Improving Comarch’s Telecommunications Software (OSS v4)

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“700 million telephone lines were installed in the first 100 years of telecoms;

700 million more will be installed over the next 15-20 years.”

- Ben Verwayen, Lucent Technologies, 1998
Agenda

• Introduction to
  – Telecommunications Industry
  – Operations Support Systems

• The Opportunity: our problem

• What it means to Comarch
  – Project’s goals

• Methods

• Findings

• Future
The Telecommunications (Telecom) Industry

• More than 2.7 billion mobile phone users

• More services + more customers = complexity

• Annual revenue?
  $1.2 trillion\(^1\)

with a 5.9% annual growth\(^2\)

Source: btnaccess.com

How do Telcos manage that complexity?

• Operations Support System (OSS)
  – Manage and control *networks*

• How much are Telcos willing to pay?
  $21.5 billion in 2006\(^3\)
  grows at 6.8\% per year\(^4\)

• Comarch’s pie share:
  $20 million, 0.001\%
The Opportunity: our problem, our project

- Telcos want a solution (OSS) that supports:
  - Adaptability,
  - Compatibility, and
  - Law Compliance

- 3 approaches to getting a greater share

- How to give them what they want? We looked and we found
What does this mean to Comarch?

- **Adaptability** - enhanced Telecommunications Map (eTOM)
  - Standard processes
  - Every Telco wants them

- **Compatibility** - Enterprise Service Bus (ESB)
  - $114.8 million in 2005
  - Growth of 160.7%\(^5\)

- **Law Compliance** - Sarbanes & Oxley Act (SOX)
  - $6.1 billion spent in 2005 in the US\(^6\)

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5. Gartner, 2006; 6. AMR Research, Inc., 2005
Our Project’s Objective

- Develop recommendations to approach the profitable market of Operations Support Systems in terms of:

  Adaptability - eTOM
  Compatibility - ESB
  Law Compliance – SOX
Methodology

- Scan horizon
- Analyze
- Identify opportunities
- Recommend
Findings

Adaptability - eTOM

Compatibility - ESB

Law Compliance – SOX
Adaptability – eTOM

(enhanced Telecommunications Operations Map)

“eTOM has evolved into a de facto standard for telecom service delivery.” (Forrester, 2007)

Findings
• Improves Business Processes
• Comarch’s OSS fully supports eTOM processes

Opportunities
• Generic processes reduce costs of integration
• Access Key to Telcos
Compatibility - ESB

Findings

- Integration tool
- Revenue of $114.8 million
  - Grows at 160.7% per year

Opportunities

- New, small, and rapid growing
- Two approaches
  - Create an ESB
  - Use standards of other ESBs
Law Compliance – SOX in the US

„It’s all about internal controls”

Opportunities

- SOX mindset globalizing
- Offer consulting services

Findings

- Good news!
  - Comarch OSS supports it
- Biggest competitors offer consulting services
- More than just the technology

In the US:\n$6.1$ billion total spending
$1.9$ billion in Technology
$1.8$ billion in consulting

8. AMR Research, Inc., 2006
Weighting the 3 approaches

Value Curve for Comarch

- ESB (creating own ESB)
- ESB (integrating software with existing ESBs)
- SOX compliance
- eTOM mapping

Relative value

- Development cost
- Development time
- Potential revenue
- Marketability
- Impact on reputation

high

low
Future

• Market Comarch’s OSS as SOX compliant and eTOM-ready.

• Take advantage of the sprouting of the ESB sector

• Offer consulting services in SOX in the world
Thank you

Any questions?