



It's time to get personal

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Increased personalisation of services means more product management challenges, says VP of product marketing.

Communications service providers have recognised that competitive differentiation is going to be driven more by the variety and quality of market-facing products they deliver, rather than the characteristics of their underlying networks and technologies. Operators are already under pressure to deliver segment focused and tailored offerings to reduce churn and increase loyalty. A recent NOP survey of more than 800 mobile phone users revealed that less than half (45%) of respondents in the higher-spending 15-34 age bracket felt they were getting the "personal treatment" from mobile operators in targeting them with relevant services that matched their individual needs. Additionally, 60% of 15-34 year olds cited the limited range of service plans and options as a reason to switch providers.

A number of operators have already started down the path of delivering packaged and tailored products that are aligned with differing customer needs and preferences. These operators are becoming more innovative in the way they combine a vast array of underlying service capabilities, devices, content and merchandise to create unique and meaningful product offerings. Didier Lombard, CEO of France Telecom, recently said that he thought the best way for France Telecom to hold onto as many customers as possible was by selling new products and services desired by them. He even stated that France Telecom will win back investor confidence by coming up with new products every few weeks.

Although this product-centric focus is the right business strategy, the increased dynamism of offerings is resulting in a number of product management challenges for operators. Product management processes and related data and are still manually intensive and document-centric. It is a challenge to compile an up-to-date and definitive list of available service capabilities, devices, content and merchandise from which product managers can define product offerings. There is often no unified view of the building blocks, plans and eventual products across different domains and business units.

It is very difficult for service designers, product managers and marketing managers to collaborate on creating cross-domain or cross-business product offerings. Rarely do operators have a systematic collaboration model, revision management, change control or lifecycle management of product definitions. There is a significant amount of "hit or miss" today in the creation of valid products that include service capabilities with the required attributes, and where the products correctly account for relationships and dependencies between included services. Finally, it is extremely burdensome for operators to identify and manage the implications of changes in the underlying service capabilities and building blocks from which bundled and complex products are created.

Successfully moving to an effective product-based business model and managing new product introductions and changes in a timely and efficient manner will require operators to modify their product management processes and adopt new software systems. A new class of operations support systems (OSS) called Product Lifecycle Management systems (PLM) are making their way into the market. PLM software systems provide an environment to

collaboratively construct, manage and deploy a catalogue of product offerings. These applications are capable of modelling all product details, including feature attributes and pricing elements. They can automatically generate valid product possibilities from user-defined templates. These systems manage the entire lifecycle of products from creation to retirement, including properly handling changes in constituent components. PLM systems serve as the "source of truth" for product and offering definitions. These applications are designed for use by operator personnel involved in the process of creating and managing product definitions.

PLM systems deliver a number of benefits to operators. They help reduce the time and cost of new product introduction and product change management. These applications allow operators to improve the quality of the product offerings created by ensuring they are valid and optimal. PLM applications are able to highlight and anticipate the implications of change in underlying components and building blocks. They simplify and centralise the definition of key characteristics and parameters of products and offerings. PLM applications increase offer creation flexibility by separating the activity of defining building blocks in technical terms, and market-facing offers in commercial terms. These systems better facilitate collaboration amongst teams and business units in defining products.

PLM solutions allow operator product managers to efficiently and accurately define the packages and solutions that feed into the sales product catalogue and order management systems. PLM solutions ensure compliance of product and packaging guidelines in the field, and operators can leverage these systems to put structure around the offerings that are rolled out to market. Operators who deliver business-focused services can establish and manage the "sand box", where product definitions that are created within the PLM application are the basis for defining a customer solution during proposal and order capture.

Other industries, such as, automotive manufacturing and aerospace have used PLM applications to manage complex design specifications, bills-of-material and work collaboration through the various lifecycle phases of their products. Although the PLM discipline in and of itself is not new, the innovative purpose-built PLM solutions in the Communications Service Provider space have been designed to meet the special needs of operators. These PLM systems incorporate deep domain knowledge in the modelling, OSS integration and overall solution approach. The TeleManagement Forum (TMF), an OSS standards organization, has recently created a new PLM Technical Program that aims to provide clarity on the requirements and solutions for PLM within the communications service provider arena.

Operator-focused PLM systems feature layered modelling of service capabilities, products and commercial offerings, and allow capturing of detailed dependencies and constraints amongst these. The PLM applications are capable of modelling and managing complex product information, including network resource dependencies, association of process details in standard definition languages like BPEL, specification of SLA metrics, and order time prompts. They may include a constraint search engine to ensure creation of valid products from templates. PLM applications serve as a central store for information on what the products are, how they need to get handled, and the external data and systems that need to be referred to as part of handling products. They serve as a repository for all product information required to support operator business processes such as, order capture, service fulfillment, billing and service assurance.

PLM applications provide a collaborative product definition and modification environment, including version control of all the information within the application. Operators can manage


application user privileges to control access to different layers of information to support a "decomposed" process for end-to-end definition of products and offerings. For example, service designers may have privileges to create and update service definitions, whereas product managers may have privileges to create and update only the higher-level product definitions that are created from available services. PLM solutions have a product state model to manage the creation, release and retirement of products. These applications often include a change propagation engine to highlight impacts of changes in modelled information, and to support "what if" analysis.

PLM software systems have a comprehensive GUI for iterative modelling, state management, and impact analysis. They also typically have a standards-based information model (e.g. TMF SID) and APIs (e.g. OSS/J) for external systems access to definitions of products and offerings. Most PLM applications will also support roundtrip service engineering where they have the ability to import service capability definitions from service creation environments (SCEs) and service inventory systems.

As operators continue to focus more and more on product differentiation as their core business strategy, the challenges related to new product introduction and product change management will grow. Many operators already have thousands of product items and options to manage and hundreds of changes per month to contend with, and it is only going to get worse. PLM applications allow operators to better administer their product management processes, and are able to significantly reduce the new product introduction cycle-time, improve product-offering quality, and enable efficient and effective change management.

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