

META Group

Can Enterprises Go OSS?

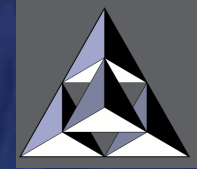
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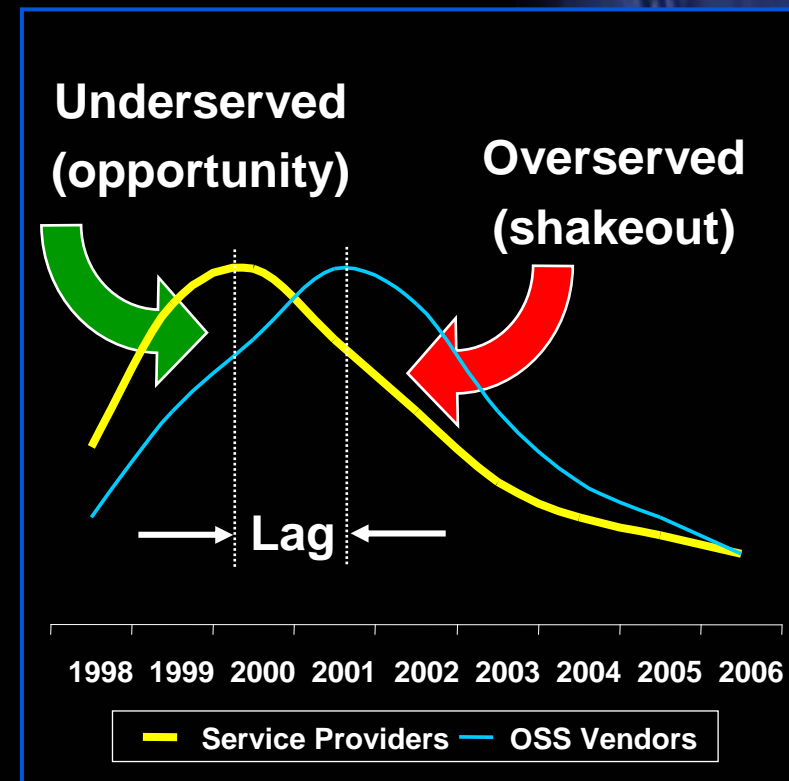
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Business and Technology Scenario



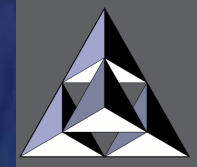
- ▲ Operational support systems (OSSs) automate service provider operations
- ▲ Service provider market turmoil forcing vendors to target OSS at enterprises
- ▲ Increasing operational maturity compels enterprises to seek stronger automation tools

Skewed OSS Market Dynamics

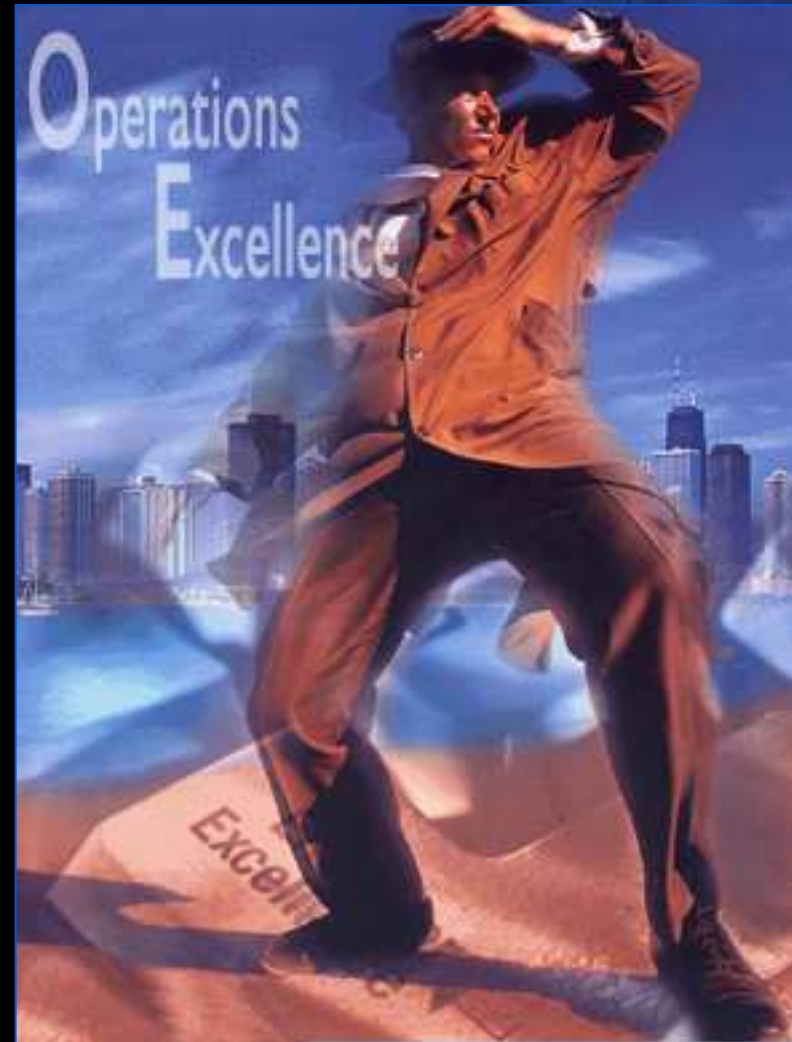


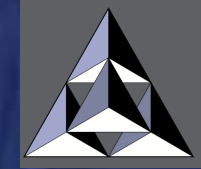
OSS vendors view enterprises as their salvation, but maturity and culture differences will mitigate success

Critical Issues



- ▲ Analyzing operational support system (OSS) trends
- ▲ Evaluating OSS options for enterprise IT organizations
- ▲ Maturing IT operations to make optimum use of an OSS

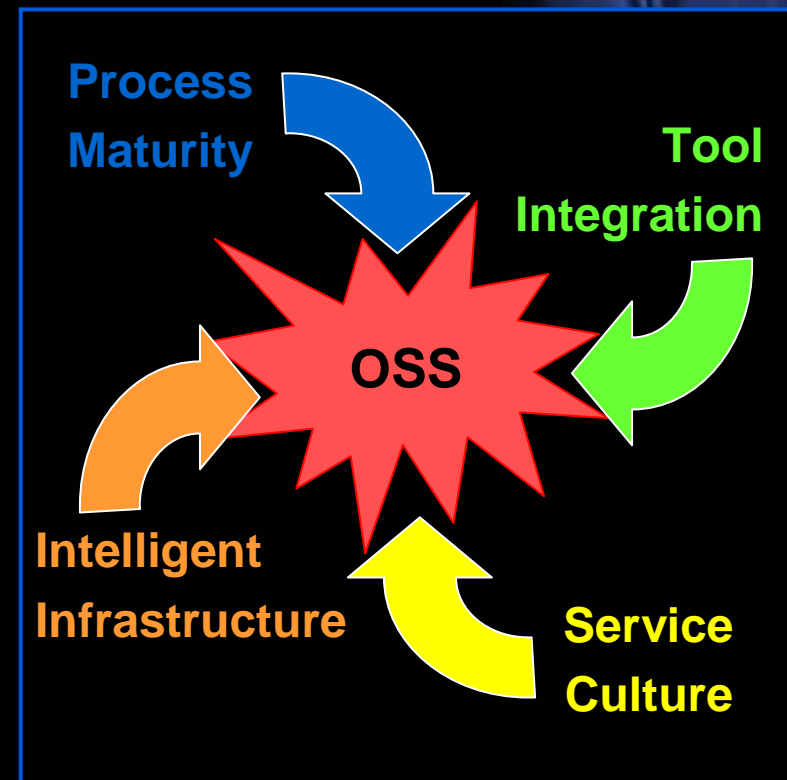




Analyzing OSS Trends

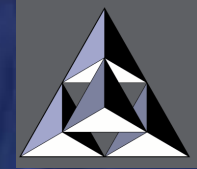
- ▲ OSS concepts, processes, and technologies
 - ▶ Structured processes and OO technology enforce operational discipline
- ▲ OSS industry standards
 - ▶ The TeleManagement Forum (TMF) & New Generation OSS (NGOSS)
- ▲ OSS vendor landscape

Hallmarks of an OSS



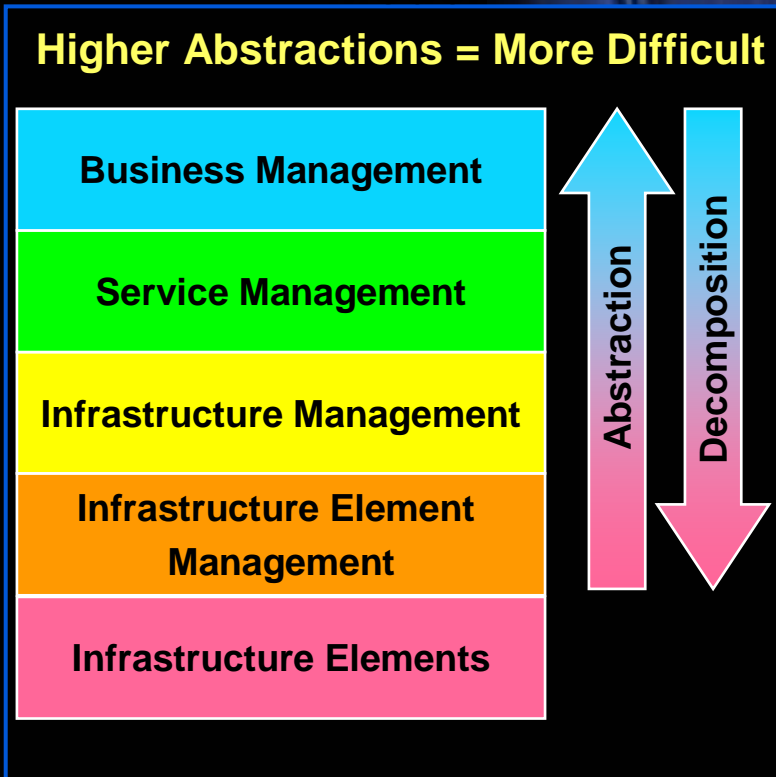
The OSS is advanced network management processes and technologies for SP business automation

Concepts, Processes, & Technology



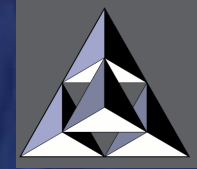
- ▲ **TMN abstraction model**
 - ▶ Developed for carriers
 - ▶ Adapts to other services
- ▲ **Processes map to SP business functions**
 - ▶ e.g., service activation via provisioning process
- ▲ **OO software is common**
 - ▶ Allows easier integration
 - ▶ Highly scalable

Modified Telecommunications Management Network (TMN) Model



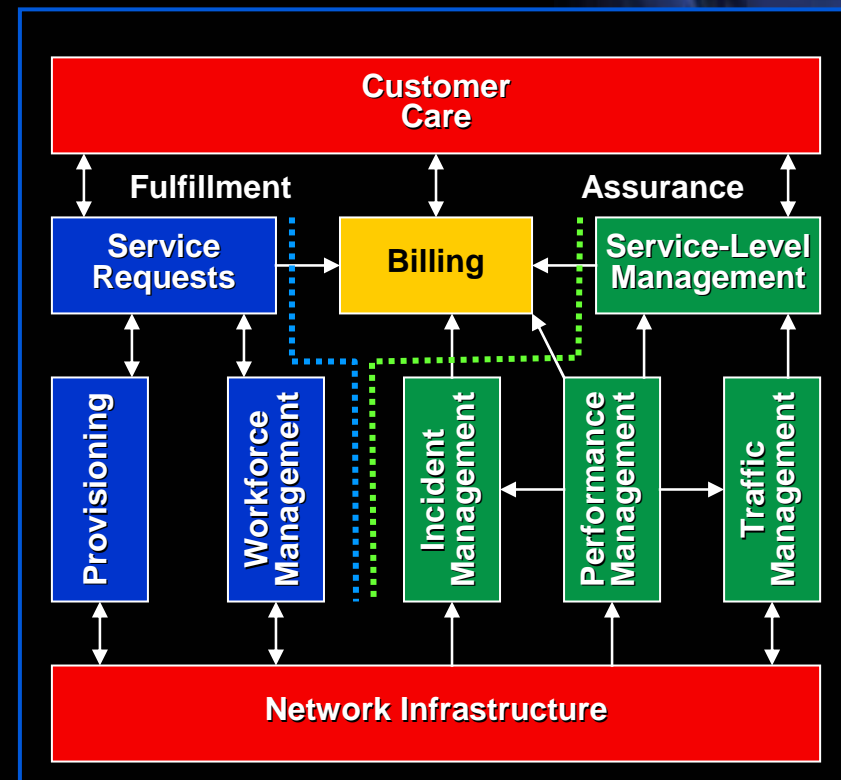
The TMF is successfully driving standardization of software components for OSS development

OSS Industry Standards



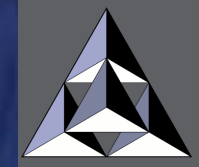
- ▲ Processes often grouped as fulfillment, assurance, and billing (FAB model)
- ▲ Evolving NGOSS efforts
 - ▶ Processes, data models, & integration standards
 - ▶ Plug & play components
- ▲ Expanding beyond voice and data to other services
 - ▶ e.g., hosting, security

Fulfillment, Assurance, and Billing (FAB) Processes and Integrations



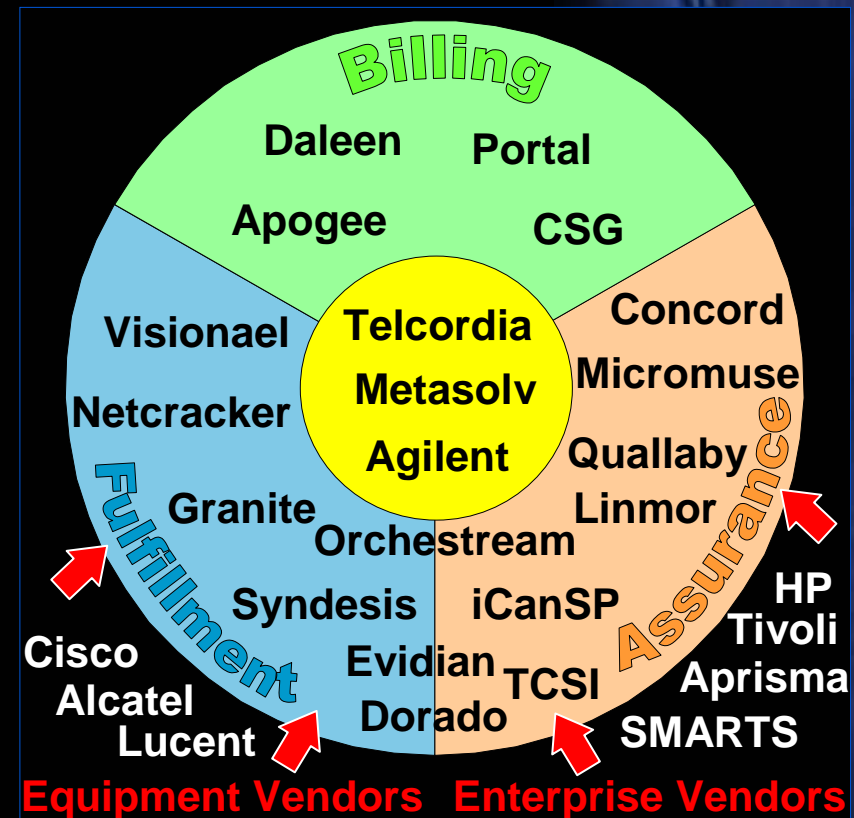
Several vendors are addressing OSS standard processes with powerful object-oriented products

OSS Vendor Landscape

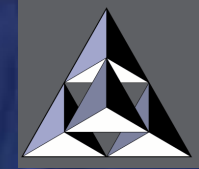


- ▲ Few full-range vendors
 - ▶ Telcordia is largest (ex Bellcore/AT&T)
- ▲ Most are young and small
 - ▶ CLEC and dot-com growth spawned OSS bonanza — is imploding
 - ▶ Consolidation is certain
- ▲ Revenue now from CapEx and OpEx reduction

Fitting Vendors Into FAB



An OSS vendor shakeout will occur through 2004



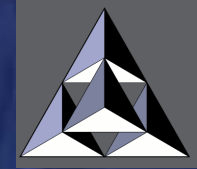
Analyze OSS Trends

▲ Bottom Line

- ▲ OSS is service provider business automation**
- ▲ OSS software standards are enabling more seamless integration of software components**
 - ▶ The TMF efforts are yielding positive results**
- ▲ OSS vendors offer good solutions, but market pressures will force a shakeout**
 - ▶ Consolidation will also involve enterprise vendors**
- ▲ Enterprise vendors and service provider vendors are converging on a common OSS philosophy**

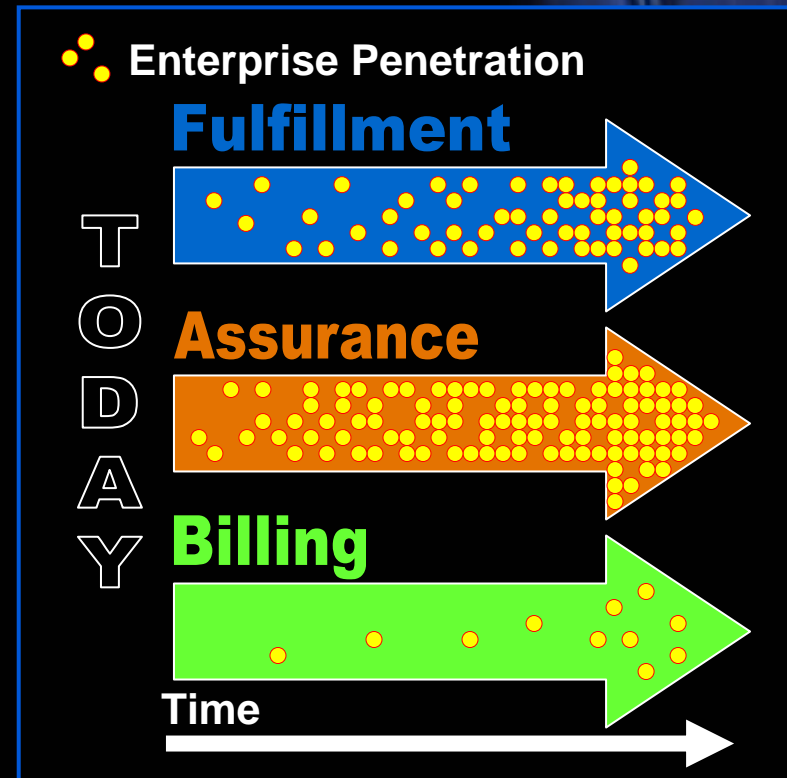
Business Impact: Expansion of OSS technology and processes will benefit mature enterprise operations

Evaluating Enterprise OSS Options



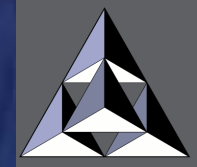
- ▲ The state of enterprise OSS processes and technology
- ▲ The enterprise OSS pursuit
- ▲ Evolving incumbent enterprise tools

*Service Assurance:
Quickest Enterprise Value*



*Carefully assess existing solutions and trends to
establish priorities and an OSS action plan*

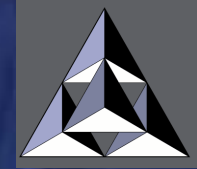
State of Enterprise OSS Options



Process Cluster	Enterprise Ready (attainable now)	Near Future (2002/03)	Distant Future (2004-08)
Fulfillment	<ul style="list-style-type: none"> ▲ Element mgmt. ▲ Discovery ▲ Some change mgmt. 	<ul style="list-style-type: none"> ▲ Broader change mgmt. across technology silos 	<ul style="list-style-type: none"> ▲ Provisioning
Assurance	<ul style="list-style-type: none"> ▲ Incident mgmt. ▲ Component perf. ▲ Service-level perf. 	<ul style="list-style-type: none"> ▲ E2E RCA and correlation ▲ IAM abstractions 	<ul style="list-style-type: none"> ▲ Business views
Billing	<ul style="list-style-type: none"> ▲ Very few options ▲ Early work in the most mature orgs 	<ul style="list-style-type: none"> ▲ Limited usage-based chargeback in advanced orgs 	<ul style="list-style-type: none"> ▲ Broader usage-based chargeback
Integration Options	<ul style="list-style-type: none"> ▲ Mostly proprietary ▲ Limited XML 	<ul style="list-style-type: none"> ▲ CIM/WBEM, XML 	<ul style="list-style-type: none"> ▲ TMF NGOSS merges with CIM/WBEM

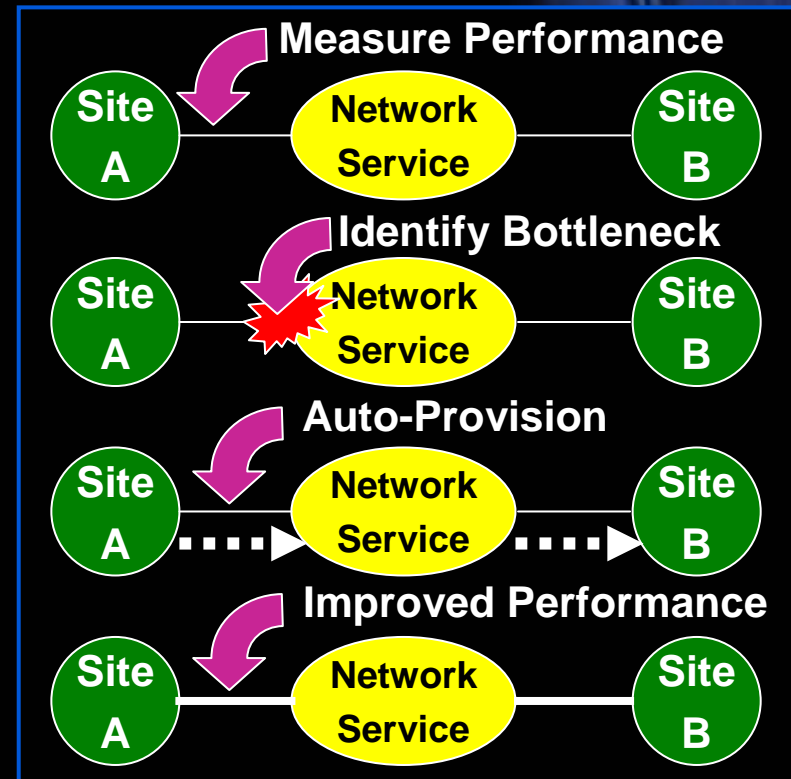
Plan for convergence of process-aligned products from enterprise and service provider vendors

The Enterprise OSS Pursuit



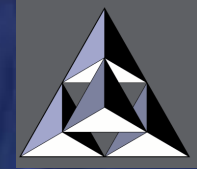
- ▲ Enterprise & SP vendors pursuing similar OSS
 - ▶ SP vendors want enterprise customers
 - ▶ Enterprise vendors want stronger suites
- ▲ Operational maturity is necessary for success
- ▲ Common interfaces spur dynamic services

Dynamic Service Example



Support only incumbent vendors that are offering or developing products with OSS characteristics

Evolving Incumbent Tools



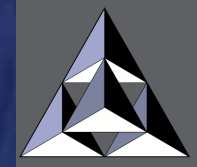
- ▲ **Large investment**
 - ▶ Purchase, training, config.
 - ▶ Hard to discard
- ▲ **Penetrate with point tools with a focus on integration**
- ▲ **Enterprise vendors are aiming to be OSS-like**
 - ▶ Try to avoid proprietary integration (e.g., the failed “framework” products)

Start With Service Assurance

- ▲ **Fault management with good discovery and RCA**
- ▲ **Component performance**
 - ▶ e.g., network, server, DB
- ▲ **Service-level performance**
 - ▶ e.g., availability, response
- ▲ **Unify incident management**
- ▲ **Escalation and tracking with a trouble-ticket system in conjunction with the CIC/help desk**
- ▲ **Measure progress**

Exciting new products must coexist with many incumbent tools in the overall enterprise OSS portfolio

Evaluate Enterprise OSS Options

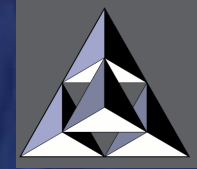


▲ Bottom Line

- ▲ Understand existing options and realistic evolution of process automation for OSS
 - ▶ Some OSS processes are still too ambitious****
- ▲ Plan to mix process-oriented products from enterprise and service provider vendors
 - ▶ Assess if and how incumbent products will fit****
- ▲ Migrate away from incumbent vendors that perpetuate silo focus or proprietary integration
 - ▶ An OSS is based on processes and open standards****

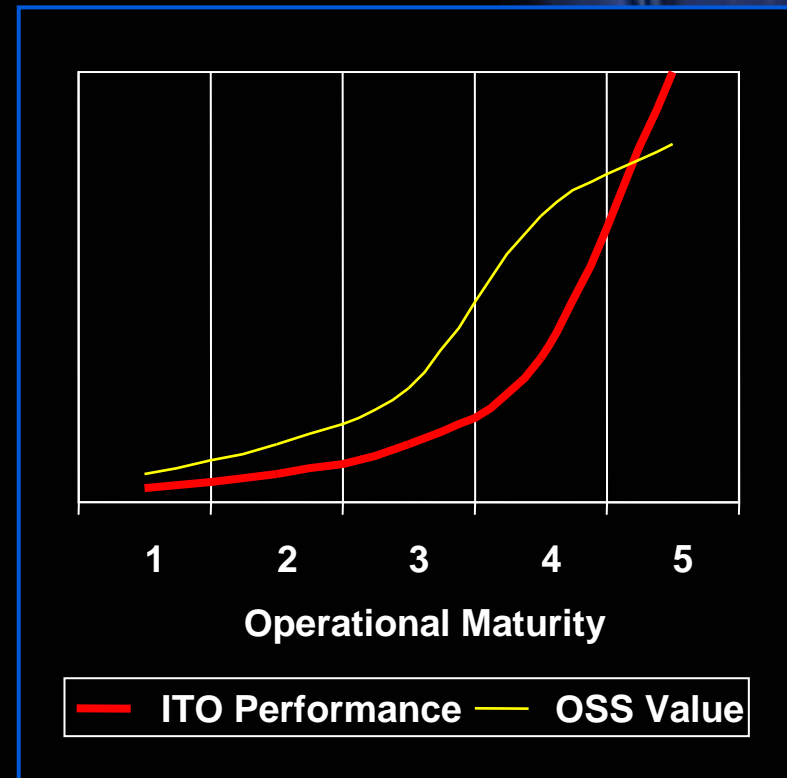
Business Impact: Enterprises can benefit from OSS convergence, but operational maturity is mandatory

Maturing IT Operations for OSS Use



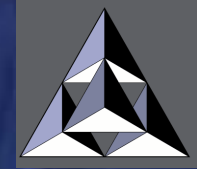
- ▲ Customer/supplier models
 - ▶ Service definition is in the eye of the beholder
- ▲ IT organizations as internal service providers
- ▲ Enterprise OSS process development

OSS Value as a Function of Operational Maturity



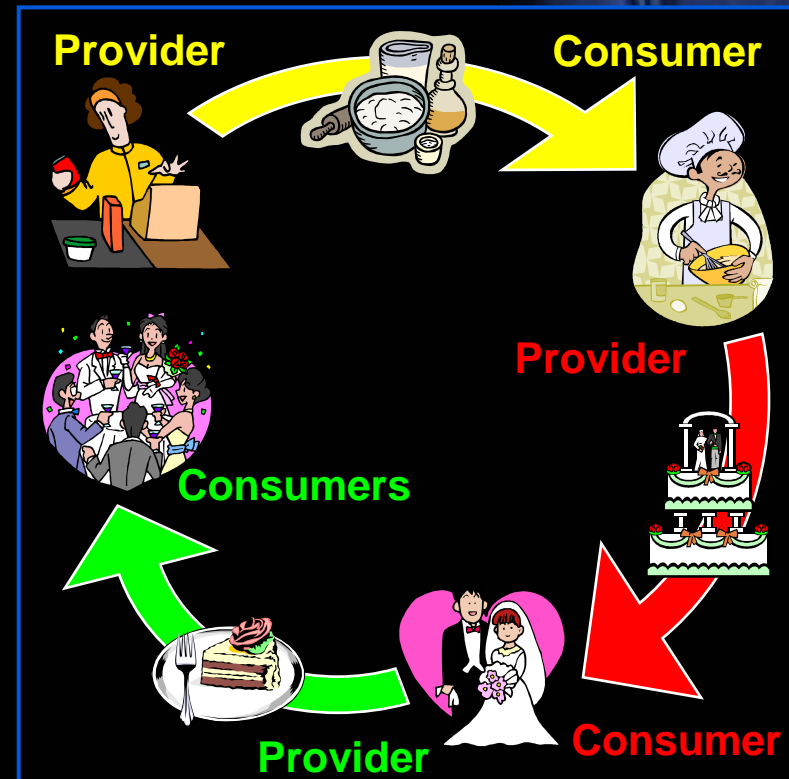
Build all business relationships, processes, and tools upon a passion for customer service

Customer/Supplier Models



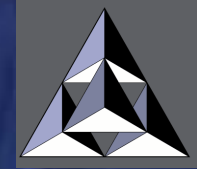
- ▶ Customer and supplier are relative perspectives
 - ▶ What product/service?
 - ▶ Who is the provider?
 - ▶ Who is the consumer?
- ▶ Services are abstractions of other services
- ▶ IT organizations outsource selected services to xSPs
 - ▶ e.g., telecom, payroll

Service Chain Abstractions



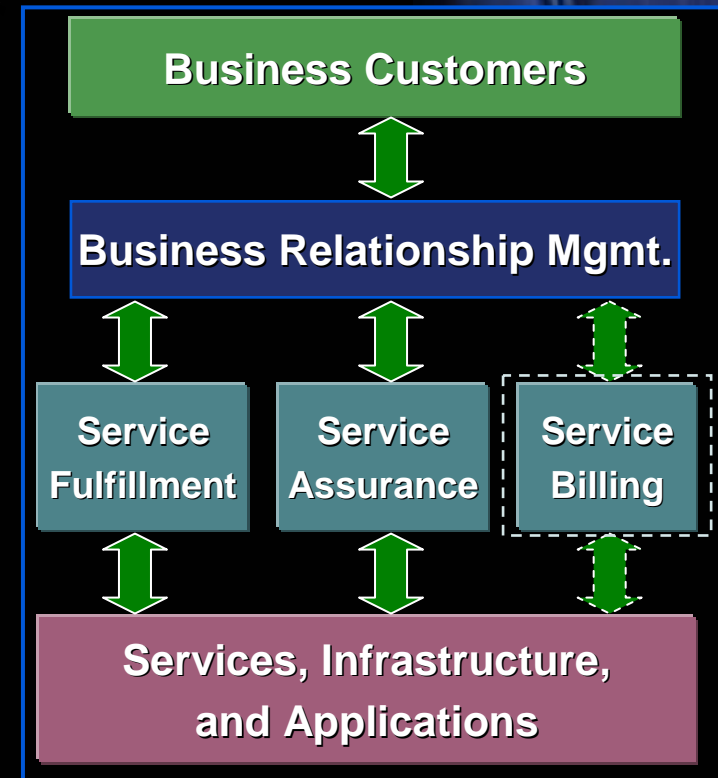
The IT organization provides a service to the business, so nurture an internal service provider culture

IT Organization as a Service Provider



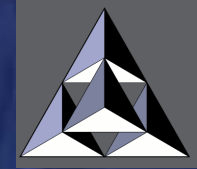
- ▲ **Business drives IT choices**
 - ▶ The business is the customer
- ▲ **The ITO must objectively demonstrate value and continuous improvement**
 - ▶ Operational metrics
- ▲ **Eliminate myopia and redundant technology**
 - ▶ ITO will be fired (outsourced)
 - ▶ Learn from the xSPs

BRM in the IT Organization



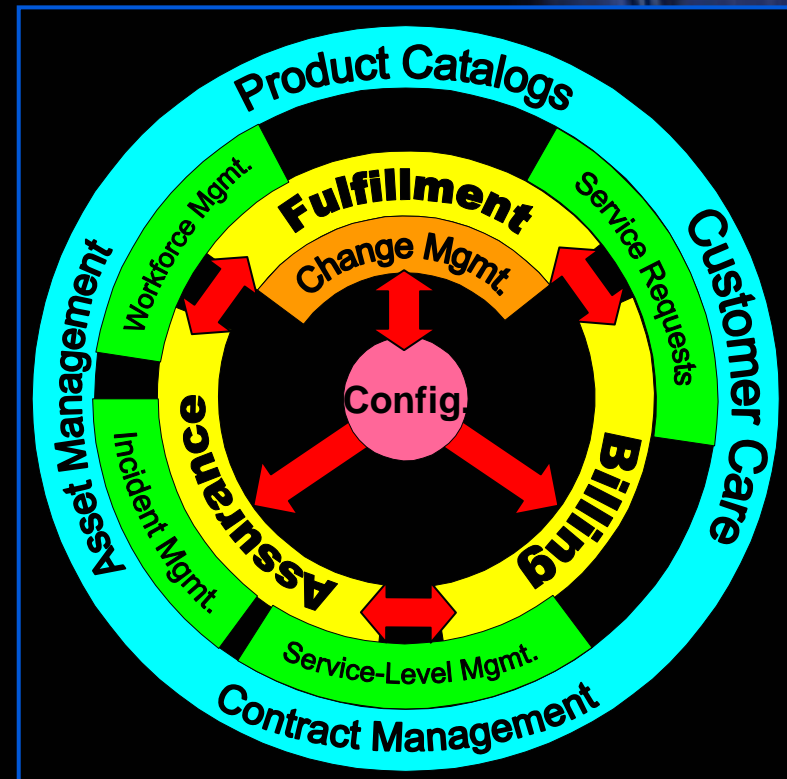
Enforce fiscal and engineering discipline with rigorous, operational processes based on best practices

Enterprise OSS Process Development



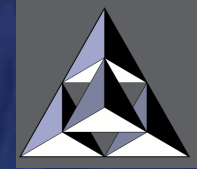
- ▲ OSS aligns well with IT process models
 - ▶ e.g., ITIL, META Group PMM
- ▲ Organize processes by common function
 - ▶ Avoid silo focus
- ▲ OSS is IT operational business automation
 - ▶ Tools accelerate process execution

Build on the FAB Model



OSS spans the gap between service providers and mature, process-driven enterprises

Mature IT Operations for OSS Use

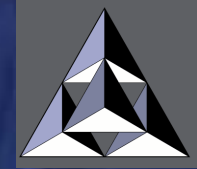


▲ *Bottom Line*

- ▲ Breed customer service, and operational maturity will naturally emerge**
 - ▶ Understand the customer's needs and pursue those needs as the primary objective of the organization**
- ▲ Operate the IT organization like a service provider**
 - ▶ Deliver measurable value, or risk being outsourced**
- ▲ Control costs and service execution with widely accepted process models resembling service provider business models**

Business Impact: Operate the IT organization as a true business, streamlined with OSS, for customer value

Can Enterprises Go OSS?



▲ Transformation Steps

- ▲ Evaluate how evolving OSS standards fit into ops
- ▲ Partner with market-leading converged vendors
 - ▶ Many smaller vendors will be gone by 2004
- ▲ Embark first on most realistic OSS options
 - ▶ Build service assurance; ignore provisioning
- ▲ Mature IT operations to true business entity
 - ▶ Promote a strong customer-relationship culture
- ▲ Understand SP and enterprise process synergies
 - ▶ ITIL, META Group PMM, OSSs possess similarities