat competition. These IP and content transactions require a different perspective altogether, which is mostly not supported by the operators' existing billing systems. Due to the same, large operators are also looking toward a single system across their line of operations, to enable them to not only cater to these new services, but also enable them to cut costs, and have an integrated view of all the service subscriptions from a customer.

Nevertheless faced with the enormity of such projects to overhaul their IT infrastructure, the operators simultaneously look for plugs that can help them in their immediate need to tap this new VAS market. This has also given rise to the adoption of the managed services model. Operators find value in being able to outsource their IT infrastructural and network needs to professionals so that they are able to quickly launch new services

On total installation base of OSS/BSS solutions in India

Arriving at a correct count for installed bases could be difficult. This is mainly because of the multiple kinds of deals that exist - tier 1 operators initiating large projects for integrating their billing system at the same time buying billing systems to cater to their immediate service roll-out requirements; managed services deals for new licensees, and for cable and ISPs to support IP-based services.

On growth drivers and prospects

The main focus for operators being convergence, operators mainly look for solutions that enable the same. As they overhaul their network to an all-IP one, with IPTV and WiMax technologies, they want to be able to fully leverage it. This requires solutions that support convergent mediation, real-time charging, IP/content-based pricing and billing to enable roll-out of both traditional and VAS services. Moreover operators, mainly tier 1 or 2, seek value-added solutions like product catalog and loyalty management to support them at a strategic level by enabling a complete view of their customers and products for better control over their pricing and promotional strategies.

OSS/BSS market will also be driven by managed services vendors - network equipment vendors like Nokia Siemens Network, Motorola, Ericsson and system integrators like Infosys, HCL, and Satyam. With new platforms like VoIP and IPTV, wholesale billing markets are also becoming equally enormous.

On new and emerging technological platforms

WiMax, IPTV, Mobile TV and VAS (content) have been the major additions to operators□f services in the last fiscal. Many licenses have been issued for the same by telecom regulators world-wide. Globally operators are making efforts to move to an all-IP network infrastructure, and Indian operators are not way behind. The content providers/aggregators have also stepped forward to develop their technology infrastructure to have content delivery network (CDN) or service delivery platform that they license to mobile operators. This gains more prominence as India is the hub for content services.

Technological platforms in OSS/BSS are closely linked to support these market evolutions and services. Globally operators look for compliance of OSS/BSS systems to standards like eTOM, IMS, PacketCables, OpenIPTV and 3GPP. They are also keen for SOA-based architecture to ensure easy interactions with their existing infrastructure.

On challenges and opportunities

Owing to the intensifying competition and declining ARPU, operators are demanding more than just a product deployment. They seek a consultative approach from OSS/BSS vendors to help them out in their revenue generation cycle. So this brings a need to proactively bring out more applications and solutions for the operators. Operators thus look for billing systems to not only take care of their IP services but also to enable them to have a consolidated view of their customers and products and produce a convergent bill for the customers interacting with the operator's multiple billing system silos. So opportunities are simply in being market ready and innovative with the best solutions that help theoperators to remain competitive.

OSS/BSS vendors are faced with the challenge and opportunity to be capable of catering to both models - operator premise billing system deployment and deployment that run in content aggregator service delivery platform or a managed service vendor's hosted environment. This in-turn demands scalable systems with adequate assurance for quality and monitoring of schedules.

On complexities

Mainly operators cease to remain a wireless, wireline, cable, satellite or ISP alone, they are fast engulfing all services - voice, video, and data with mobility. Operators also have key focus to roll-out value added services like Mobile TV, Internet TV, PPV, VOD and content services like interactive ads, news alerts, ringtones, and wallpapers. India, though not mature to adopt these services, is definitely catching pace especially as Indian wireless penetration booms and customers increasingly adopt these VAS services.

In effect the OSS/BSS vendors need to be market ready and able to support this gamut of services. This is not an easy game mostly because the increased value of the transactions causes huge revenue losses if not handled carefully and also these services have brought about complex partnership and revenue share models with a multitude of players in the value chain.

On key factors for success of OSS/BSS vendors

Mostly with commoditized offerings in OSS/BSS, vendors who have become more successful are players who have been able to understand the pulse of the market more closely and those who have been able to answer the ne eds of the operators with the right solutions. Also being in India, vendors are able to leverage the aspect of low-cost unique for this region.

On consolidation of legacy systems

Ultimately, all operators wish for overhauling their legacy infrastructure and replace it with a single convergent billing system. Though, this is a very ideal situation, getting this done is not an overnight process. It takes considerable effort and time and involves lot of complexities.

The best way to move forward would be to adopt a vendor that can work with the operator in a phased manner, heeding to the immediate needs of the operator and then moving forward to have a convergent platform in place.

On the impact of OSS/BSS on QoS

OSS/BSS does not impact QoS; it only helps to ensure and monitor if the services comply to the agreed QoS and eventually bill the customer and penalize or reward the partners based on the QoS of the services provisioned. Thus what the growing importance of QoS brings to an OSS/BSS vendor is the need to be able to decipher the QoS of a service provisioned and have the capability to bill/discount/penalize accordingly.

On helping operators to retain their customers

The last thing an operator might wants is to get his customer agitated over an erroneous bill statement, mainly because the agitation spreads and causes harm to the operator's brand image. so billing is really critical; it brings revenue and equally well has the capability to take it away from the operator, if not handled carefully.

On the other hand, intelligent billing systems can really help operators retain their customers. This is mainly because the billing systems have a track of the products/service preference of each customer, their price plans and usage of services, and subsequently the revenue accrued. This gives an interesting equation of each customer enabling the operator to segment them and reward them adequately.

On basic requirements

Moving ahead from the traditional billing, rating, mediation and interconnect offerings, the operators now look for a more solution-level approach. They want to see targeted solutions that address their business challenges and needs, which in-turn will enable them to be more market ready and competitive.

Mainly operators look toward OSS/BSS vendors to support convergence and innovative services roll-out. They look for solutions for specific capabilities like number portability, real-time rating, hybrid accounts, content pricing, partner settlement, VOD, PPV, VoIP, and consolidated bill generation.

On your company's plans for India

We constantly work with our existing clients and industry forums/analysts to update our products and provide solutions that cater to the market needs. Having a market ready product, we leverage our partners and location - India - to showcase cost-effective products and solutions to the operators. We are also working with some of the leading network equipment vendors and system integrators to roll out managed services model.

So apart from our traditional BSS product suite, TBMS-T, comprising of products for provisioning, correlation, mediation, rating, billing, and workflow, we have now not only launched applications to support technologies like IPTV, VoIP, VOD, WiMax, but also value added applications like product catalog, relationship loyalty, revenue settlement, and modeling to enable the operator to have a strategic advantage over its competitors.

On your offerings for the Indian telecom service providers

As mentioned before we have our TBMS-T suite of products and applications ready for this market especially to cater to the immediate needs of operators to enable them to roll-out convergent and value added services. Moreover managed service models once launched in India will not only benefit start-ups by not having to invest capital in their IT infrastructure but also tier 1 and 2 operators who want their billing to be professionally managed.

Being able to imbibe cross-vertical knowledge - like complex pricing models based on transaction type, context, value, QoS - into our product is one of the key differentiators from SunTec. Enabling the operators enjoy best practices from across verticals puts SunTec and its products at a much superior position than others in market. Also being able to leverage cost-effectiveness of its Indian development center makes it even more attractive to operators.