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Upping the Ante in the OSS Game

By Susana Schwartz

With its latest acquisition of Metasolv, Oracle has upped the ante in the OSS space, as it now possesses key components that will help it leverage its already huge presence in telecom. With a purchase price of just over $200 million, Oracle gains another key vertical piece to complement its Portal, Siebel and PeopleSoft acquisitions.

Oracle is yet another strong single source provider attempting to integrate billing and OSS. "With Telcordia's acquisition of Granite, Amdocs' acquisition of Cramer and now Oracle getting dealt its own full house, it will be interesting to see how the other larger billing and OSS companies position themselves against the newest competitive threat. I suspect more mergers and acquisitions will be the result," says Pete Sokoloff of investment banking firm Sokoloff and Associates. "Oracle is the dominant database provider in both telecom and enterprises, and it has already proven its ability to extend outward from the database to capture market share in applications, as with CRM."

The fact the Oracle brand is so strong could become a differentiator against competitors like Amdocs, as carriers may become inclined to buy OSS/BSS components from the "brand name vendor," according to Sokoloff.

Of course, IBM, BEA, and others offering service delivery platforms that purportedly work toward standards-based methods for integrating IT infrastructure with OSS/BSS and provisioning components.

In Oracle's case, skeptics might question whether the acquired applications of Oracle are yet to be proven as "integrated," and whether Oracle's database dominance is enough to make application integration less of a headache.

Oracle's focus with this and its other acquisitions though is clearly to tie services into CRM, billing and provisioning for an end-to-end solution.

Regardless of who leads in the charge toward IMS and service-oriented ar chitecture, it is obvious that OSS/BSS is opening up to billion-dollar competitors.

"A few months ago, the Oracle acquisitions were amusing, but with its acquisition of Metasolv, a real strategy has become evident," concedes Dan Baker, research director, OSS/BSS knowledgebase for Dittberner Associates International, a market research and consulting firm specializing in the telecommunications industry.

He contends Oracle has been very clever in its assembly of the many pieces that will fall under its dominant applications umbrella.

Where IBM and others like HP spent large amounts to acquire fault management-specific pieces, Oracle has focused on gathering up not only fault management, but billing, performance management, network management, provisioning, inventory, activation and other hotly contested components.

"For about half what IBM spent for its fault management piece, Oracle has acquired a myriad of pieces that form a substantial OSS/BSS portfolio," says Baker.

That may push Oracle ahead in the race to attract companies embarking on pipes-to-services migrations in the next five to ten years.

That means entrants not wishing to play in the pipe space may be lured to Oracle's SIP and services-enabled approach in an effort to avoid network-centric problems.

While an Amdocs possesses the billing accounts with the Tier1s, one can't ignore the way Oracle is stitching together an integrated approach that won't push enterprises into a large suite approach—something companies may be wary of, as integration continues to be a sticky point. That means carriers may shy away from heavy SI and consulting solutions, and more toward software-driven approaches.

"Oracle wants to push a message that they give the customer the ability to evolve, expand and replace any components they wish as they change business strategy," says Burt Sky, director of carrier operations and strategies in OSS, Gartne r Group. "This move really raises the bar in terms of speeding the lifecycle of services from creation to activation through standard interfaces and the leveraging of technologies that are specific to content, media and entertainment.

Sky believes that Metasolv's component-oriented approach fits well into Oracles IMS and policy contract interfaces strategies. "Metasolv was publicly traded and has shown more maturity than its upstart competitors, so the choice makes sense," says Sky.

He acknowledges success will depend on the roadmap Oracle constructs for integration of its components. "The pieces will probably exist as standalones for six to nine months, until they complete an integration strategy," adds Sky.

He believes adherence to SID and eTOM will be important as carriers try to consolidate, map and integrate a transition from legacy systems to NGOSS.

Currently, neither Oracle nor Amdocs has a real SID roadmap regarding the TMF's Shared In formation Data Model, but that might not be detrimental to Oracle, as it may beat the integration game by having a main software application under which piece components can be purchased—whether billing, inventory, provisioning and other OSSs.

"They'll just say, 'You have our databases, and we have all the OSS pieces, so why not just integrate with us?'" adds Baker.

As for integration with third parties, J2EE will probably be the enabler, although Oracle probably is banking on the idea that carriers and enterprises won't need to look elsewhere.

Oracle's main challenge will lay with support of Portal and Metasolv customers: "They will have to meet customers' unique needs in the same way the standalone companies were able to do," says Sokoloff.

TEOCO Acquires Vibrant Cost Management, BI

TEOCO aims to innovate with next-generation auditing software that will analyze costs, perform revenue assurance, prevent fraud, and ana lyze product profitability with what it hopes will be unprecedented detail and speed. It plans to do so by integrating its cost and revenue management solutions with Vibrant's Carrier Cost Management and Business Intelligence product. The acquisition includes Vibrant's ViewLogic, Acuity and Cost of Access software systems as well as the trademarks of Vibrant Solutions and HyperAnalytics.

Anti-Pretexting Working Group

AT&T, Verizon, Sprint Nextel and Qwest, have joined forces with cable operators and XO Communications to form the Anti-Pretexting Working Group. They have submitted a filing to the FCC, whose agenda includes action on the AT&T-BellSouth merger.

The effort may help galvanize the effort to have Congress make "pretexting" a federal crime. The House and Senate Judiciary committees already approved bills to provide criminal penalties for the fraudulent acquisition of telephone records. Also, companion bills (S. 2178/H. R. 4709) punish those who impersonate a customer to procure personal phone records. Violators supposedly can be imprisoned for up to 20 years, and/or fined.

Several states have filed civil lawsuits to stop Web sites that sell fraudulently obtained telephone records.