

# Delivering New Revenue Streams from Industry 2.0 Business Models

infonova

InterComms talks to Andrew Thomson, Senior Vice President and Andreas Polz, CTO Infonova, about Communication Service Providers urgent need to build new revenue streams and how cross-industry 2.0 business models and Infonova's R6 can help solve this imperative



Andrew Thomson,  
Senior Vice President Infonova

**Andrew Thomson has over twenty years of professional experience spanning consulting (Accenture, KPMG Consulting) and with leading corporations (Plessey Siemens, British Telecom, and Telecom New Zealand / Bell Atlantic). Corporate roles have included major account sales, general management, strategy, business development, marketing, product management & development and customer service. Consulting experience includes leading business transformation, business strategy, process, technology, organization design, & business re-engineering engagements.**



Andreas Polz, CTO Infonova

**Andreas Polz started his career in the IT industry after his studies and several years of academic research at the Technical University and the Karl-Franzens University in Graz. Following an engagement at Siemens, he joined Infonova GmbH in 2000. Working on various client projects he soon found himself in the role of consolidating the combined experience and the lessons learnt from OSS and BSS implementations at various telecom carriers and ISPs. Leading a team of experienced software designers and architects, they together created what is now known as Infonova R6. Moving from the Solution Development Leadership role to become the CTO of Infonova, he is still also leading the Technical Product Management for R6.**

**Q: The development of new customer driven proactive services is the new grail of the Telcos. How do you see this developing?**

**A:** The market has changed dramatically in the last 5 years, but the changes that will come from new customer driven proactive services will be vast over the next five years. The dilemma for the Telcos is that as the word itself implies, the "grail" has never been found.

The evidence of the last 5 years is that the OTT providers have made windfall revenues whereas the Telcos have not been agile enough to participate except as bit pipe players. The Telcos need to move very quickly to establish the capabilities that will enable other industry verticals to incorporate and consume telecommunications services in the creation of new business model services that are relevant and flexible enough for their customers to enjoy. These new business models provide the opportunity for new revenue streams.

**Q: The main topic of solutions by the TM Forum at the moment is cloud applications and how they can be utilised correctly by the Telco's as a new revenue stream. Having deployed directly with BT, what are the main problems you encountered and main resistances that need to be addressed by the operators?**

**A:** Infonova's R6 was used in TM Forum's BT led Cloud Services Broker Catalyst

▶ that was nominated as a Finalist in the TM Forum Business Innovation Excellence Award category. This BT led Catalyst uses the R6 as a billing catalogue and billing engine, to manage the monetization of multiple cloud services at varying price points and SLA values. In the next phase of this catalyst in TMW Orlando, R6 will be used to enable enterprise customers to be virtual operators of these services.

BT's work in designing the Cloud Service Broker illustrates the capabilities where a Telco can enable an enterprise customer to make economic and quality choices for IT Services around build or buy or a combination scenario. But more specifically, this catalyst was designed to deliver an approach for security and performance for these enterprise customers.

Unlike the consumer and small business segments, where cloud service adoption is already happening at an astonishing pace, large corporate buyers have significant concerns about performance and security of cloud services and need a solution that responds to the diverse requirements of auditing and compliance of their industries (Financial Services, Pharmaceuticals, healthcare, etc) as well as their corporations.

Are they going to run quarterly audits in all of the datacenters worldwide that their chosen cloud service providers operate? Probably not. Now is the chance for Carriers to offer a solution for this dilemma in a consolidated way. It is made much simpler with the introduction of converged platforms that can support multi-tenant enabled service aggregation and monetization because audit information or SLA offerings, once established by the Carrier, can be offered to all the tenants and enterprises connected to the service aggregation platform. This of course, opens up a whole new revenue stream.

However, the problem is that most Telcos systems and processes are not designed to support and deliver this new type of functionality. But because the standards are not defined, bespoke systems are being created by many Telcos that may be hard to unwind.

**Q: The R6 product has uses across many fields, for instance Media, Health, Financial. How can these be utilised by the operators to open new financial markets?**

**A:** Business Support Systems of the future need to be able to support the complete "shopping cart" process for NextGen products, legacy products, content, media, insurance, utility services (water gas & electric), device distribution as well as other new services and new business models simultaneously. The other part of this new "jigsaw puzzle" is the "mobile wallet" that in some markets has become established as a fully accepted banking environment.

The R6 provides partner orchestration, monetization and revenue sharing allocation capabilities that can span an ecosystem of different organisations all selling their own packaged services in various combinations with other ecosystem parties products and services. The new business models supported are essentially B2B2B and B2B2C use cases for multiple industries.

In these scenarios, the ecosystem partners become a supplier to the ecosystem on the one hand, as well as taking a role as a tenant operator. Typical examples of new business models include a Utility that rolls out a SmartMeter network, now needing to package communications services as part of the offering. The R6 provides a centralised orchestration "Brain" to enable the Utility to operate as a SmartGrid company. The SmartGrid company Product Manager can automate offers and decision impacts for his customers in a highly interactive way.

**Q: Throughout the journal we are addressing new technology and standard compliance. How does R6 fit in to helping cover this?**

**A:** Infonova's R6 is a strong confirmation of the value of leveraging TM Forum's standards (eg eTOM and SID) into innovative capabilities which support traditional BSS functionality but also deliver "Industry 2.0" multi-layer, multi-tenant business models.

The BSS Release 6 is fully compliant with ITU-T M.3340 (v07/2004) since it has been designed around eTOM v4 (TMF GB921 v4) which in itself is equivalent to ITU-T M.3050 (v07/2004). Additionally Infonova BSS R6 is SID Release 8 compliant and fully agnostic to the technology of a service which results in its capability to manage any event and usage parameter ranging from legacy telco networks and services e.g. xDSL, NGN's FTTP, GPON, Broadband Wireless 4G, as well as media, insurance, devices, utilities (such as water, gas, electricity) all at the same time

– so that a Product Manager can aggregate, bundle, price, discount etc. all the services in any combination he chooses.

Infonova R6 is not only aligned and compliant to industry and technology standards, but Infonova itself is actively contributing to the formation of new norms and technology standards. For many years, in the workgroups of ETSI TISPAN and TM Forum our professionals have helped advance the outreach of these harmonization efforts. Many results from joint projects with customers and partners, TM Forum catalysts and commercial projects have resulted in changes and proposals for more optimal collaboration. Some are currently being undertaken as we speak here, such as the addition of complex dependency mapping in the PSA interfaces or the next level of IP service sharing in the IPsphere group, which ultimately will lead to new functionality being covered in the TM Forum Framework such as SID and TIP.

**Q: R6 is gaining recognition for its capabilities. Why do you think this is and what are the most satisfying awards?**

**A:** For the growing global Communications Service Provider (CSP) market, especially as cloud-based services come into mainstream focus, collaboration and business innovation resulting in new business models are the dominant strategic factors that will account for long-term business success.

Telcos have the opportunity to be aggregators of multiple services and the orchestrators of multi-partner ecosystems. For the Telcos that get this right, they will have the opportunity to build new revenue streams by enabling enterprise customers to transform their businesses into next gen players using Industry 2.0 new business models.

The key requirement for this is that Telcos need to be able to expose Concept to Cash capabilities for NextGen tenant operators so that they can easily define products and services with their business rules that respond to market opportunities and through this create the business growth for the long term.

R6 is gaining recognition as it fulfills this key requirement while standard BSS's are not designed to deliver this "partnering" functionality. Infonova's R6 platform with its high level of flexibility is designed to facilitate multi-tenant industry 2.0 models

- ▶ while seamlessly addressing the needs of traditional models at the same time.

Built in Java EE, Infonova's R6 is a latest technology platform that enables communication services providers and enterprises to partner together, define terms of trade and then transact with confidence that monies due to each party are automatically allocated as customers buy services. It also delivers transformation scenarios, complex business models and Pre- & Post-paid Convergence at a fraction the cost and time of traditional integration scenarios.

Of course the most satisfying award for Infonova are operators that are already able to report how the R6 supports their business by delivering multi-tenant triple & quad-play bundling of legacy & next generation services, as well as, monetization of Cloud Services.

However, Infonova is also proud that it was selected as a finalist for the prestigious TM Forum (TMF) Excellence Awards in the Service Provider Category in 2009 and in the Solution Excellence category in 2010. In addition to this, the R6 was also used in TM Forum's BT led Cloud Broker Services Catalyst that was also nominated as a Finalist in the TM Forum Business Innovation Excellence Award category.

**Q: Moving on from the success at TMW Nice, what can we expect to see from Infonova in the future?**

**A:** Because the R6 is technology agnostic, it is unusually flexible and potentially very disruptive. The R6 already enables multi-tenant ecosystems in very fast timelines out of the box. So Infonova's key areas of focus will be to support our channels and customers to fully exploit the ecosystem capabilities that R6 provides.

Therefore, our Product Management team is focused on adding more and more functionality that streamlines the "out of the box" usability for business people from any industry that want to participate as a tenant with a Telco using R6.

Another area of application that was unexpected is that R6 is currently being evaluated as a contender to overlay and replace certain back office systems in the banking industry.

Again the Product Team are highly focused in taking the insights from that environment and ensuring that these insights and capabilities are incorporated in the core product so that it can simultaneously deliver these new solutions with a minimum of customization.

**Q: Infonova certainly came in below our radar as product developing company. How is the company looking to continue its growth and could you give us a small history?**

**A:** Infonova was founded in Graz, Austria more than 20 years ago. Infonova's pedigree has always been in software innovation. A very long association with the highly complex requirements within an incumbent Telco environment as well as deep research in the Media domain has enabled Infonova's braintrust to develop extensive intellectual property across an extraordinary range of Telco, Media and Financial use case scenarios as well as experience in multiple vendors' systems and applications.

About four years ago, the decision was taken to capture and productise this knowledge into an end-to-end JavaEE platform that could deliver a BSS that by design can span the roles of being either an incumbent wholesale, a retail platform or an attacker or multiple attacker platform out of the box. The result is the multi-tier, multi-tenant concept-to-cash R6 platform that can deliver partner ecosystem orchestration.

A key part of the design was to ensure that R6 includes a broad set of configuration capabilities available from the GUI for the customers to operate in their own right. Additionally, the choice of JavaEE was also taken so that it is easy for SI's and Channel Partners to become responsible for the delivery of a solution. In that way, Infonova's customers, their technology implementation partners and even their wholesale customers and VNOs can extend and customize the capabilities of the platform very easily. The published API that covers the end to end functionality across all business domains, together with the standards based approach allows for onboarding of development teams in record time. And finally compatibility across upgrades and releases of the software is effectively maintained, because all business

functions can be annotated to custom changes on top of the unified core.

So in summary, the design of R6 not only delivers a quick enablement platform with a low cost to enable new revenue streams, but since it is using open standard technologies, operators can turn to SI's of their choice to roll it out. It also provides outsourcing companies with the capability to offer platform based transformational outsourcing of the concept to cash process. These are just some of the many reasons why we believe that R6 is in itself a key part of Infonova's growth strategy going forward.

**Q: What are the key areas that you see significant movement in the industry over the next twelve months?**

**A:** We think we are already seeing a very different focus than a year ago. Many of the Telcos have already appointed New Business Model Executives that have been tasked with delivering new revenues. Clearly Cloud is also a major moving part in this new business model area of activity as well.

We have recently worked with Stratecast developing a paper called Cross Industry 2.0 New Business Models that articulates many of the changes that we believe are going to accompany the changing world – essentially this is a race to create new and attractive IT enabled services for customers. But Telco's are going to have to move very quickly to ensure that they catch up with the new entrants who are managing to be very effective at playing over the top! And I think this will be difficult since many of them will stumble on implementation – allowing yet more time for the OTT players to grab more market positioning. Accordingly it is likely that there will be further evidence of Telcos moving to share each other's resources.

A lot of work is already underway in TM Forum to help support many of these new areas – but it too will need to accelerate to ensure that new standards for the new areas of interoperability are quickly established.

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