

Delivering triple-play service bundles

by Alejandro Couce, Head of Sigma Systems CALA Region

Broadband penetration in Latin America is expected to continue expanding over the coming years. As the number of broadband and advanced telecom services subscribers rise, the rate of economic growth and development will increase. Latin America's telco and cable service providers need to plan to capitalize on the anticipated growth by undergoing an internal service transformation with an experienced next-gen OSS platform provider. The OSS/BSS systems provide the customer and operational control information required to capitalise upon their broadband network investments.



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Until recently, much of Latin America has lagged behind the rest of the world when it comes to telecommunications and information technology, hindering the region's global economic competitiveness and the quality of life of its citizens. While more developed countries like Argentina, Uruguay and Venezuela have nearly 100 per cent broadband penetration - with the cost usually amounting to less than one per cent of an average household monthly income - broadband penetration for the region as a whole is well behind the global average. Low tele-density, high prices and insufficient competition have been blamed for poor broadband performance in these countries; the consumer access to a measly 1Mbps service costs more than ten per cent of average monthly income.

Government stimulation

Country representatives have been working to drive broadband adoption in Latin America by promoting the expansion of fibre-optic infrastructure in the region and disseminating best practices in broadband policies. As a result, service providers in these growing markets are starting to offer true broadband, non-dial-up, connectivity, which is defined by the ITU as 1.5 to 2Mbps or higher. More importantly, broadband is seen among all countries in Latin America as a means to create jobs and to become competitive in a global economy. For these reasons, Latin America's broadband market is expected to become one of the fastest growing markets in the world and a promising target for telecom investments.

The Government of Chile recently proposed legislation that would let service providers operate two separate networks. The initiative is one of a list of projects the Government is introducing to stimulate competition including number portability, new spectrum auctions and, perhaps, subsidized telecom services.

Government agencies are beginning to back broadband deployments and see it as a driver for economic growth. Brazil is one of the many countries pushing to develop a plan to make sure all its citizens have access to at least one broadband signal. In May, the Brazilian Government introduced its national broadband plan with an estimated investment of US\$6.7 billion through 2014. The Government anticipates that this initiative

will give 40 million household Internet connections over the next four years.

Delivering IP-based services

As service providers begin to deliver broadband services, they also have an opportunity to offer advanced services and service bundles, including video, video on demand (VOD) and Voice over IP (VoIP) to increase their average revenue per user (ARPU). Pyramid Research recently noted that the availability of triple-play services in Latin America should reach 12.4 million citizens by 2014. However, for many service providers transitioning their network from delivering basic broadband and voice to multiservice, triple-play fulfilment systems will be a daunting task.

Many service providers are already transforming their networks to an all-IP core by investing in IMS or pre-IMS architecture, in order to deliver next-generation services. For most, however, full-featured VoIP, IPTV and Web services deployments have come slowly; the promise of triple-play bundling is proving to be a more expensive, arduous task than expected. Inefficient and proprietary back-office solutions may be to blame for increased errors, high rates of order fallout and churn, and consequently, higher operational costs. Service providers are often burdened by legacy silo-based service operations and complex billing/operational support systems (BSS/OSS) environments, resulting in inefficient order management, services provisioning and activation, in the creation and fulfilment of double-play and triple-play bundles.

Cumbersome BSS/OSS (*Business Support Systems/Operations Support Systems*) solutions and service fulfilment inefficiencies also result in disjointed views of individual subscribers. Without achieving a single view of subscribers that cuts across all product offerings, it becomes difficult to shift marketing to a mode that is optimized for cross-product promotions and service bundles.

Service transformation eliminates individual service silos by extracting the services layer and managing all services on a single next-gen OSS platform. By undergoing a service transformation, Latin American telco and cable operators would realize simpler delivery of the latest IP-based services, such as IPTV, SIP-based VoIP and DOCSIS 3.0 or fibre-based broadband. Studies show that operators that deliver advanced IP services enjoy improved customer satisfaction,

lower churn rates and higher ARPU through bundle offerings.

Using a single next-gen OSS platform for service fulfilment allows operators to design services that can be delivered via any access technology - whether DSL, cable mobile or fibre - to multiple devices including SIP-based equipment. As operators begin to roll out triple-play services following service transformation, customers will gain the added benefit of receiving a single bill for all subscribed services, rather than paying separate bills for voice and TV, for instance. In a more sophisticated model, customers would be able to select their own multi-service portfolio, modify it with self-service tools or portals, and access those services seamlessly through the TV, PC or mobile.

Operators should look for a service fulfilment platform that includes pre-developed and production-ready assets for rapid deployment. These assets include pre-defined workflows and use cases that account for specific services as they are delivered over a range of underlying network and application platform technologies. Next-gen OSS platforms should have pre-defined interfaces and technology cartridges or APIs that more easily integrate with other OSS/BSS systems, network-facing activation and element management platforms, and network equipment such as call management servers and gateways, set-top boxes and conditional access systems.

Bringing all of these capabilities to bear in one comprehensive OSS platform enables operators to migrate their service layer and encapsulate existing operational silos in a short amount of time, while minimizing implementation risks. By optimizing service fulfilment and order management processes through service transformation, operators can go to market faster with multiple service offerings.

The customer's view

As Latin America operators deploy more advanced IP services, network management and identification of up-sell opportunities will grow in importance. For instance, the expansion of broadband access will come with higher bandwidth usage, particularly when it comes to subscribers' appetites for viewing online video. While undergoing service transformation provides a comprehensive view of each subscriber, operators will also need the ability to monitor their networks and determine promotional opportunities. Accessing real-time information on subscriber

usage requires active mediation capabilities that can gather useful information, such as service usage, consumption trends and behaviours, which can span from TV viewing preferences to on-demand transactions.

A proven active mediation solution allows service providers to collect and process terabytes of real-time usage information from advanced IP networks, including Internet Protocol detail records (IPDRs) for broadband network management and Call Detail Records (CDRs) from VoIP calls. Ideally, the active mediation solution would include a database aggregation process that handles the hundreds of millions of IPDR and CDR records created daily from telecom operators' networks, thereby allowing an operator to produce dynamic and ad hoc reports on network usage.

With an active mediation solution, service providers could also add new business models to their portfolio, such as usage-based services or prepaid broadband.

Industry standards

To further expedite the ability to deliver triple-play services, service providers in Latin America should demand that vendors adopt industry standards that are intended to simplify operational processes for cable and telco operators. The TM Forum, for example, recently released the latest OSS/J order management API - called Information Framework JSR-264 - that enables back-office and front-office solutions to fully interoperate. When OSS providers - to fully interoperate with certified, BSS and CRM providers - adopt industry standards such as the OSS/J order management API, it allows service providers to select best-of-breed vendors for quicker times to market for new services, improved operational efficiencies and a reduction in deployment costs by as much as 30 per cent.

Broadband penetration in Latin America is expected to continue to expand over the next several years. As the number of broadband and advanced telecom services subscribers rise in the region, so will the economic growth and development increase. Latin America's telco and cable service providers plan now to capitalize on the anticipated growth by undergoing service transformation with an experienced next-gen OSS platform provider.

