

TeleManagement World

InterComms talks to Martin Creaner, President, TM Forum



Martin Creaner has been working and advising in the Communications Industry for 18 years and is presently President and Chief Technical Officer of the TM Forum. Prior to joining the TM Forum, Martin held a number of executive positions with BT, the major UK based European Communications Service Provider, and with Motorola, the global Wireless Networks Equipment manufacturer, where Martin led the 2.5G and 3G OSS solutions development activities. Martin sits on the board of a number of telecoms companies, and is the Chairman of Selatra Ltd., which is a java games applications service provider for the mobile marketplace.

Martin is an accomplished speaker and regularly is asked to chair or give keynote talks at leading telecommunication industry events.

Q: The Forum has become an advocate of content driven services. Why has this come about and what are the key

benefits to the service providers, other than revenue?

A: Advocate may be the wrong word. However, we realised that the services that service providers needed to offer were becoming increasingly complex, with multiple players in the value chain. We have become really interested in how you manage that complexity in a real way that is going to make you money. The end user believes that the service provider has control over the complete service, whereas the service providers level of control is actually quite tenuous and it depends on service level agreements, integration of automated process and all of these other players, resulting in complex revenue sharing models. One of the major challenges for service providers is working work out a way of getting more control.

Q: Many service providers in the current climate are aligning or developing their legacy systems to deployed services. What are the stand out deployments for you in this area?

A: I have seen a lot of very good stuff from both large and small companies. Perhaps most interesting would be Apple with their iPhone apps strings or iTunes. Some don't consider Apple as a service provider but I certainly do. The real stand-out companies are those that aren't traditional service providers. The apps store stands out as innovation in this area in 2009. Even though it's not a huge revenue generator, it is a hugely important one. The apps store and iTunes are great mechanisms for driving the purchase of hardware and that is where the bulk of Apple's revenue comes from. A couple of months ago I noted that a lot of the people who were

buying Apple computers were brand new purchasers; people who probably bought an iPhone and fell in love with it and when they replaced their PC, they bought an Apple.

Q: What about doing more with what they already have rather than investing in big money projects?

A: When people talk about Transformation, what people typically mean is a \$20 billion swap out of a network with a new network. That however is just the tip of the iceberg on Transformation. For me there are five types of Transformation: there is Network Transformation which is the big one, then there is Systems Transformation which is changing your back office – its architecture, capabilities and the integrability of it and thirdly there is Process Transformation. All of those are big changes but there are also two other types of Transformation which a lot of companies embrace. First, there is Product Portfolio Transformation, using your existing environment to offer a new portfolio of products. The reality is that these products are actually relatively simple. I am for example the chairman of an apps store company and that has about 35 operators around the world for whom that company takes an app store and runs it for them as a complete managed service. In the space of a couple of months, a mobile operator can go from having no content or apps capability to having a fully manned, fully licensed apps store. Doing that is relatively straightforward, it pulls into existing billing systems and existing general infrastructure. Even if you wanted to build it yourself from scratch it is probably six months to a year's worth of effort, but not a huge multi-billion dollar effort, probably a multi-million effort.

► The final type of Transformation is Business Model Transformation, things like advertising-run business models; as opposed to billing and changing structure business models. We have lived with the paradigm of the user and the consumer of services for some time. They pay for the service but with Google and Yahoo, the user gets the service for free and the service is paid for by advertisers. It doesn't require a huge change of equipment and capability but it does require a change of mindset and a different approach to marketing and a different set of skill sets within your organisation to build different sorts of relationships but you can certainly go down that road with what you have got and from the consumer's perspective that is a radical change.

Q: What is the impact of traffic management on service providers?

A: Traffic management per se would not be a topic that the TM Forum would address. The challenge of traffic management is how you create a linear relationship between growing traffic and growing revenue because there is a completely non linear relationship at the moment. There were newspaper stories just before Christmas of operators stopping selling the iPhone because they couldn't handle the traffic demands that the iPhone placed on their network. The traffic demand that has been put on the network is ten times more than for other types of users but operators are certainly not getting ten times more revenue because they had created all you can eat business models. The way we are looking at traffic management in the TM Forum is how you create business models so that you can get something closer to a linear relationship between traffic demand and revenue received.

Q: Standards are sometime political in their nature. Do you think that this stifles

commercial opportunities?

A: A standard by its very nature has to be a consensus, unless it is an industry de facto standard like Microsoft. If you look at any one of the standards that needs to be developed in the industry, they do move slowly because there are a huge number of vested interests in the industry. However, if it wasn't important then they wouldn't bother standardising it.

People have their opinions and sometimes they have products that are closely connected to one particular way of doing things. Then, the standard may go in another direction and then companies have to spend multiple million dollars reworking products. It is a very sensitive thing and so it could stifle commercial activity, but it doesn't so much stifle it, as what you tend to find is that commercial activity goes ahead anyway without the standards, then you find that there is a certain amount of blood on the streets. Eventually everyone realises that whilst we have chugged away for two or three years without a standard and everybody has made a bit of revenue, nobody has actually made any profit on it, because they are all just reinventing the wheel. Then you find that a few big players will come together, agree a standard and compromise so that they can all make more profit but compete in some areas that are differentiable. It doesn't so much stifle commercial activity but given those standards often start long before commercial success, they rarely get accepted until several years into commercial success in my view.

Q: If content is king, will the content providers end up dominating the market as opposed to the communications companies who are essentially transport experts?

A: I had this exact same conversation recently with someone who said that the cable companies were pretty much doomed, because telcos can offer everything a cable company can, but to a much wider audience

whether via fixed, mobile or 4G broadband to mobile. My view is that cable companies are probably slightly less experienced in the technology side of things, compared to telcos but they are infinitely more experienced in the content side of things and that may well prove to be harder to replicate.

I don't necessarily see TV companies or cable companies dominating telcos either, for a range of reasons, one being that there is a lot of regulation around cable companies in terms of the areas they can operate, particularly in the US where giant cable companies like Comcast are restricted, compared to a Verizon or an AT&T who can operate nationally.

Cable companies are much further on in terms of monetizing advertising. We may well find the ability to manage and monetise content is a much harder skill to learn than the ability to successfully deliver high bandwidth services.

Q: TMF offers more and more training programmes globally. How are they progressing and how do people find out about them?

A: At our website there is a long list of our training programmes. We run about 50-60 training programmes a year, in different countries, cities and continents. It is growing very quickly. The main focus is still training on core TMF standards like the ETOM and SID which is where 70-80 percent of the interest is. There are a huge number of people who want to implement both the ETOM and SID within their organisations. We are also seeing reasonably rapid growth from people wanting to be trained on our revenue assurance methodologies and I expect to see that grow again in 2010.

For more information visit:

www.tmforum.org

