

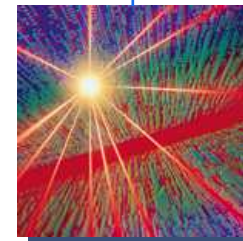


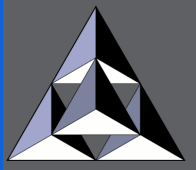
META Group

Enterprise OSS Market Drivers and Trends

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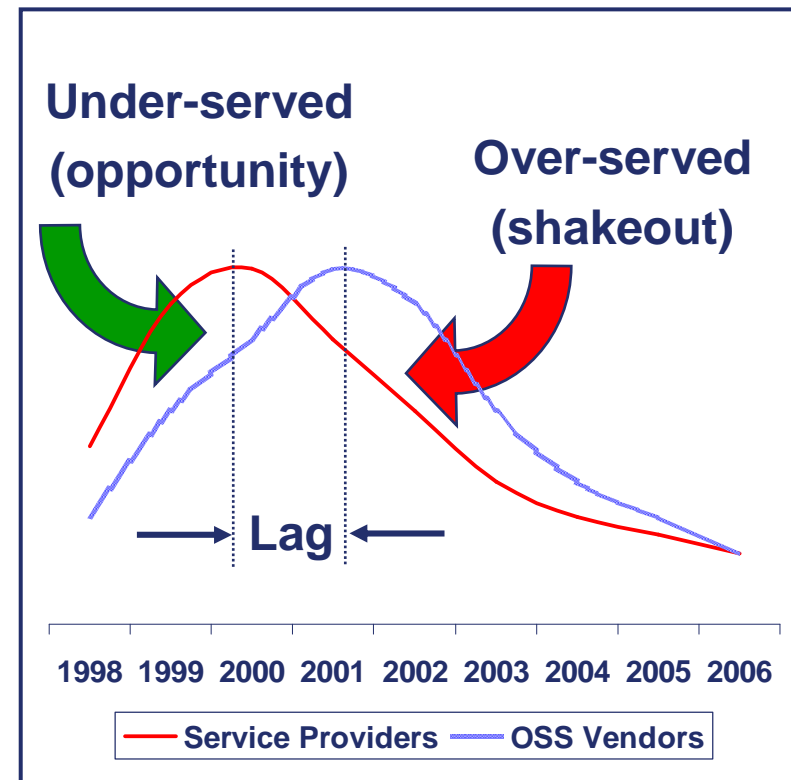




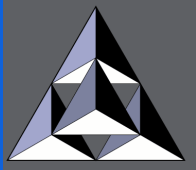
Business and Technology Scenario

- ▲ Service provider market turmoil driving OSS vendors toward enterprises
- ▲ Increasing operational maturity compels enterprises to seek stronger automation tools
- ▲ Large enterprises can mimic service providers

Skewed OSS Market Dynamics



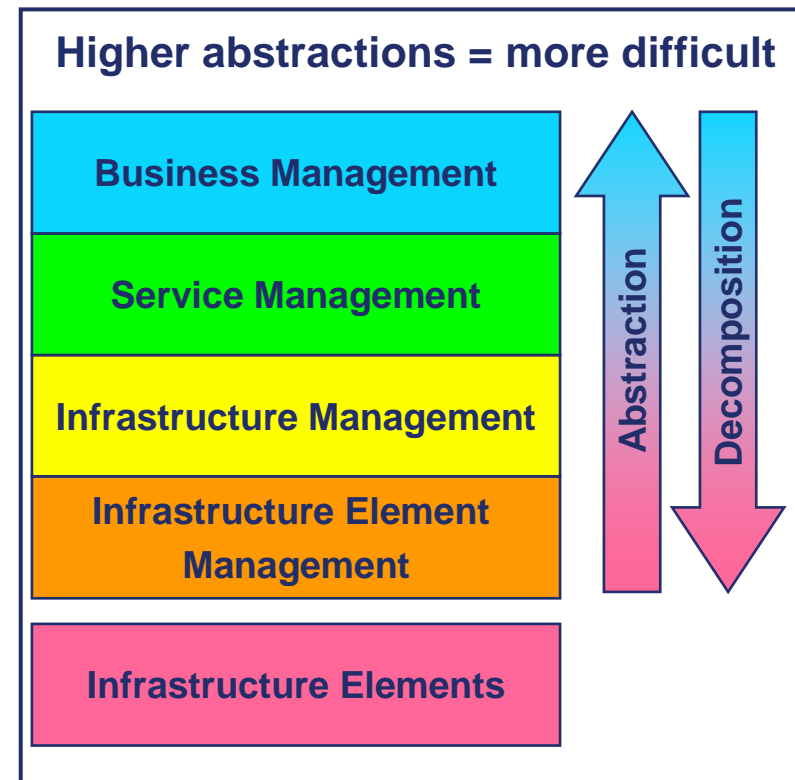
Some OSS vendors view enterprises as a salvation, but operational immaturity will moderate success.



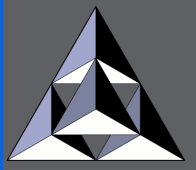
Concepts, Processes, & Technology

- ▲ **TMN abstraction model**
 - ▶ Developed for carriers
 - ▶ Adapts to other services
 - ▶ Enterprises are adopting similar tiered models
- ▲ **Processes map to operational functions**
 - ▶ Enterprises adopting ITIL
- ▲ **OO software is key**
 - ▶ Road to easier integration

Modified Telecommunications Management Network Model



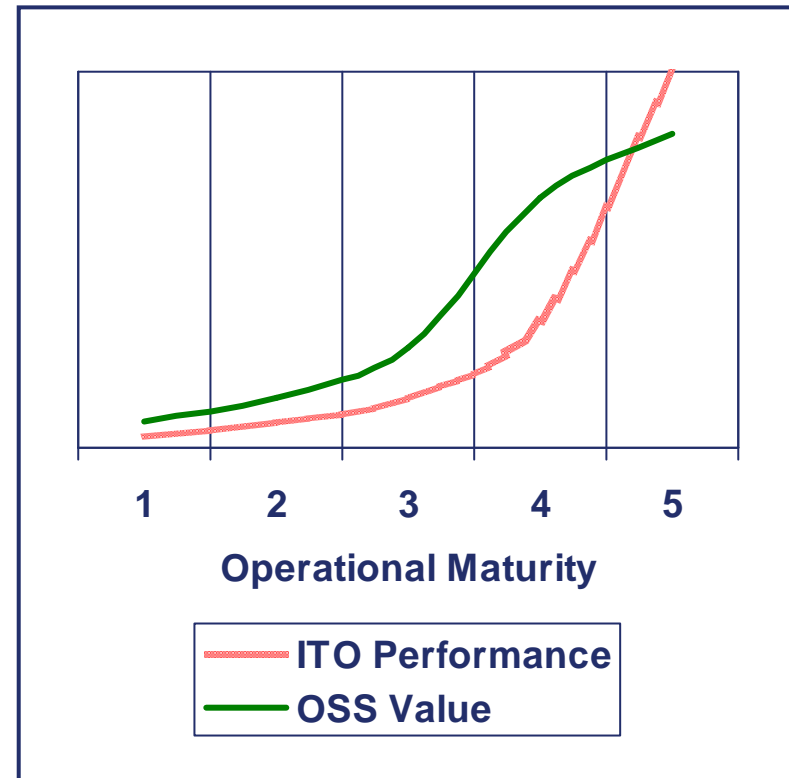
Service provider processes and mindset can address the enterprise requirement for operational discipline.



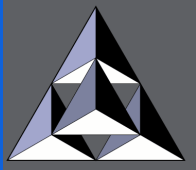
Maturing IT Operations for OSS Use

- ▲ 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



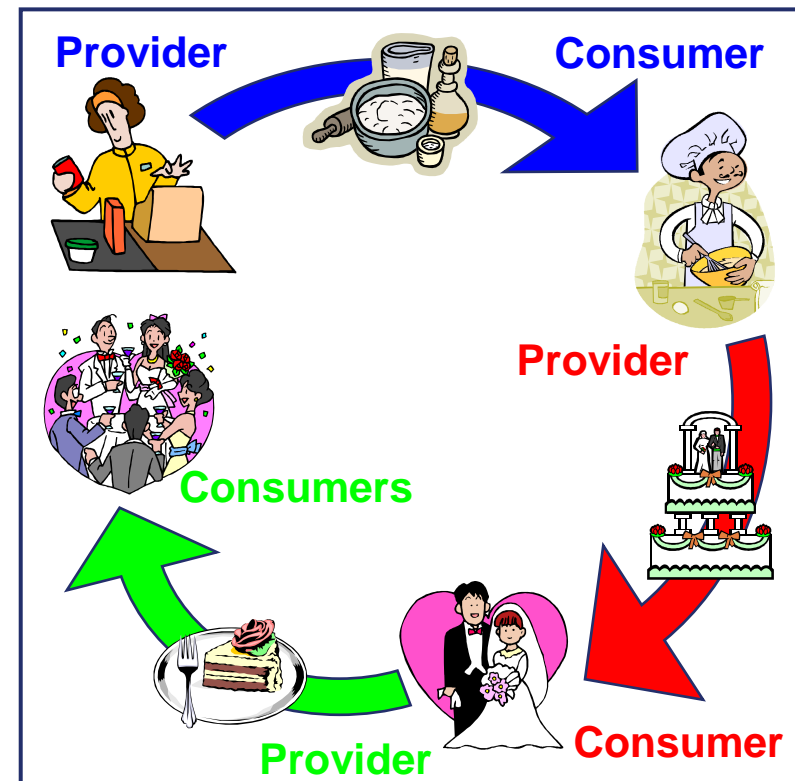
Enterprises must build all relationships, processes, and tools upon a passion for customer service.



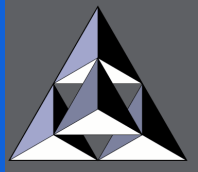
Customer-Supplier Models

- ▲ 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



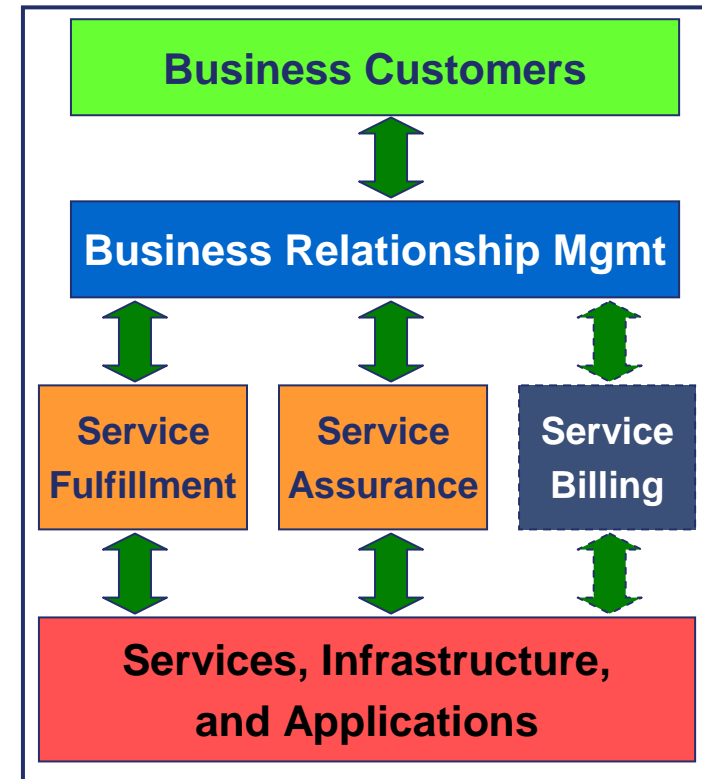
***The IT organization provides a service to the business;
an internal service provider culture must be nurtured.***



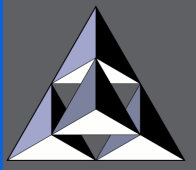
IT Organization as a Service Provider

- ▲ 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



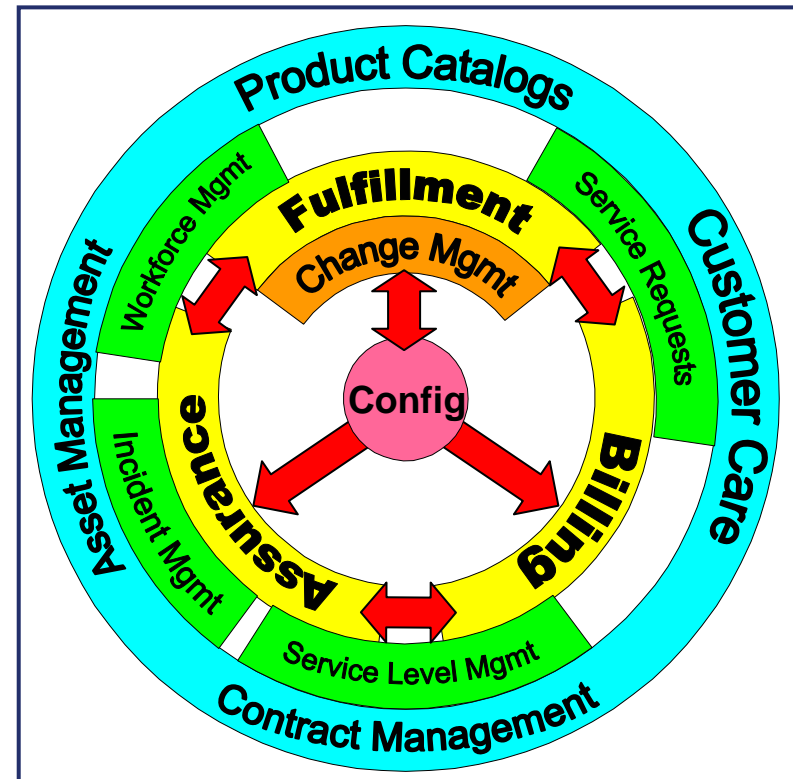
Fiscal and engineering discipline result from rigorous operational processes based on best practices.



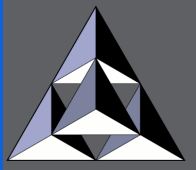
Enterprise OSS Process Development

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

- Build on the FAB Model



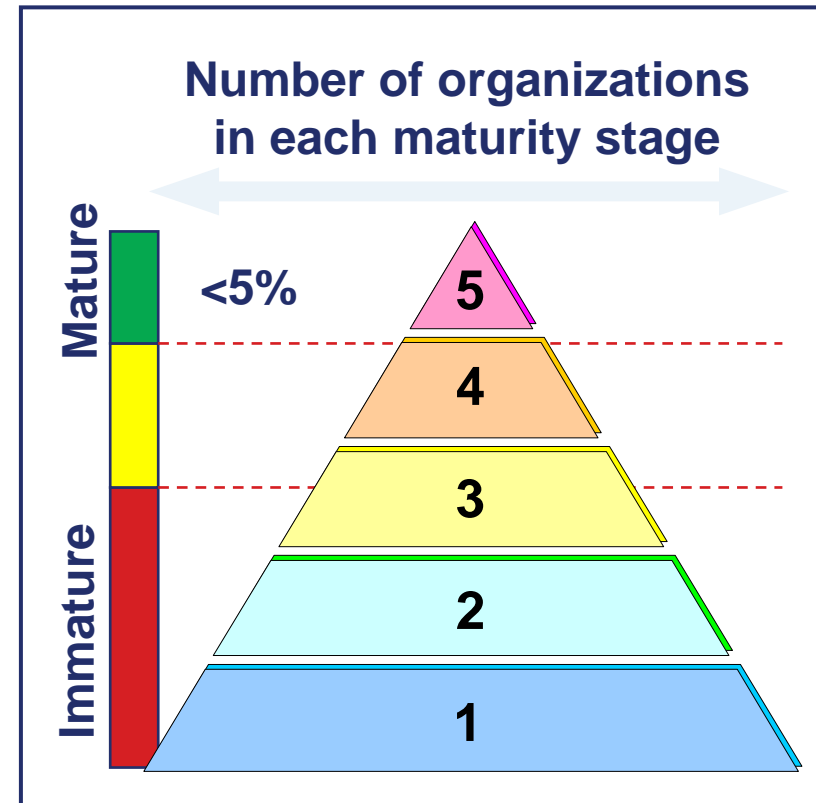
OSS spans the gap between service providers and mature, process-driven enterprises.



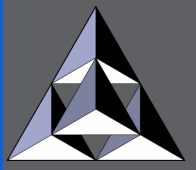
Barriers to Enterprise OSS Success

- ▲ Cultural resistance and inertia must be overcome
 - ▶ Process adoption is slow
- ▲ Incumbent tools must evolve or get discarded
- ▲ Outsourcing will cloud the market and its drivers
 - ▶ Hybrid enterprise-SP
 - ▶ Unprecedented integration necessary

- *Mature Operations are Rare*



The mature minority is the target market for enterprise OSS. Expect moderate growth in mature organizations.

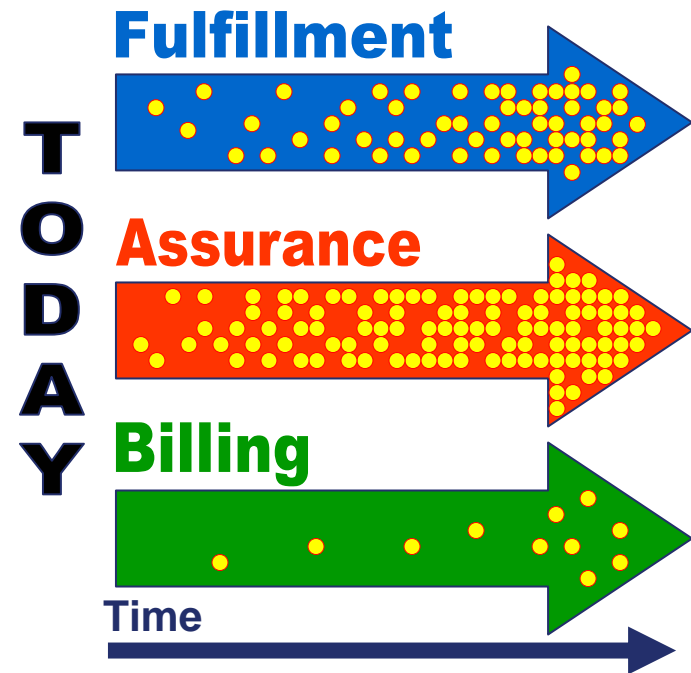


Evaluating Enterprise OSS Options

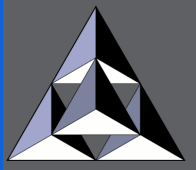
- ▲ The state of enterprise OSS processes and technology
- ▲ The enterprise OSS pursuit
- ▲ Evolving incumbent enterprise tools

Service Assurance:
Quickest Enterprise Value

Enterprise penetration



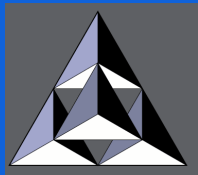
Enterprises are assessing existing solutions and trends to establish priorities and an OSS action plan.



State of Enterprise OSS Options

Process Cluster	Enterprise Ready (attainable now)	Near Future (2002-2003)	Distant Future (2004-2008)
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▲ Grid computing
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 organizations	<ul style="list-style-type: none">▲ Limited usage-based charge-back in advanced organizations	<ul style="list-style-type: none">▲ Broader usage-based charge-back
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

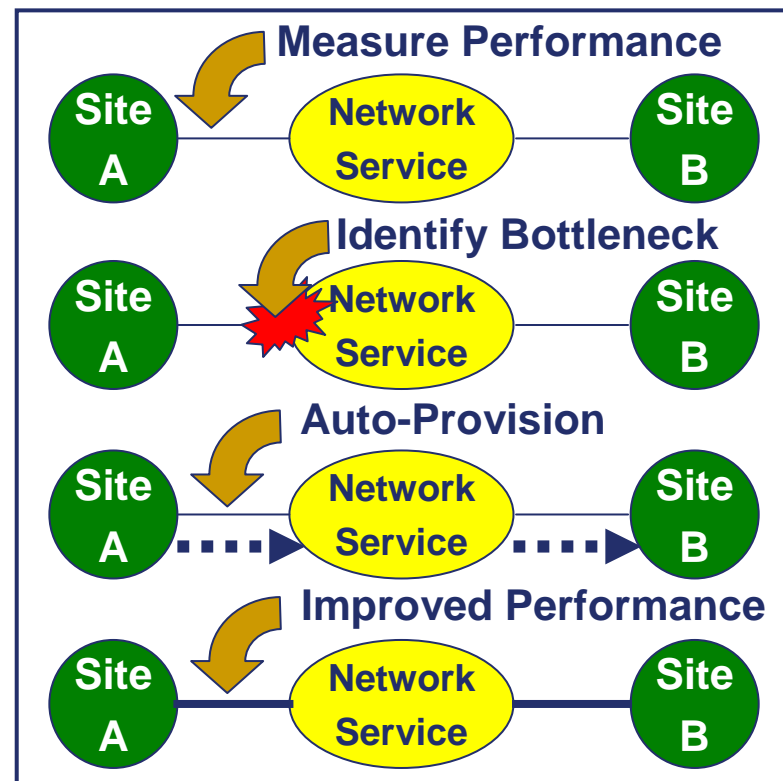
Process-aligned products from enterprise and service provider vendors will converge.



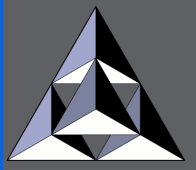
The Enterprise OSS Pursuit

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

Dynamic Service Example



Incumbent enterprise vendors that offer or develop products with OSS characteristics will excel.



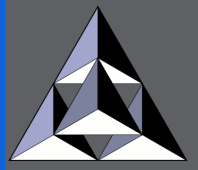
Evolving Incumbent Tools

- ▲ **Large investment**
 - ▶ Purchase, training, config
 - ▶ Hard to discard
- ▲ **Point tools with a focus on integration are growing**
- ▲ **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.



Enterprise OSS Drivers and Trends

- ▲ Enterprises are an OSS growth market ***Bottom Line***
 - Operational maturity requires OSS discipline
 - OSS vendors can find limited refuge in this market
- ▲ Enterprises must develop a service-provider culture to properly serve their business customers
- ▲ Operational processes are the root of enterprise success; mature minority is growing
- ▲ Tools are converging from both markets into a unified market – standard integration is the key

The enterprise and service provider markets have similar requirements when enterprises mature.

