



EXPERT OPINION:

Consuming BSS/OSS from the cloud – fiction or reality?

Fraud management, mobile workforce management, pricing analytics, order management and even billing are some of the BSS/OSS services that are already being consumed by service providers in the cloud. Is this limited to small providers, or is it a growing phenomenon that will change the delivery and usage of BSS/OSS as we know them? Nava Levy examines this and the conditions that make BSS/OSS ripe for cloud.

When Marc Benioff founded Salesforce.com over ten years ago, he couldn't understand why enterprise software applications were not as convenient to use as buying books on Amazon. Today, we ask ourselves: Why aren't BSS/OSS applications as convenient as cloud-based enterprise software applications? At the recent TMF Management World conference in Dublin, I chaired a session called "When Will BSS/OSS Applications Migrate to the Cloud?" Judging by the number of attendees – standing-room only – it is easy to deduce that this thought is shared by many business and IT telecom professionals. The promise of cloud computing is just too compelling to ignore. But is this model applicable to telecom or is this just a fantasy?

Before attempting to answer this question, let's first define what we mean by "consuming BSS/OSS services from the cloud". Gartner defines cloud computing as "a style of computing where massively scalable IT-enabled capabilities are delivered 'as a service' to external customers using Internet technologies". In our case, "IT-enabled capability" is the BSS/OSS application – for example, fraud management or billing – which is available anywhere anytime 'as a service' or 'on demand' for a subscription and minimal setup fee. All the user needs is a browser and an internet connection, without having to install hardware or software. Moreover, by using internet technologies, the BSS/OSS service provider enjoys much better economies of scale benefits vs. on-premise software or traditional hosting.

It is these drivers that explain why there are already many BSS/OSS applications that are being delivered in the cloud, across the telecom applications map. Even billing is moving to the cloud, as evidenced by the recent announcement of three, albeit small, service providers adopting cloud-based billing. What are the key characteristics of BSS/OSS applications that make them suitable for migration to the cloud?

1. Often, hosting is already an acceptable delivery model.
2. Users come mostly from the business side (vs. IT).
3. Benefits of obtaining access over the web (for example, mobile workforce, network effects and mash ups).
4. As with any disruptive innovation, adoption often starts at the 'low end' and then proceeds upstream.

It is worth noting that low end is not limited to small operators, it can also mean small departments and new lines of business in very large operators. These customers find the low cost and fast-time-to-market too appealing to justify doing it in any other way.

However, for most of these applications, adoption is still limited to early adopters, the visionaries and the innovators. To reach mainstream, the key adoption barriers, perceived or otherwise, will need to be overcome, namely availability, security, loss of control and level of customisation. The fact that some of these applications are already going mainstream, for example, salesforce automation and mobile workforce management, provides a clear indication that for some cloud/SaaS providers it is only a question of time before they overcome these obstacles. Since most industries eventually migrate to the most economically viable model, telecom IT, which is gradually moving to a utility model, will not be different.

Will there still be traditional on-premise BSS/OSS applications ten years from now? I believe there will be, in the same way that there are still many mainframes out there. However, the overwhelming trend will be that more and more service providers will adopt cloud-based BSS/OSS apps to reduce cost and increase agility. The cloud-based BSS/OSS activities we are witnessing today are just the beginning, and it will be exciting to see how they will evolve our industry. 



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