

Introduction

All communications service providers face a similar set of business imperatives, including:

- Ensuring protection of their existing revenue base
- Growing revenue in new markets or with new services
- Incorporating disparate processes and systems that are introduced through corporate mergers and acquisitions
- Reducing costs and funding strategic investments (with the capital made available by those cost reductions)
- Provide exceptional customer service
- Satisfying regulatory requirements.

Underlying these challenges is often the need to remain accountable to shareholders and deliver strong return on investment to Wall Street.

Cognizant's Communications Consulting practice helps providers develop and execute strategies that respond to – and even capitalize on – the opportunities presented by the shifting competitive landscape. Cognizant's consultants have developed significant expertise working with communications clients ranging from the largest ILEC's to start-up metropolitan area network providers. We provide strategy, process and implementation services that help our clients make the most of their investments while transforming their businesses.

Challenges

Service providers in every segment of the communications industry are facing significant hurdles. Traditional communications providers are under siege from more nimble competitors. ILECs are being forced to lower price points while rolling out new services and bundles for voice and data services that are poorly supported by existing OSS and BSS suites. Large incumbents must find ways to cut costs as their traditional revenue declines. And they are all forced to make these changes while striving to meet or exceed standard levels of customer service. These same traditional voice and data providers are striving to win

video customers from the cable companies with new technologies like IPTV or through partnerships with DBS companies. Major players in the communications industry are also racing to complete mergers and acquisitions that have left them with redundant systems and processes, which presents an opportunity to reduce costs by consolidating functions.

At that same time, non-traditional carriers are struggling to provide the customer service and quality of service that consumers have come to expect from the ILECs for voice and data. CLECs and cable companies offering voice service must also plan to meet regulatory requirements around E911 service, number portability, CALEA, federal wire taps, etc. In addition, CLECs and Cable/MSO providers have less predictable revenue streams and often need to realize a more immediate return on their strategic investments. Additionally, start-up providers are often heavily reliant on costly manual processes that do not scale well.

Wireless companies face their own set of challenges. Deciding which of several industry standards provides the closest fit to a wireless service provider's strategy can be a major undertaking. Wireless providers must also determine which partnerships will enable them to build the most desirable service bundle for customers and prepare for wireless/wireline convergence.

There are additional challenges that exist across the different provider segments. All providers are searching for strategies to reduce churn – especially churn of high ARPU subscribers. All providers must insure the security and integrity of their networks. Looking ahead, the introduction of next generation services and content will present new sets of challenges. Service providers need to be equipped with a strategy for guaranteeing quality-of-service flexibly. Providers must also be prepared to evaluate the range of new channels and services and decide which will complement their existing offerings.

At a higher level, as the line between content and service becomes more and more blurred, service and content providers need to develop a framework for who will ultimately own the relationship with the customer.

Finally, the continued emergence of the global economy presents huge new potential revenue streams for service providers willing to navigate emerging markets around the world.

In each of these challenges and for each segment of the industry there is great opportunity. Cognizant's consulting services can help service providers develop and execute on strategies to differentiate themselves from their competition. With the proper plan, cost reductions enabled by effective use of new capabilities like off-shore maintenance and delivery can provide capital to fund new technologies and create new revenue streams.

Capabilities

Cognizant's onsite, off-shore delivery model is recognized as the industry standard for cost-effective development. However, before communications companies can take advantage of any delivery capability (or vendor capability), they must be confident in their strategic direction and have identified metrics and milestones to measure success against that direction. Taking advantage of extensive industry experience and proven methodologies, Cognizant helps today's service providers set and execute strategies to differentiate themselves from their competition.

Services

Cognizant's consulting practice has numerous proven assets and services that can help service providers align their systems and processes with their business strategy:

Architecture assessment and roadmap development

- Proven methodology to assess current state architecture, define future state architecture, and create an implementation roadmap

Vendor evaluation and management

- Thorough evaluation of vendors (including vendor selection) and management of ongoing delivery capability

Business process re-engineering

- Collaboration with business and IT stakeholders to establish current / target business processes

Product and functional requirements development

- Collaboration with business and product development stakeholders to create product and functional requirements for new services

Legacy system re-engineering and integration strategies

- Assessment and definition of strategy for legacy system re-engineering integration with new platforms and new support functions.

EVA analysis of investment options and strategies

- Detailed financial analysis to help service providers determine which investments will drive the highest ROI.

Program and project management

- Strategic leadership for the most complicated business and IT transformation efforts.

Why Cognizant?

Proven Experience

Cognizant's communications practice has proven experience leading successful strategic initiatives at service providers ranging from Tier 1 ILECs to start-ups. These initiatives have delivered measurable value to our clients.

Domain Expertise

Cognizant's communications consultants bring deep knowledge of the critical business functions and telecommunications processes necessary for service providers to excel.

Technological Expertise

Cognizant off-shore labs and development centers position the consulting practice with real world insight into the capabilities and limitations of new technologies and vendor packages.

Focus on Return on Investment

All of the tactical recommendations made by Cognizant's consulting practice are targeted to help our clients maximize the return on their investments. The strategic plans designed by our teams, and with our clients, are always guided by the understanding that changes must be financially justifiable.

Services providers are turning to next generation services and networks to compete for customers in new areas...

As broadband networks become commonplace and applications are decoupled from transport, traditional providers must differentiate themselves from non-traditional competitors (e.g. Google, Cable Companies, ISPs, and new companies with new ideas) while providing extremely high service levels to a demanding customer base.

Next generation services and networks enable service providers to unify voice, video, and data over a single IP-based transport layer. This new capability, coupled with technologies converging wireless and wireline voice service, plus advanced capabilities like location and presence, allow service providers to bundle services and products delivering new and creative solutions for consumers and businesses.

There are many challenges associated with delivering next generation services that providers must consider. Most importantly, the next generation business model isn't fully defined and understood, nor proven. Also, the business case for IP services and enabling technologies like IMS (IP Multimedia Subsystem) has yet to be realized on a large scale by any provider. Standards for delivery of IP services are not yet fully mature. Service providers must determine how they can best take advantage of new services and revenue possibilities while controlling their investments and continuing to deliver core services to their existing customer bases.

Cognizant understands the competitive forces in the marketplace and is currently working with a number of communications service providers to set and execute strategies for delivering next generation services. We partner with our clients to help them define a business case and migration plan to ensure they realize the benefits of IP services. We are currently working with a variety of providers using technologies like IPTV, VoIP, IMS, SDP, as well as next generation content management systems and digital storefronts.

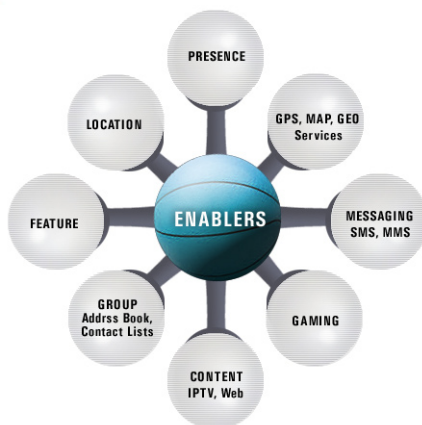
Challenges

Due to the recent, rapid development of IP services, service providers are left with a number of challenges and questions

- What is the next generation business model that CSPs need to adopt in order to participate in the IMS-enabled world?
- New content and services offer additional revenue possibilities, but which ones offer the best ROI based on a carrier's existing network and customer base?
- How can providers deploy next generation services while taking advantage of their existing networks and OSS/BSS layers?
- With the relative immaturity of industry specific vendor equipment platforms, is now the right time to invest in the new technologies?
- How do I effectively manage the entire content life cycle including contract management, and receipt and ingestion of content within the content delivery network?
- What are the opportunities presented by wireless and wireline convergence and do I have the right systems, processes, and partnerships in place to take advantage of these new opportunities?

Different types of service providers face their own specific challenges as well:

- ILEC's must continue to defend their wireline customer base while developing strategies to win customers back from their non-traditional competitors and create new revenue streams for video and other non-traditional offerings.
- CLEC's that likely cannot afford the cost of migration to a next generation network must figure out how to gradually migrate to a competitive product set while realizing incremental revenue from their investment.
- Cable/MSO providers must develop strategies to introduce IP-based services that include wireless in their bundles.
- Wireless providers must work to introduce new products and content without a wireline into the home to compete with bundled offers including video service. Additionally, wireless players are largely dependent on the evolution of IMS..



Capabilities

Cognizant's next generation services experts help our clients determine the right strategy for delivery of IP-based services and then deliver on the systems and processes needed to make the strategy successful. We assist with the full lifecycle of systems deployment, from application vendor selection and prototyping to migration, integration and post-production support. Our strategic planning capabilities combined with functional knowledge and application expertise, allow us to analyze both business and technical requirements to ensure that a successful solution is achievable before additional investments are made. Additionally, our unique Global Delivery model and IP Center of Excellence enable us to implement solutions quickly, reliably, and at compelling price points.

Services

Cognizant's comprehensive suite of services helps companies develop and execute a sound strategy for delivery of next generation services:

- Enhanced business model development to help service providers evaluate when and how to enter the next generation services market.
- Current state review of existing and/or planned operational costs to support IP Service management processes, applications and the organization.
- Target business architecture including both future state processes and future state organization.
- Target application architecture depicting the optimal suite of enhanced IP applications and processes to maximize business drivers.
- Implementation roadmap detailing the project level initiatives necessary to deliver the transformation plan.
- Network migration strategy to evaluate how service providers can migrate from a traditional network (e.g. PSTN) to a next generation IP network (e.g. IMS).
- IP Center of Excellence to accelerate ideation, prototyping, interoperability testing, and implementation of IP Services Infrastructure and IMS applications.
- OSS/BSS enhancements and integrations.

Cognizant Service Offering	Description	BSS/OSS Function	IP Service
Next Generation Architecture Assessment and Roadmapping	Proven methodology to assess current state architecture, define future state architecture, and define an implementation roadmap	X	X
Vendor Evaluation and Management	Thoroughly evaluate vendors (including vendor selection) and manage ongoing delivery capability	X	X
Business Process Re-Engineering	Collaborate with business and IT stakeholders to establish current / target business processes for development, delivery, and assurance of IP Services	X	X
Product and Functional Requirements Development	Collaborate with business and product development stakeholders to create product and functional requirements for new services	X	X
Legacy Re-Engineering and Integration Strategy	Assess and define strategy for Legacy Re-engineering and new support system functions	X	X
IP Services Compatibility Testing	Leverage established testing practice to ensure inter-working of IP devices, services, features, and application software		X
IP Service Creation	Rapidly develop and deploy innovative, scalable, and IMS compliant services through Cognizant's IP Services Incubator		X

Why Cognizant?

Industry leading research and successes in the development and delivery of IP Services

- Service Delivery Platform implementation experience using global delivery
- IMS application service development using global delivery
- Program management for the planning and delivery of a new business architecture that offers IP services-based triple play
- Off-shore IP Center of Excellence delivering solutions for IP architecture

Deep IP Services technology capabilities

- Proven methodology to understand IP Services application functionality and migrate to a new environment
- Hands-on experience in older and next generation technologies ensuring correct implementation/migration of business rules
- Industry leading data migration skill sets – a critical area commonly overlooked/ oversimplified during projects
- Prototyping of new technologies in our IP Center of Excellence

Lack of technology bias

- Broad breadth of capabilities for custom and package applications without vendor or technology bias

Mature onsite/offshore delivery capabilities

- Our offshore capabilities allow us to deliver cost-effective projects and maintaining non-strategic applications allowing capital to be spent on strategic programs.

Service delivery accelerators

- Methodology and tools
- Skill sets
- Reusable assets within our IP Center of Excellence

Strategic Alliances that enhance our ability to deliver on the promise of next generation networks and services

- Leapstone
- Ubiquity
- Visionael
- BEA
- IBM
- Amdocs