



### Customer Case 1: Process Automation by implementing a new OSS

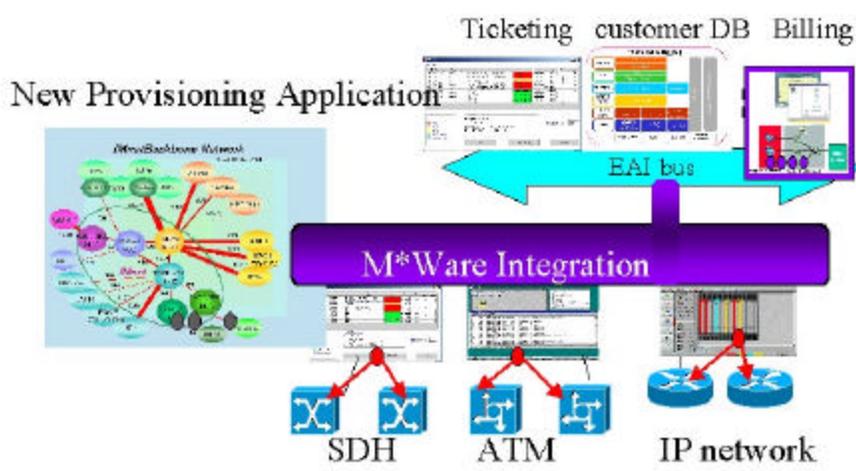
Our customer is a communications provider running three different network technologies: SDH, ATM, and IP. The customer wanted to implement a “zero touch” provision/activation application for all his platforms, including single platform and combined platform services.

The customer selected a COTS application that met each of these requirements, and paid around \$800,000 for the application license and customization.

#### Project Costs without Using M\*Ware:

The application vendor and a third-party system integrator calculated the total integration costs at \$1600,000.

The costs of integrating the new application with the three involved networks were \$900,000. The integration costs with three other applications using an already available EAI tool were calculated at \$700,000—\$150,000 for the new application adapter and \$550,000 for the three required application bindings.



#### Project Costs Using M\*Ware:

M\*Ware based integration was realized for a total of \$1150,000.

M\*Ware integration with the existing networks took \$600,000—\$300,000 for the product components (the different M\*Ware network and application adapters) and \$300,000 for the customization services and actual software development.



The costs for integrating with the three other applications using M\*Ware CIM features in combination with the existing EAI interfaces were in total \$550,000— \$250,000 for the product components (EAI and M\*Ware adapters), and \$300,000 for the services and actual software development.

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## Customer Business Case:

### Cost Savings Factor A—Running Costs

The provider originally used 24 people in the service provisioning process but reduced the required process time using the equivalent of eight people. This implies a decrease in process running costs of 65%, or approximately \$1.6 million per year. Of course, this was not the result of M\*Ware only, but a result of the total automation project, to which M\*Ware contributed more than 50%.

### Cost Savings Factor B—Project Implementation Costs

The integration costs of the provisioning application were reduced substantially from \$1.6 million to \$1.15 million. In other words, M\*Ware reduced the integration costs to 70% of the original calculation.

### Cost Savings Factor C—Change Management Costs

Every time the service provider requires a network or system upgrade, the integration software needs to change as well. Consider the following hard facts that demonstrate how substantially these change management costs influence the total cost of ownership.

Without using M\*Ware, a change of the integration software between a network and a network application costs \$55,000. A change of integration software between the network provisioning application and the other applications (on the EAI bus) costs \$20,000.

After M\*Ware implementation, these costs decreased to \$20,000 per network and network application binding, and \$10,000 for the provision application to other applications binding. This difference in cost alone is not sufficient to fully appreciate the real business impact. This impact becomes clear when you realize that with every network or application change or with any service introduction, multiple bindings to the different networks and applications must be changed.

Using an average of one change per year for each network and application, and one service introduction that requires changes in the networks and systems, the total annual change management costs without M\*Ware implementation are \$955,000.

M\*Ware-based change management reduced this annual recurring cost to \$360,000.

### Cost factor D—Cost to Expand Business or Automate

If the provider decides to add a network or network equipment type or would like to add another network application to his operations, the network integration software must be enhanced.

Without M\*Ware, integrating a new network to the provisioning application and ensuring full functionality with other applications costs around \$360,000 (\$300,000 for the new network binding, and \$60,000 for the changes in the application bindings)

Once a new network application needs to be integrated with the three networks, traditional peer-to-peer mediation cannot re-use any of the existing integration software; therefore, a totally new integration project is required, including new three network bindings and an enhancement to the other applications, costing around \$1750,000.

With M\*Ware, integrating a new network or network application re-uses the majority of the existing M\*Ware software components and costs only \$230,000 for a network (40% cheaper) and \$900,000 (more than 50% cheaper) for a new network application. These numbers clearly illustrate how M\*Ware strategically influences the provider's ability to expand his business and improve his business processes.

**Cost Savings Factor E—Shorter Time To Market**

M\*Ware provides additional cost savings because of the decreased time to market for system integration and the implementation of required changes.

The total project implementation time was calculated at nine months, whereas Vertel M\*Ware reduced the project time by two months to a total of seven months implementation time.

Using M\*Ware, the service provider can now manage, control, and perform the network, service, and systems changes himself within two weeks. In the past, without M\*Ware, these changes took between 8 and 12 weeks (average 9 weeks), mainly because of difficult coordination and scheduling involving different vendors. Assuming two services are launched per year, the difference in market revenue is 14 weeks, or more than a quarter of the annual service revenue!!

**Cost Saving Factor F—Customer Satisfaction**

Vertel customers often mention the measurable improvement in customer satisfaction due to the introduction of M\*Ware; however, quantifying customer satisfaction in hard dollars is difficult. In this specific customer case, the provider regularly measured customer satisfaction related to changes and upgrades, which improved 34% once M\*Ware was introduced.

The following table shows the major cost saving achievements using M\*Ware in process automation projects.

**Impacted Cost and Profit Areas**

<i>M*Ware</i>	A: Running Cost	B: Project	C: Change Management	D: Expanding	D: Time to Market	E: Customer Satisfaction
Process automation	- 65 %	-25 %	-60 %	-35 % /network -50 % /system	-25 % project -70 % changes	+34 % For changes
	800 K /annum	450 K	595 K /annum	130 K /network 900K /system	Quarter of annual revenue	

Project ROI without M\*Ware = 3 year  
 Project ROI using M\*Ware = 1.4 year

**Figure 1—The different cost savings achieved by M\*Ware in a process automation project**

Your Vertel account manager can show you in detail how these numbers were gathered. A similar automated spreadsheet could be used to calculate costs and savings and help you draw your own conclusions in the process automation project that you are planning.

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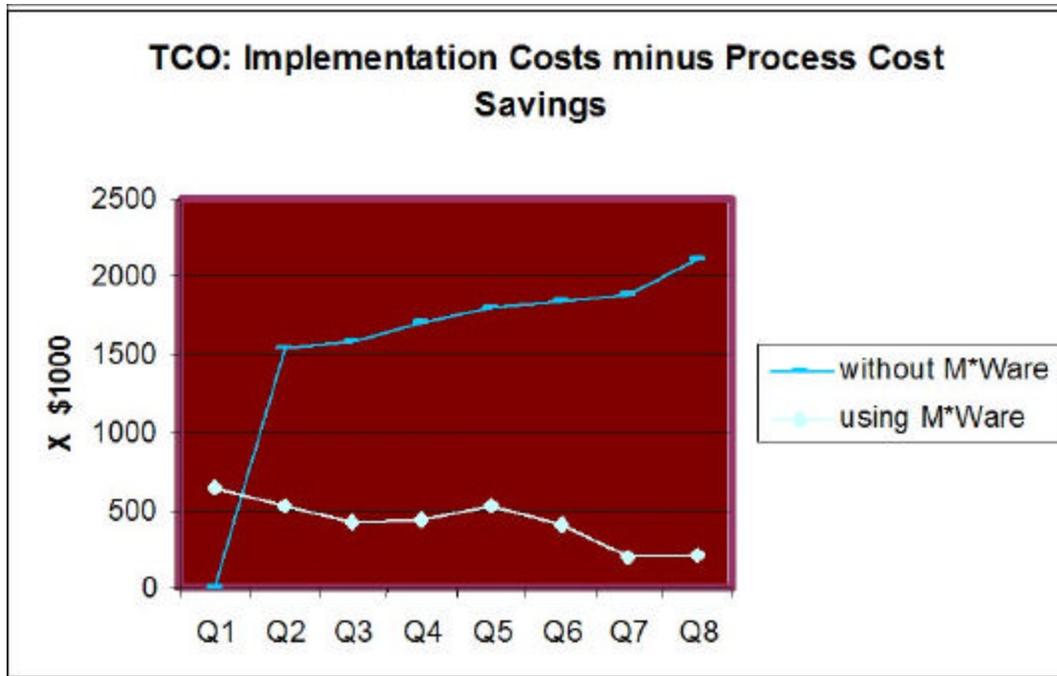


Figure 2—Costs over time

Figure 3 shows how the total costs evolve over time. This graph accounts for the initial project costs, the annual maintenance costs, the cost savings in the provisioning process, and the cost savings in change management.

Without M\*Ware, the TCO for the application never decreases despite the savings in the provision process itself, because the introduced change management costs are so high.

With M\*Ware, the initial costs are lower due to product depreciation. Also, thanks to the extra cost savings in change management, the TCO of the solution is reduced almost to zero within two years.

### About Vertel

Vertel is a leading provider of Mediation, Network Integration and Management and B2B Exchange Solutions.

Since 1995, Vertel has provided solutions to over 300 companies, including telecom infrastructure vendors, operators and service providers such as Alcatel, Nokia, Siemens, Motorola, Lucent, Nortel, NTT, Samsung, AT&T, BT, Deutsche Telekom, Cingular and Williams Communications.

Vertel's in-depth knowledge and commitment to industry standards, combined with experience of working with many different equipment types, allows the creation of high performance solutions that enable customers to quickly overcome technological barriers.

Vertel's mission is to make its customers successful by enabling them to reduce operational costs and introduce new services, networks and OSSs whilst maximizing existing investments.

Vertel's Professional Services organization in USA, Europe and Asia develops communications software solutions tailored to individual customer requirements and offers project management, systems analysis and other technical services.

For more information on Vertel or our M\*Ware products, contact us at 21300 Victory Boulevard, Suite 700, Woodland Hills, Ca. 91367; telephone: + 1818 227 1400; fax: +1 818 598 0047 or visit [www.vertel.com](http://www.vertel.com)

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