



## A new breed of OSS

By Yogen Patel of Ceon

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### **Marketing VP addresses the product introduction and product change management challenge.**

IP-transformation and accelerating competition is forcing service providers to become more creative and agile in rolling out new products and services. The primary way in which operators can differentiate themselves going forward is around innovative product offerings. Consumers will increasingly expect specialized offerings that are linked to events or their lifestyles. A recent NOP survey of more than 800 mobile phone users has shown that for the right price, consumers will embrace a whole range of technology to follow the results and coverage of games in the upcoming World Cup. Of respondents in the 15-34 age bracket, more than half (52%) want to receive instant SMS updates on scores on their mobile phone to stay up to date on the games and results, while 31% want to see video footage or clips of when their team scores.

Although the above NOP survey is just one data point, there is little doubt about an accelerating trend where operators are looking to introduce offerings that are built from a vast selection of underlying components, have many variations, are introduced quickly, are retired sooner, and more importantly, are lifestyle linked. This trend will clearly have an impact on the product development and management processes of integrated operators. What are some of the product introduction and product change management challenges operators are facing today or will face soon? Do they have the processes and systems in place to manage new product introductions and changes in a timely and efficient manner?

Assume you are part of a product management team working at a telecommunications service provider that is committed to delivering richer and more varied offerings. Your team is responsible for defining a set of new multi-play product bundles for the residential market. Each bundle will include five basic services – high-speed Internet access, VoIP service with a package of voice features, a package of TV channels, email and Web hosting. Let's get started with this exercise.

Challenge number one: Where does the team get the latest information on the alternatives available to you within each of the five services domains? Let us assume for now that you do have an updated and readily available set of documents that list all the alternatives and their details. Based on the information in these documents, there are three to five alternatives available to you in each service domain. For example, for high-speed Internet access, you have the option of using your own network facilities in some areas, and also have the option of two or more alternative access providers in other areas. Finally, each service has associated with it four to six attributes of interest that you want to look at and evaluate in assembling your bundles. Attributes of interest for the high-speed Internet access service, for example, would include things like download speed, serving area coverage and cost.

Challenge number two: How do you determine and identify all the meaningful bundled solution options to create offerings around? Believe it or not, the exhaustive combination of all the components for the above scenario will result in over 1 million solution possibilities!

True, many of these possibilities will not be valid, but figuring out which ones are is a significant challenge. So you plod through the painful, tedious and time-consuming process of working out service combinations on paper, and manually iterating on the bundle requirements, constraints and dependencies, to eventually end up with a set of sub-optimal and potentially invalid or erroneous bundled product possibilities. These bundled product specifications are then documented somewhere by the team. The process does not end here. After converging on a handful of bundled product possibilities and after understanding the feature/capability characteristics of each bundle, you now need to add in all the commercial elements to make these into sellable market offerings. This involves adding customer eligibility rules, pricing, channels where the offers will be available, applicable promotions, up-sell/cross sell rules, and options.

Once the offering descriptions are finalized, the product management team then begins the process of working with the IT team to update and code all the various CRM, order management and billing product catalogues involved in the service delivery chain. Each of these applications has its own unique data format, data structures and modelling capabilities, and is typically capable of maintaining in its product catalogue only a portion of the full detail on market offerings and products. At some point, once all the disparate catalogues are updated, the collective data spread across all these systems becomes your "database of record" for the product and offer definitions. Not sure you are entirely comfortable with the situation where you need to look in six different places to piece together the current picture of products and offerings. Anyway, you are now finally ready to start selling these new offers to your customers. Your team is feeling good about things, since you managed to get through the Herculean task of introducing a new set of offerings in the marketplace.

But wait. Changes are starting to occur in your network, in your supplier relationships, and in the market in general. The reality is that your company is operating in a highly dynamic environment. The competition is now bundling merchandize and streaming video packages into its offerings. You need to add these service components to your bundles to remain competitive. Also, your business development team has just signed a deal with a new access provider that is offering higher download speeds and better service quality at a lower cost. The supplier of two of the premium TV channels in your TV packages has just increased its prices in the recent contract renewal, given the high popularity of its content. Your team starts scrambling to figure out the implications of all these changes. Which offerings are going to be affected by the cost increase in the two premium channels? Given this price increase, as well as the availability of a new lower cost access option, is there a different set of service combinations that could better meet the needs of your existing product offerings? How do you answer these and other questions in a timely manner, and how do you quickly react to these changes to ensure that you continue delivering differentiated offerings and superior customer service? Maybe its time to get another job!


Hold on. Help is on the way. A new class of operations support systems called Next-Generation Product Lifecycle Managers (NGPLMs) are making their way into the market. These software systems are targeted towards product and marketing managers as the primary application users, and these systems will help service providers speed-up and simplify new product introduction and product change management. These systems herald a major new approach to product lifecycle management for operators, as a single integrated software solution can now be used to manage the cradle-to-grave lifecycle of all product offerings. Product and marketing managers within service providers will be able to move away from paper-based and highly manual processes currently being used to define and roll out new offerings. Furthermore, the processes to handle product changes will become more

complete and timely, and figuring out the implications of product changes will no longer be a "best effort" task.

Operators are faced with significant challenges related to new product introduction and product change management. Many operators already have millions of product items and options to manage and hundreds of changes per month to contend with, and it is only going to get worse. The good news is that the tools to better manage these processes are becoming available now. Product lifecycle management systems have become a strategic imperative rather than an operational efficiency consideration. They will dramatically reduce the new product introduction cycle-time, improve product-offering quality, and enable efficient and effective change management.

*Yogen Patel is VP marketing at Ceon Corporation.*

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