Pipeline
Your OSS/BSS Information Source.
www.pipelinepub.com Volume 7, Issue 12

The Battle for Solutions Heats Up as CSPs and MSOs Compete to Win Enterprise Business

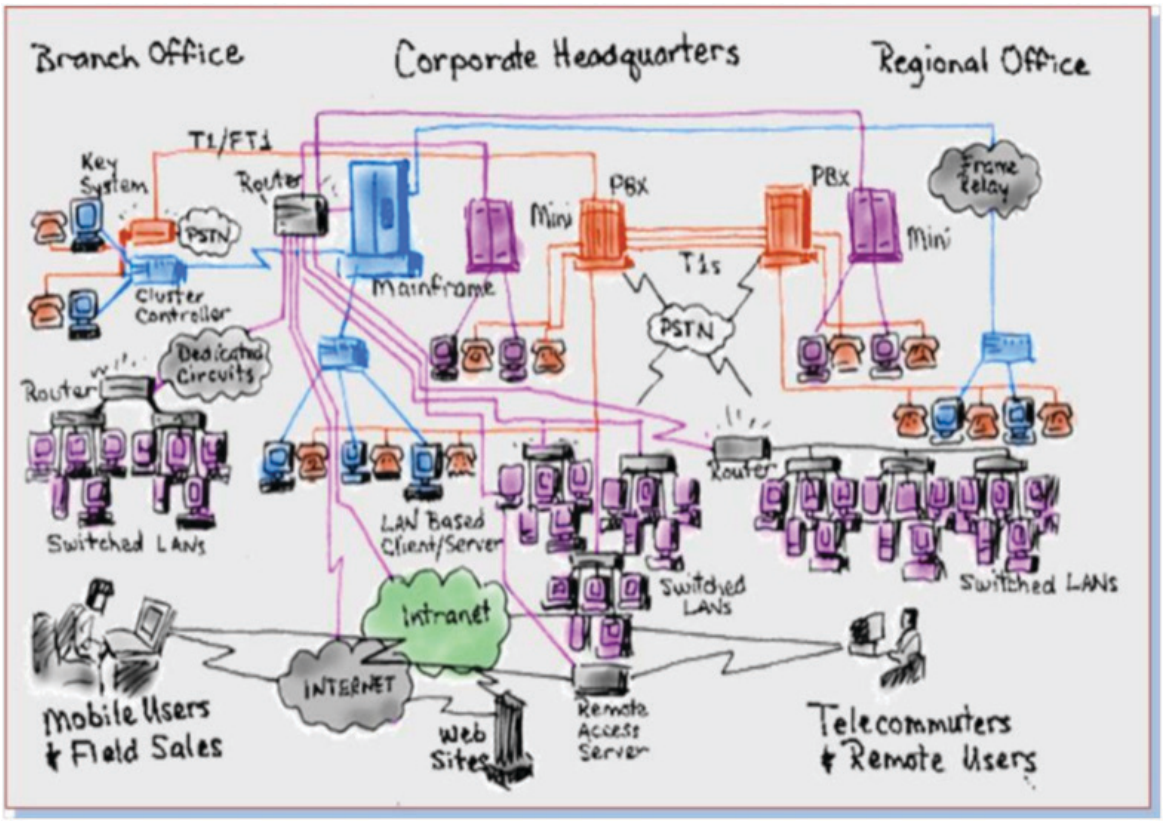
By Steve Bamberger, COO, Netformx

Enterprises of all sizes are increasing their demands for Information and Communications Technology (ICT) solutions to empower their businesses. The promise of better-integrated telecommunications and networking with leading-edge services has ignited a battle between

Winning the hearts and wallets of enterprises necessitates building a long-term relationship.

Communications Service Providers (CSPs) and Multiple System Operators (MSOs) all vying to win the minds and business of enterprises. The increased competition is putting unprecedented demands on CSPs and MSOs to deliver solutions that meet their customers' needs on time and without errors.

The need to accelerate solution delivery while improving



30 to 40 percent of IP MPLS orders cannot be deployed as sold.

the quality of proposals is causing leading CSPs such as AT&T and Bell Canada to turn to solution management and lifecycle automation. By improving the requirements-to-order process, CSPs can effectively capture a customer's needs and rapidly turn requirements into winning solutions. A recent case study revealed compelling benefits of automating requirements-to-order processes including:

- 20 to 40 percent productivity improvement—the customer-facing organization is able to handle more opportunities and respond to them faster.
- 40% reduction in error rate—the proposed solutions are virtually error-free, ensuring flawless deployments.
- Improved customer satisfaction—customers are much happier and trust their CSP to deliver tailored solutions that work as sold.

By investing in automation, CSPs can reduce the number of tools and handoffs in the lifecycle of an order. For example, AT&T successfully reduced the numerous tasks associated with creating complex, multi-vendor proposals for its customers. The requirements-to-order process involves many steps, which are simplified into the following 3 functions.

Baselining the Customer's Environment

Virtually all enterprises today have an existing network infrastructure, so new requirements cannot be evaluated in a vacuum. Getting an accurate view of the customer's environment can be time consuming and error prone. Automated discovery quickly identifies the customer's network elements and assesses what is required for a new proposal. This eliminates the need to rely on manual inspections or the customer's records and provides the most accurate baseline of the current environment.

The diagram below shows an example of what an initial design might look like using manual processes.

Analyzing the Customer's Requirements and Designing Solutions

Winning the heart and wallet of an enterprise necessitates building a long-term relationship where the customer trusts its provider to deliver unique and tailored solutions. With a baseline in place, the conversation can shift to understanding what a customer is looking to accomplish. The richness of services and products coupled with the appetite for cost-effective and more feature-rich solutions results in an unprecedented set of options. The sales cycle has become far more iterative, and customers expect multiple proposals and what-if scenarios before they make their final purchasing decision.

Accelerating the ability to capture requirements and turn them into valid designs makes a huge difference in winning the customer's business. Design tool automation ensures accurate designs and reuse of templates to speed up initial proposals. The resulting impact on productivity can be measured in the ability to respond to customer requests in hours instead of days. The diagram below shows the streamlined process after implementing lifecycle automation.

Implementing Flawlessly

Once the customer selects the solution, the lifecycle shifts to implementation. Errors from an inaccurate baseline or invalid design can result flawed or non-functional implementations. By reducing the potential for errors throughout the requirements-to-order process, the solution is more likely to meet the requirements and function as intended. Automation also ensures consistent order documentation, which is used by the various departments responsible for implementation. Having a single "source of truth" including an architecture design, a Bill of Material (BOM) and a Statement of Work (SOW) for all to use speeds up implementation and ensures that everyone has a common game plan.

Measuring the Impact of Design Errors

A recent white paper published by analyst firm Heavy

Reading ("Rethinking Solution Management and Fulfillment for Complex Enterprise IP Services") has shown the value of better processes measured by the reduction in costs related to design errors. According to the research, 30 to 40 percent of IP MPLS orders cannot be deployed as sold. Design errors trigger follow-on costs in a variety of areas from customer care and support to engineering escalations and truck rolls. Heavy Reading's analysis demonstrates that a CSP could save an average of $18.8 million per year in costs for every one million orders processed. The savings is realized as follows:

- Average fallout rate that results in engineer intervention is estimated at 40 percent for complex solutions—$50 cost for engineer time per incident x 160,000 incidents = $8 million
- Ten percent of provisioning errors will lead to truck rolls—$150 cost for each truck roll x 40,000 incidents = $6 million
- Forty percent of customers have ongoing minor problems—$12 cost for each customer support call x 400,000 incidents = $4.8 million

These statistics mirror Bell Canada's experience. Bell saw its error rates improve after implementing a better solution for its requirements-to-order processes. The resulting financial savings have also been compelling and more than justified the investment.

Accelerating the Requirements-to-Order Process

AT&T and Bell Canada are examples of CSPs that have

Ten percent of provisioning errors will lead to truck rolls.

shortened the time required to design complex solutions from days and weeks to hours while improving accuracy. They both use completely integrated, data-driven and rules-based automated solution management. Account teams easily move customers through an orderly process of requirements gathering, assessment, design, configuration, validation, quoting and proposal generation. The end-result is a solution that automatically generates:

- Design diagrams that provide a network-level view and topology of the solution,

- Bills of Material (BOMs) that provide an Excel-based list of equipment with CPE standard and non-standard elements (both new and existing equipment),
- Design summaries for presentation to executives and business decision makers,
- Detailed design documents that enhance collaboration among the various teams from ordering and provisioning to activation and billing, and
- Customer-facing design documents that include the final list of services to be provided and a diagram of the proposed solution.

AT&T and Bell Canada have shortened the time required to design complex solutions.

It starts with automated network discovery that enables account teams to quickly capture an accurate baseline of existing IP and SNMP-enabled devices in any network. The SNMP/SSH/Telnet-based audit and multi-vendor network discovery process generates intelligent graphical representations of existing network designs. Each component is an intelligent object, not just a graphical representation. For example, each component shows properties such as linking protocols and its actual physical size. The graphics show how the real-world network elements will behave in the implemented network.

Another case study showed that a North American Tier 1 CSP benchmarked their manual processes against their automated solution and proved that they shortened their requirements-to-order process and boosted sales productivity by 40% with the automated solution.

The Power of Lifecycle Automation

Without automating the requirements-to-order process, information required to complete designs and proposals is often dispersed and maintained in different formats. All of these manual processes allow inconsistencies to find their way into the solution design process. Through automation, CSPs achieve wide-ranging benefits including:

- Freeing up senior engineers to work on more complex and profitable solutions,
- Empowering employees with limited certifications and experience to handle simpler designs,
- Reducing the number of configuration tools and non-integrated processes, resulting in the elimination of repetitive data entry and a significantly reduced potential for errors, and
- Leveraging best practices and repeat successes by turning proven solutions into baseline templates for future use.

Whether creating or managing simple networks or providing complex unified communications, managed services, or advanced network-based solutions such as IP-VPN and MPLS, automation has delivered key improvements for CSPs who have embraced its use. Account teams are now able to rapidly present multiple options by creating different proposals "on-the-fly" as well as quickly producing "what if" scenarios to respond to changing needs. Automating solution management reduces the possibility of errors and speeds the identification of up-sell and cross-sell opportunities.

Forward thinking CSPs like AT&T and Bell Canada are taking advantage of automated and integrated processes to gain a distinct competitive advantage. The

	Manual	Automated
Current Ability to Scale	66-88 Bids	96-128 Bids
Average Time Interval	32 hours	18.5 hours
Average Design Change	9 hours	3.5 hours
Average Design Time w/Customer Changes	48.75 hours	27 hours

efficiency of account teams is greatly improved, while costly design and quoting errors are virtually eliminated. Perhaps most important is the dramatic acceleration of solution design across a wide range of complex technologies—a critical success factor in today's increasingly complex customer-specific solutions. With the intensifying competition for enterprise business, providers who invest in automating the requirements-to-order process are poised to win the lion's share of the business and better respond to increased threats.