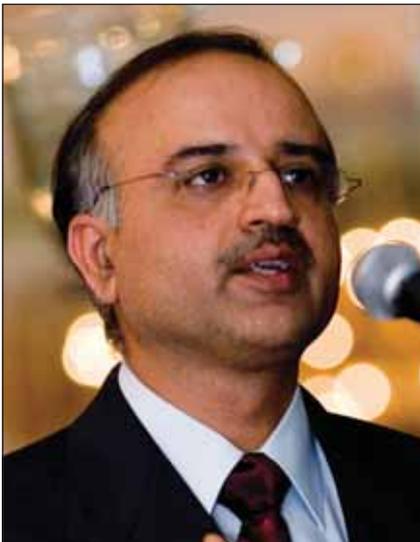# Managed Services Partnering

Sharat Chandra President and Chief Operating Officer – Strategy & New Technologies, GTL Limited talks to InterComms about the company's growing presence as a Managed Services partner to Telecom carriers globally

Sharat Chandra.

Q: What is your take on the size of the Managed Services Market?

A: Despite the economic slowdown, spending on Managed Services is expected to grow at a compounded rate of nearly 8% over the next five years, says a new market study from Insight Research. The study predicts that revenues associated with the Managed Services market will grow from nearly $30 billion in 2008 to about $43 billion in 2013. Oliver Wyman estimates, over the next five years, 60% of the world's wireless operators will have some form of managed services. The strongest growth will likely be among second and third-tier operators, especially in developing markets. It is estimated that within five years roughly 80% of such operators will have some form of managed service contracts and 20% of them will fully outsource their networks.

It is in the near term that the telecommunications industry will be impacted, as spending, both operating and capital expense, is reduced. Present recession may
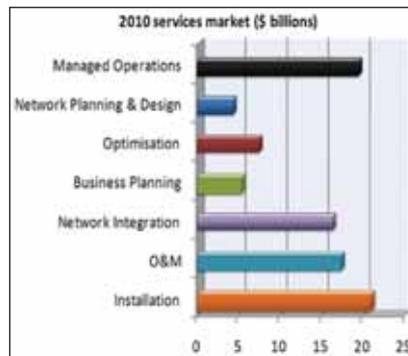
Source: Research Article from Oliver Wyman

actually act to spur spending in the telecommunications market segments, since many operators will find that purchasing Managed Services from third-party providers is a cost-effective alternative to increasing internal staffing.

A review of analyses available from recognized telecoms strategy consulting organizations concludes that a properly structured and executed managed service and outsourcing contract will deliver between 15% and 20% OPEX savings, which in certain cases can have a real effect of increasing EBITDA by 8%.

Q: What in your view are the Business Drivers for Managed Services and Outsourcing?

A: Telecom industry is ever changing and evolving .In the last two decades, mobile phone base has increased multi-fold, and in fact, at the cusp of replacing fixed line as the primary means of communication. In the recent times, financial pressures have led the operators to seriously consider OPEX savings by introducing operational efficiencies. Add to this the ever growing competitive pressure that the operators face, and it is axiomatic that the need to reduce cost is ongoing. Operators are now increasingly looking for partners to assume part of the risk in developing new network architecture while faced with a fast changing multi-

technology environment and yet required to deliver complex services in a cost effective manner. Conflicting demands to reduce network operation costs, while improving quality of service to the end-customers is never an easy one to solve. All these factors together are acting as driving forces for Managed Services.

Q: How can Operators maintain a balance between what they outsource and what they retain?

A: When deciding on the scope of the outsourced activities, the most important question is "What is core, what is Non-Core?" This should be driven by the operator's overall competitive strategy. Core activities are those key areas, which the operator believes he can do better than the competition and thereby gain sustainable differentiation and competitive advantage. Those activities defined as non-core are potential areas for outsourcing, but it does not always make sense to outsource all of them.

Generally, the mobile operator should maintain an active role in:

● Designing the overall mobile service delivery architecture
● Defining the approach to service quality management covering all the necessary technology areas
● Defining the network master plan that is the basis for service roadmaps and marketing campaigns.

Whereas activities such as Network Planning and Design, Deployment, Optimisation, Active as well as Passive Operations and Maintenance, NOC services, Service Assurance and TAC Support, Capacity Management and Infrastructure Management can be considered for outsourcing to a third-party.

Q: What do you see as the role of GTL in Managed Services?

A: Being a vendor and technology agnostic independent Telecom service provider, GTL is uniquely positioned to

▶ play a prominent role in Managed Services domain. Since GTL's service offerings encompass the entire network life cycle from Network Planning and Design, Build, Optimization, Operations & Maintenance including NOC, network operators can benefit hugely from our existing competencies.

GTL's service model has the ability to provide a valuable mix of onsite and off shore technical services, be it RF related work , Program management or even NoC management, giving us an edge over most other companies while ensuring cost arbitrage.

Q: Why would Operators outsource the NOC?
A: NOC outsourcing is an emerging trend as part of Next Generation Network evolution and management of infrastructure, driven mainly by the financials, underpinning ownership of resources and network costs. Outsourcing of NOCs is becoming more of standard offering primarily due improved financial performance through outsourcing. Most operators have realised that NOC services do not really require the high octane staff to carry out mundane surveillance activities and in today's rapidly changing telecom world, complex Convergence and bundling of services are marked with relative ease. In this new business model, network and NOC are simply seen as conduits for delivering the services and thus are no longer pre-eminent as an entity within a service provider.

Q: How equipped are you to provide support to a Network Operator remotely from your NoC in India?
A: GTL has its state-of-the-art 24 x 7 NOC facility in Pune, India which offers database storage, trouble ticketing module and excellent connectivity provisions. With the resource pool of Level 1 and 2 trained engineers, we offer all the NOC functions required in running the network remotely such as configuration management, service provisioning, network monitoring and surveillance, performance management and release management. Any operator's network world over can be monitored and administered by having a management connection to the home network. GTL's NOC ensures a redundant and secure connectivity setup for the remote operations of the network.

GTL NOC - Pune, INDIA

GTL NOC - Pune, INDIA

Q: Isn't O&M product and terrain specific and how do you manage multiple vendor platforms, across global geographies?
A: Yes, certainly the O&M activities are specific to the product; however GTL has been operating in the industry for almost two decades now and has a pool of highly skilled resources across variety of OEM products, the likes of Ericsson, NSN, Alcatel Lucent, Huawei, ZTE, NEC and Motorola and on a gamut of technologies like GSM, CDMA and WiMAX. GTL has taken special efforts to impart product specific trainings to its resources and has put in place a robust process framework to enable multi-vendor, multi-technology rollouts.

GTL has an experience of working in 36 countries across the world performing terrain specific jobs through use of local knowledge. At the same time for jobs across terrains that require specialty skills such as network planning, design and optimisation, we have setup a Virtual Planning and Optimisation (VPO) Centre to offer the best of class RF design, Planning and Optimisation capabilities from New Delhi (Gurgaon) in India.

Q: What is GTL's Managed Services and Outsourcing model? Can you share how you optimise costs, quality of service and flexibility?
A: Developing a Managed Services model requires careful preparation both by the operator and the service provider. The decision to outsource non-core activities to an outsider is understandably business critical and involves considerable thought and analysis. about what is optimal scope for outsourcing, what are the related business objectives, how to manage the outsourcing process, and how to select the managed service provider.

In reality, the intent is not only to transfer a specific function from the operator to the service provider, but it is also about carefully defining the interfaces to all relevant organizational units.

Q: What is your strategy for SLAs and measurable KPIs on Managed Services?
A: The partnership between the Managed Services

GTL's Managed Services Model

provider and the telecom operator is defined by a Service Level Agreement (SLA) and is measured by Key Performance Indicators (KPIs). SLA sets the expectations between the Managed Service provider and the Operator. For us at GTL, not only performing well on what we have promised is important, but swift and well communicated resolution of issues is equally so. Managing SLAs and ensuring that just-right service delivery is critical as telecom services become more complex and competition increases. Managing end-to-end services effectively cannot be accomplished without skilled workforce, tools and streamlined processes. A way of modularizing the SLAs is a mature process that GTL has adopted with KPIs tied to performance of specific network elements. In cases where future capabilities of the equipment/network are proposed through features or enhanced functionalities, OEM plays an important role in establishing a road map, specifying the promised outcomes within a binding time frame.

Q: Can you share with us a case study of a Managed services contract and how you are managing customer expectations?
A: We are currently engaged with one of India's largest carrier to provide Managed Services for their WiMAX network for enterprise customers which is an end-to-end solution including network planning, design, build and operations with NOC hosting and management. GTL operates and maintains the network through its own Network Operations Centre. We have put in place a framework that allows seamless operations and flow of information between GTL, the operator, the equipment vendors and other stakeholders. Tight KPI vigil keeps the operations at the desired quality levels ensuring the ball is never dropped.

For more information visit:
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