



### Customer Case 3: Improving Quality of Service

Our customer is a US communications provider offering voice, data, and Internet services. The provider decided to improve the service offering for the top 50 of his major multinational business customers by offering real-time service management information for all services. The provider manages voice, data, and Internet in one location but uses separate OSSs.

For customer service management, the following features were implemented:

- Ticket open and status
- View network alarms status
- QoS real-time measurement
- Activation of special customized service features
- Specific test features
- Web-based billing

These features required real-time information from different element managers, network managers, inventory, customer databases, quality management systems, routing, billing, and trouble-ticketing systems. The information coming from different sources was to be consolidated.

After careful investigation, the provider realized he needed an integrated management system on top of the separate technologies that correlated alarm and usage data and interfaced with a common customer database, ticketing system, and biller. To calculate expected costs for such a system, RFPs were sent to major providers such as HPOV, Comp aq, OSI, and Netcool. It was determined that the data mediation part of the project would be considerable. In a project analysis, Vertel offered an M\*Ware-combined mediation and umbrella management solution. With mediation on a lower layer on top of the network elements, the solution became very efficient and enabled the consolidation of separate OSSs.

The combined mediation and application software provided the ideal basis for the required consolidated service view. Also, customers could easily use the web-client interfaces of the M\*Ware Convergent Manager.

### Customer ROI Conclusions:

#### Cost Savings Factor A—Running Costs

The provider saved around \$500,000 in annual maintenance costs by limiting his OSS battery for the separated networks. The consolidated OSSs and the consolidated way in which M\*Ware allowed customer services to be monitored improved efficiency in the Network Operations Department.<sup>1</sup> Training costs were also reduced. The resulting increase in operations and customer care productivity was valued at around \$300,000 per year. The difference in maintenance costs between the solutions was another annual savings of \$540,000 per year.

#### Cost Savings Factor B—Project Implementation Costs

<sup>1</sup> M\*Ware allows the Customer Care Center to view problems with all of a customer's services (such as voice, data, internet, etc.) from a single screen, as opposed to monitoring the services individually from different screens.



The estimated development and implementation costs of the best Vertel competitor were \$12.2 million, of which \$8 million can be depreciated. This resulted in first-year costs of \$6 and \$2 million each year thereafter for the next three years.

The Vertel solution cost a total of \$8.4 million, of which \$5.8 million can be depreciated. This resulted in first-year costs of \$4.1 million, and \$1.45 million each year thereafter for the next three years.  
**M\*Ware reduced the initial project costs by \$3.8 million, or more than 35%.**

#### **Cost Savings Factor C—Cost to Expand Business or Automate**

Every time the service provider decides to expand his service offering and implement new networks, new services, or new features to the customer network management, mediation and integration are subject to change. Assuming changes in the service offering are likely, the M\*Ware cost savings are as follows: Considering similar costs as before with a frequency of one change per year in either network or support system, the M\*Ware savings is \$445,000 annually. Including one additional offering in customer management means an additional savings of \$85,000. If the provider decides to add an additional network or system, the M\*Ware savings are calculated at \$265,000 per network and \$60,000 per system.

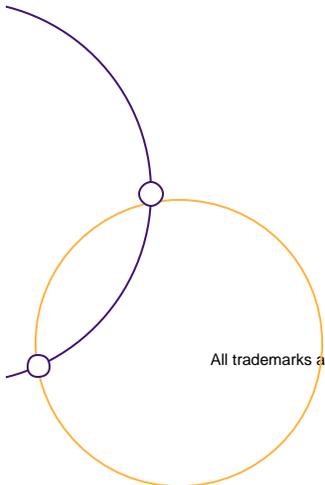
#### **Cost Savings Factor D—Shorter Time to Market**

M\*Ware provides additional cost savings because of the decreased time to market for automated solutions.

The total project implementation time was originally calculated at fourteen months—Vertel M\*Ware reduced the project time to ten months, or around a third of the annual revenue for the new customer management feature. The introduction of new features and services using M\*Ware does not cause any service interruptions. Note that cost advantages resulting from differences in speed when implementing a change were not calculated here.

#### **Cost Saving Factor E—Customer Satisfaction**

M\*Ware's effect on customer satisfaction in this customer network management area is hard to calculate, assuming competitor solutions also work correctly after implementation. The shorter implementation time for changes would certainly be a competitive advantage for the M\*Ware solution.



## Impacted Cost and Profit Areas

<i>M*Ware</i>	A: Running Cost	B: Project Implementation	C: Expanded Offering	D: Decreased Time to Market	E: Customer Satisfaction
Improve Quality	-\$ 500 K -\$ 300 K -\$ 540 K	-40 %	-\$ 530 K -\$ 325 K	-25 % project	For changes
	•OSS Saving •Efficiency •Maintenance	\$ 3800 K	Changes Additions	Third of annual revenue	

Project ROI without M\*Ware (based on A) = 4 years  
 Project ROI using M\*Ware (based on A) = 2.1 years  
 M\*Ware cost savings: first full year (only B) \$ 2100 K  
 following three years (only B) \$ 550 K

*Figure 1—The achieved cost savings of implementing M\*Ware in QoS projects*

### About Vertel

Vertel is a leading provider of Mediation, Network Integration, Network 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.

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