Extracted from:

Communication Value Chain Solution Strategy

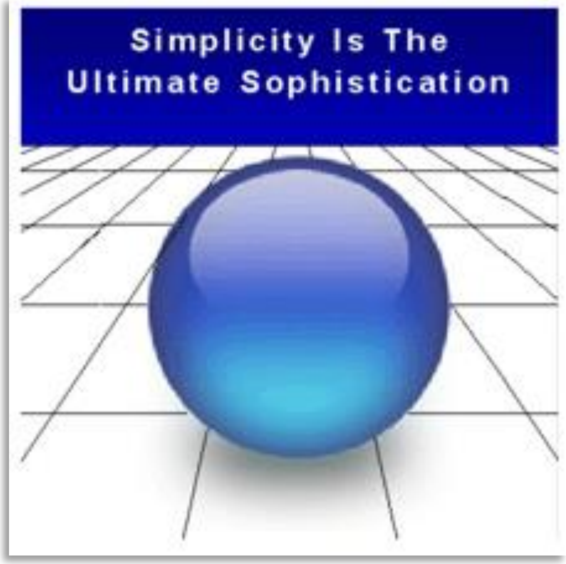
FY2008 CM PBU Product Planning

May 2008

Mark Weinberg – Sr. Product Manager

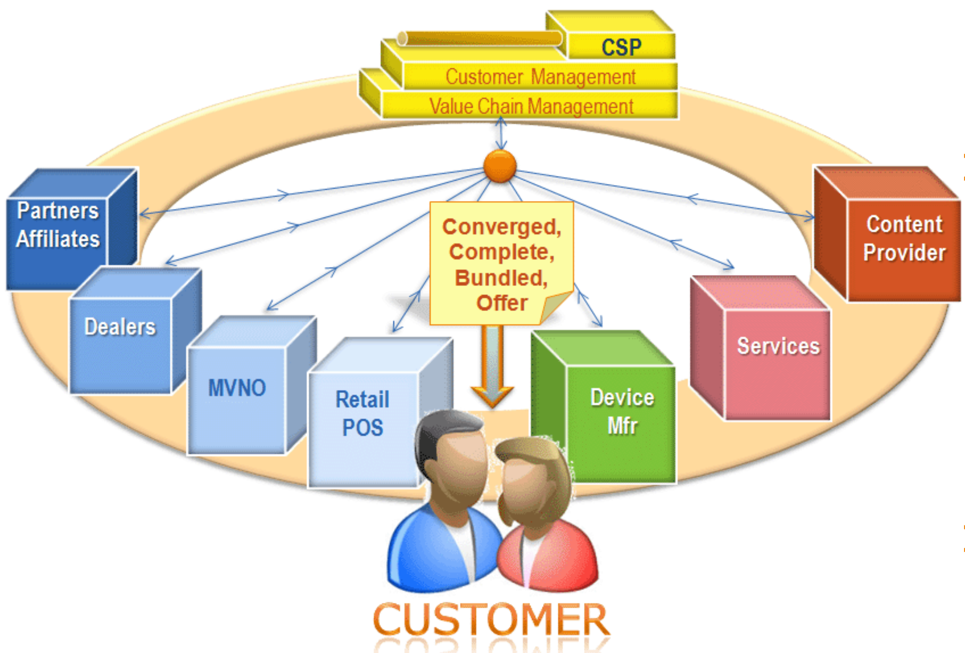
Agenda

- The CSP Value Chain Challenges
- Solution Strategy
- Solution Map
- Project List
- Backup



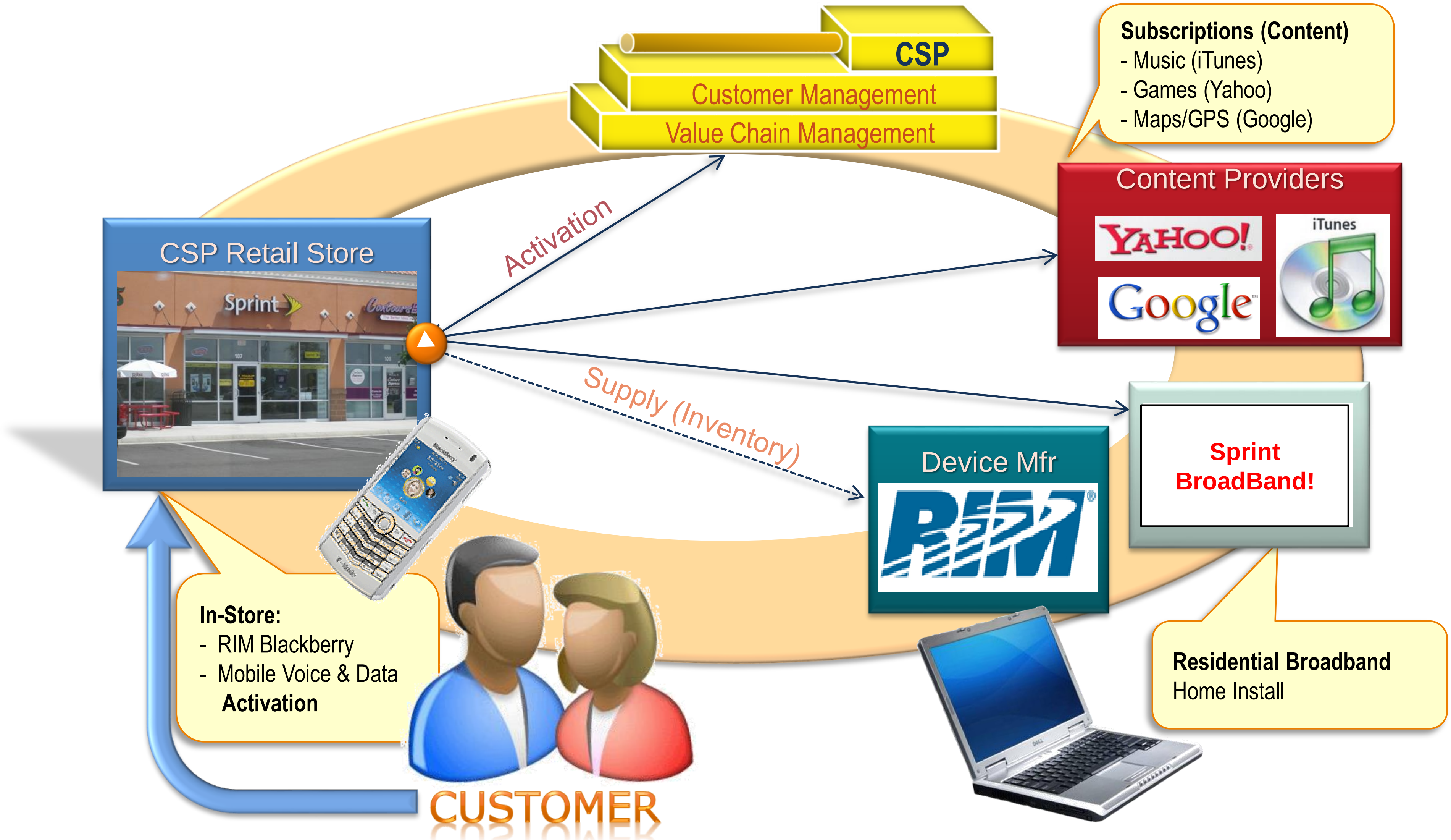
Critical Value Chain Mgmt Challenges

Differentiator For Success or Failure



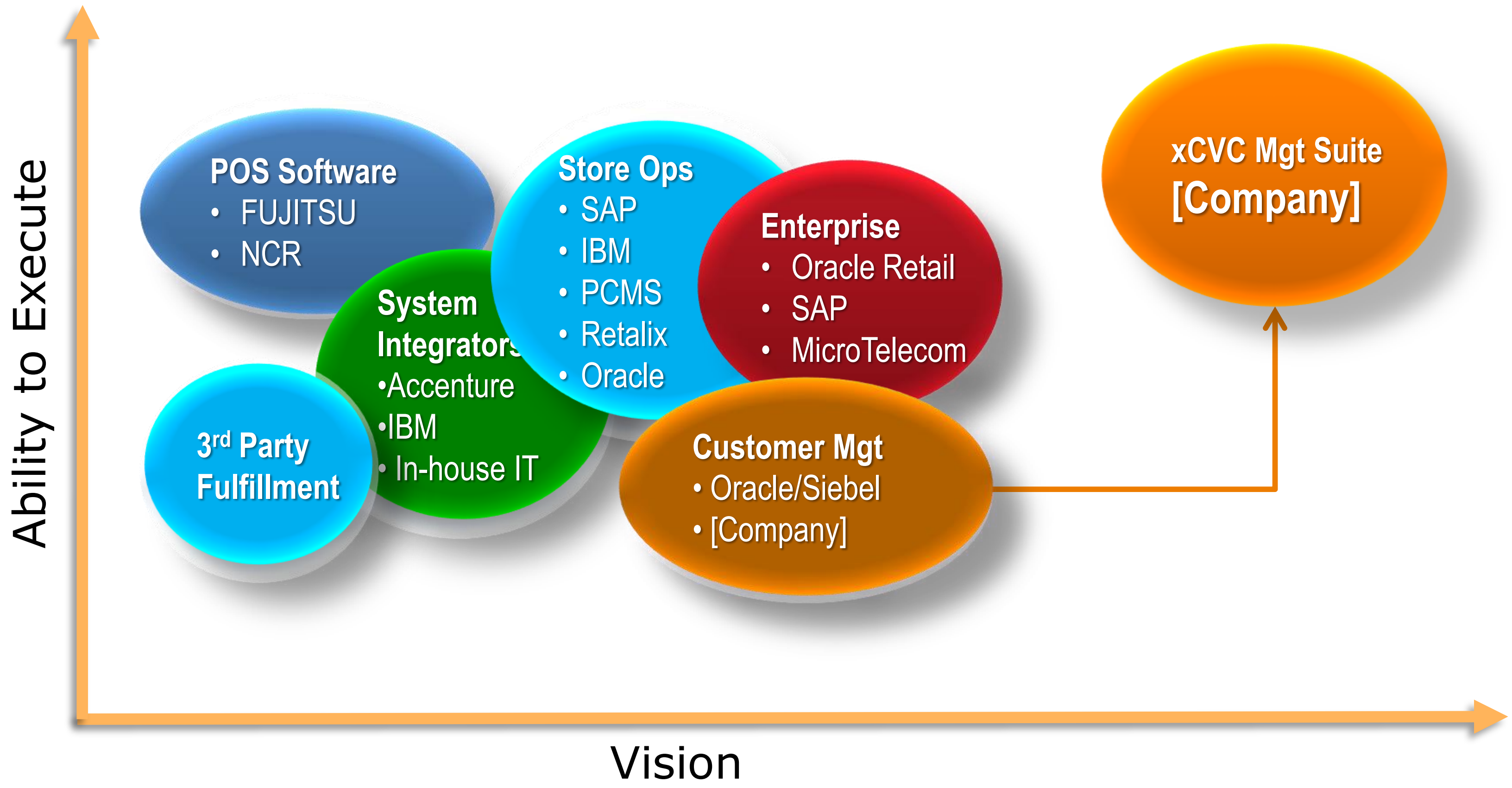
- VC Complexity
  - Bundled offerings with multiple sources, flows
  - Convergent, single experience
  - CSP as both a provider or enabler
- VC Competition
  - Add'l channels for footprint, demand, & revenue
  - Quality partners in VC Network
  - Timely, attractive, innovative offering / partner for agility, Customer's VC
- Customer-driven VC awareness
  - Customer migrates to best solution
  - Consistent experience cross CVC
  - Well-run VC wins customers

The CSP Value Chain Challenges



CVC: Market Map
Future

CVC focuses on CSPs who want to deliver complete (end-to-end), consistent, and highly satisfying sales & service experiences through all channels, partners, and interfaces

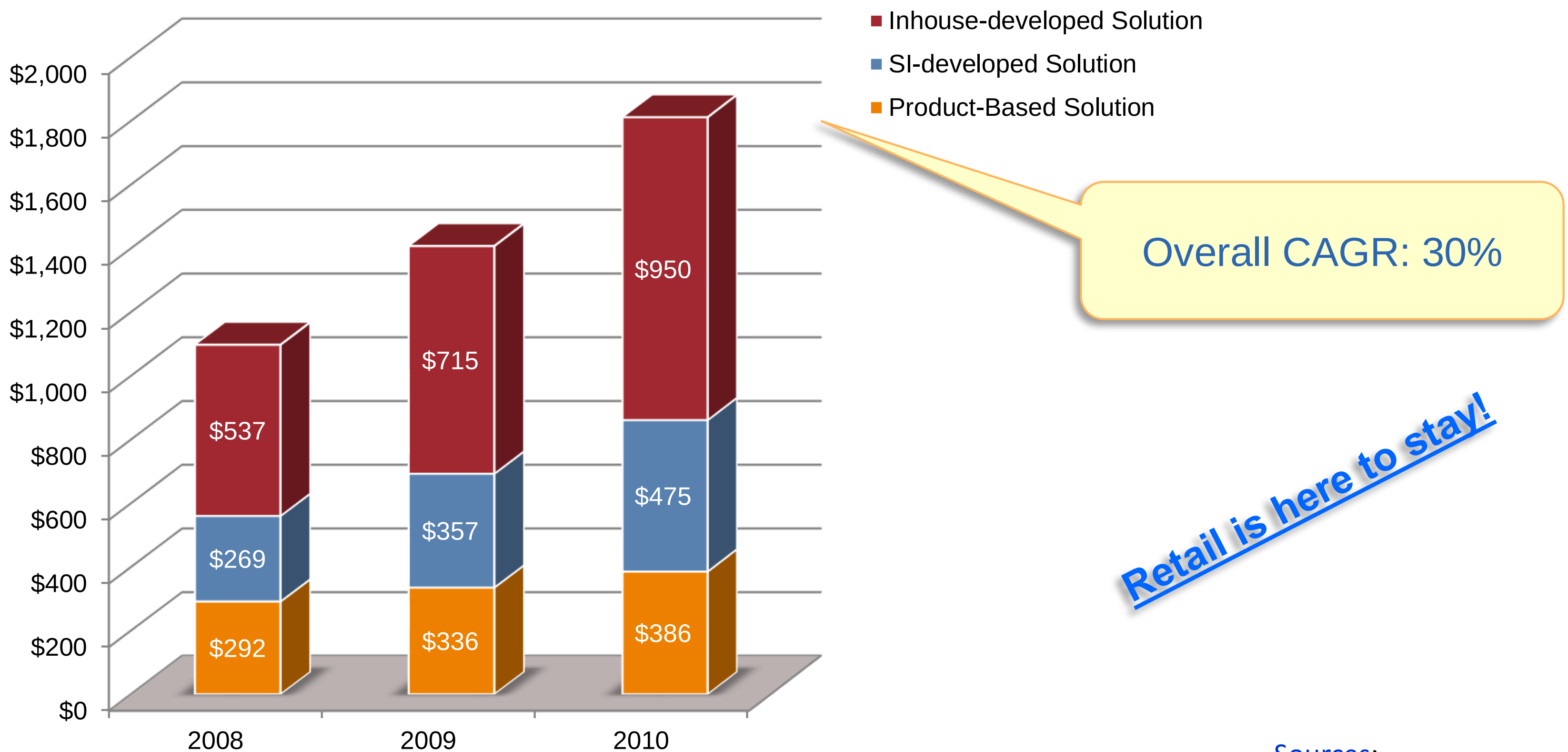


Sources: Forrester Wave - POS Software, Q3 2006 ; The Gartner CRM Vendor Guide, 2008; Research

***Note**: Size of the circles do not reflect relative size of the markets*

CVC: Retail
Market Size and Growth Rate

CSP Retail Customer Management - Addressable Market Size ($US)



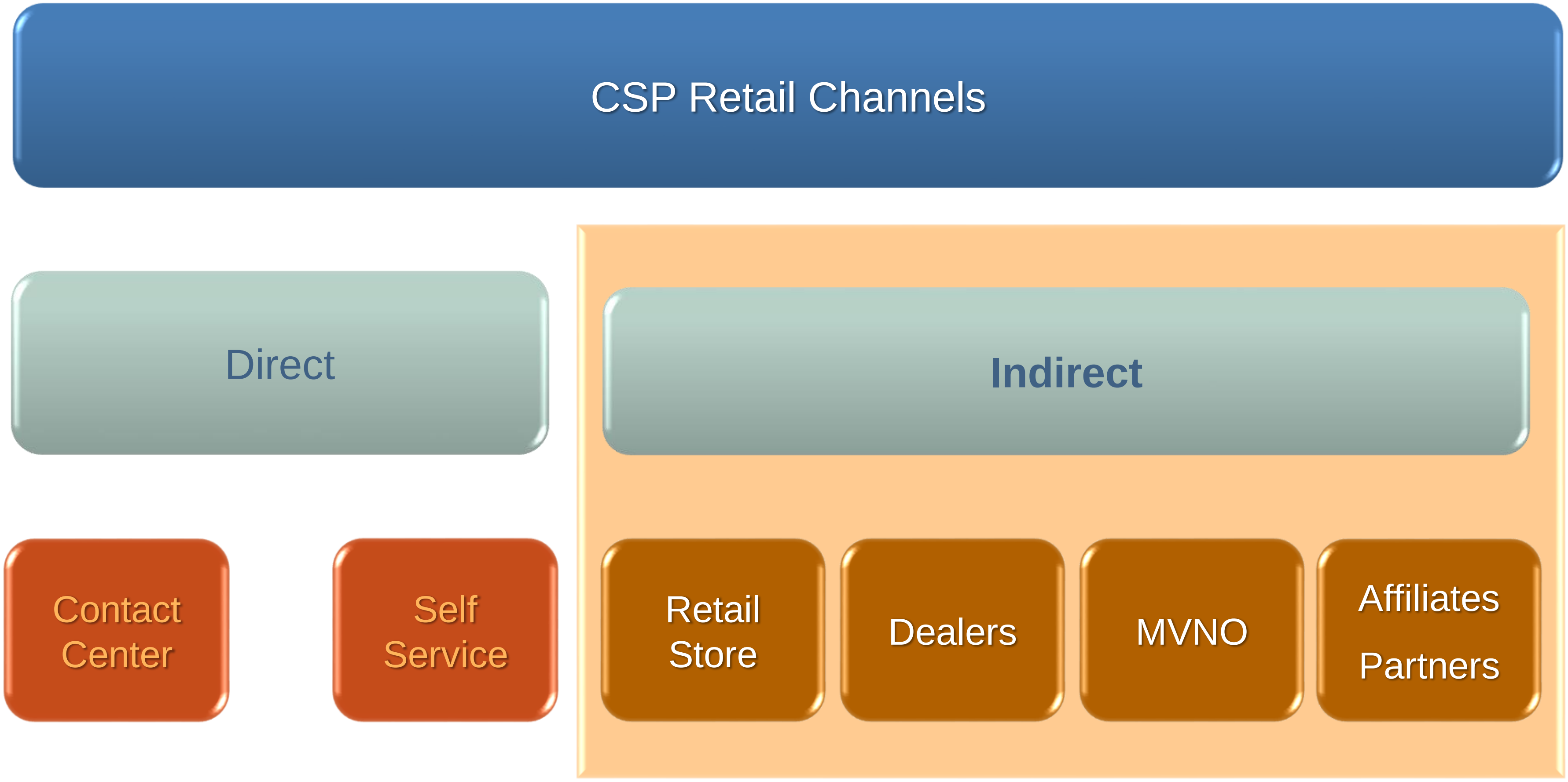
Retail is here to stay!

Retail Customer Management Solutions for Tier 1/2 CSPs is mostly based today on in house developments or SI-developed solutions

Sources:

Based on BizInfo, Various Analyst Reports 2005, & Internal Calculations,

CVC: CSP Retail Channels

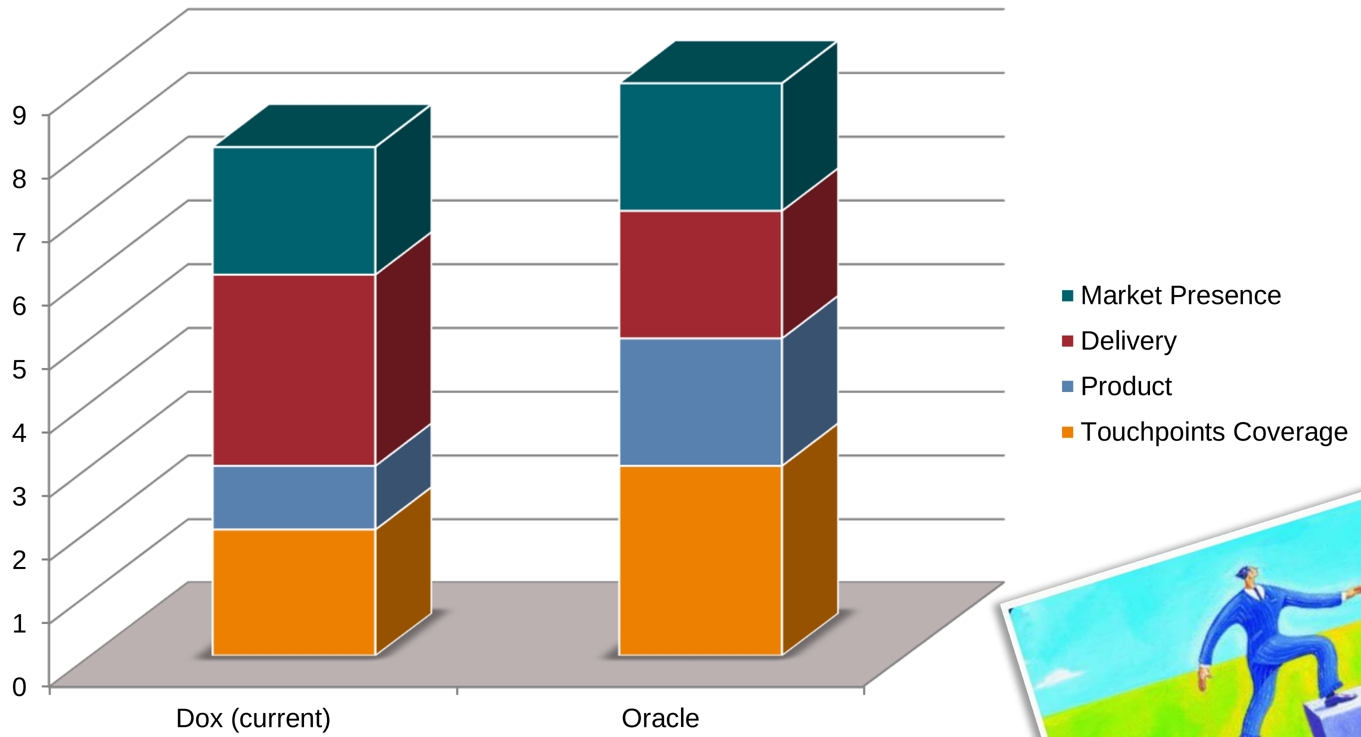


CVC: Market Analysis

Market Problems

Challenge / Opportunity	Suggested CVC Solution
How can I define, implement, and manage my value chain channels and partners as I need them?	Provide a framework that enables the CSP to create and effectively collaborate with value chain channels and partners in the selling and delivery / fulfillment of offerings as converged bundles or components.
How can I employ a single, common solution for offerings encompassing services, support, hard goods, and digital goods?	Enhance offering definition, sales catalog applications, and order handling to enable pricing and bundling of all offering components. Assure that all partner determination activities can support delivery of these offering components and bundles.
How can I support processes with a consistent customer experience through direct and indirect demand and delivery flows?	Provide experience solutions for deployment in value chain functions such as behind-the-counter, portals, kiosks, wizards, configurators, etc., available throughout the CSP value chain stores, dealers, partners, and affiliates.
How can I implement, maintain, and upgrade new DOX features w/out extensive integration issues?	Provide, publish, and deploy the necessary services to support the flexibility required by extensive support of channels and distributed partner delivery and fulfillment.
How can I increase my functionality while reducing my cost to TTM?	Provide highly reusable configuration features, industry-aligned smart start packs, and customization points at all needed points

CVC Market Analysis
Success Factors – Current



CVC: Market Analysis
[Company] Competencies – Core, Distinctive, Future

Competency	Description
Touchpoint Coverage	- 3 touchpoints coverage (device, self service, behind-the-counter) - Links between touchpoints - BSS/ERP links
Product	- Purchase Experience - Service experience - Foundation and frameworks
Delivery	- Understanding of CSP core operations and unique challenges - Intimate knowledge of customers' strategic vision and direction - PSO/Delivery capability
Market Presence	- 5 Customers in Retail - More than $500 Million per year from CSP - Leader in Forrester / Gartner

Business Opportunities

- [Company] will become the leading Value Chain Management solution for CSPs through its domain expertise, multi-channel capability, configuration / bundling of mixed features, and partner determination.
  - 1-2 Years: Retail, assisted, FE, B2C, Service
  - 2-5 Years: Expand to B2B, purchase, and unassisted
- These actions will require :
  - Build touchpoint for kiosk
  - Add footprint to Purchase Experience and Plumbing
  - Partner with MicroTelecom for "StoreOps" component of solution map
  - Build out Retail Experience Management "business consulting" (ACD, PSO) competency
  - Expand market presence by securing 5 referenceable customers and "get on the map" with key analysts within a 2 year period

CVC: Market Analysis
External Gut Check (Trends)

Trends	Impact	Rationale
Personalized, online, real-time support that ensures consistently excellent customer experiences.	Helps	Customer experience is a core value focus of [Company], and it is committed to retaining its thought and practical leadership in this area.
Utilization of retail stores, dealers, affiliates, partners, and other CSPs to acquire and secure demand.	Hurts	-[Company] has not yet invested in providing a demand chain solution that supports a consistent quality experience for the customer through all channels.
SOA-based X-suite integration, industry-smart packages, and integration tools offer faster TTM.	Helps	[Company] is making extensive investments in SOA-based integration and end-to-end integration across the [Company] offerings for Nepal and subsequent releases.
Highly adaptable, flexible Value Chain utilization of the CSP as both enabler and provider of services, content, etc.	Hurts	[Company] has limited functionality, making CSP vulnerable to intermediation by entities that can extend current or introduce new offerings that are successfully utilizing their Value Chains, including the CSP as an enabler.
Increased emphasis on acquiring new or enhanced features at a reasonable cost of ownership	Helps	[Company] has placed great emphasis on TCO improvement, but needs significant emphasis on high reusability and configuration versus customization.
Focus on definition and application of industry standards regarding processes and content.	Helps	[Company] has been and continues to be a leader in establishing eTOM and TAM standard and is widely regarded as the leading CSP business software vendor .

CVC Market Analysis
CES Fit

- >Smart Customer and Partner Interactions
  - >Value Chain Manager to define and control VC processes
  - >Retail/Pos, Dealer, MVNO, Partners, etc.
  - >eCommerce platform, Self Service
- >Best practices – Industry, Scenario, Modeling
  - >Cross Value Chain customer experience assurance
  - >Guided buying, selling setup
  - >Partner determination setup
- >Functionally Rich Applications
  - >Configurator, Wizards, Interfaces for bundled offerings
  - >Guided buying and selling at runtime
  - >Partner determination at runtime
- >Industry-optimized information management
  - >RTD
  - >Retail analytics connectors
- >Integration
  - >Additional OOB SOA-based services for value chain

Track Record

Win/Loss – Retail/Dealers/MVNO

Why we win

- > By fortune (leverage existing implementation)
- > Strong relationship with the customer
- > CSP Domain expertise
- > Strong delivery presence
- > [Company] track record

Why we lose

- > No clear story, no product
- > Expensive to implement
- > Missing core capabilities
- > Not integrated with extended chain functionality

Wins: Reliance (Self Service, highly customized), Astro (Self Service), Sprint (SNAP), Best Buy

Losses: MSV, Netcom, TM UK, BT, Elisa Finland, KFT, DTAC (Thailand), Telecom NZ, Indosat (Indonesia)

Pipeline: Belgacom,, AMX PR, Aircel (India), Rogers, Eircom

Sources: Eli Mansoor, Amir Tocker, Asaf Ashani (Self Service sales managers), Crispin Trueman (APAC sales manager)

CVC: A Day In The Life
Sprint Dealer (SNAP)

- **Deal background**
  - **Deal size**: SNAP is currently deployed in around 10,000 stores (Radio Shack, Costco, Best Buy, local dealers, etc…) and has close to 100,000 users in total and 2000 concurrent
  - Who we competed against: Internal IT (Home grown)
  - **Why we won**: we were there and were able to provide simple to use wizard driven GUI.
  - **What they bought:** As part of sprint/Nextel systems consolidation and subscriber migration, old platforms needed to be modified, driving the opportunity to also improve capability and usability of the system supporting the indirect retail channel
- **Modules in use**:
  Custom code. based on FDT which is custom built for Nextel
- **Customer pain points they had/we solve**:
  Simple screens that inexperienced users can use efficiently quickly and without making errors. Reduction in fallout
- **How they are using the solution today**:
  As a system for indirect channels (mostly new customer acquisition, in store phone upgrades, plan changes)
- **How they plan to use the solution tomorrow**:
  We ([Company]) are proposing to expand the footprint to support additional capabilities and move into direct retail channel as main in-store system.

Sources: "SNAP++" For Direct Channel Presentation (Feb 20, 2008) and "UCM Roadmap" (Jan 2008)

CVC
[Company] SWOT Analysis

Strengths	Weaknesses
• Deep CSP industry knowledge & experience • Service Provider focus • Integrated CM suite • Broad portfolio - core CRM, Billing, and Ordering • Reputation for delivery of large scale projects	• Lack of support for Retail/POS/Dealer/MVNO • Lack of integration to store operations • Core functional gaps • Weak story on marketing and analytics
Opportunities	**Threats**
• Expanding into new channels -Retail/POS/Dealer • Provide integration to store operations • Providing a consistent, converged and end-to-end customer experience	• Oracle has retail solution

CVC
[Main Competitor] SWOT Analysis

Strengths

- Retail store solution
- Collaborate 2008 – RTD, embedded analytics, Ordering life cycle management
- SCM Market Presence - market share 14.1 %, 1300 installed
- Strong inventory management, cash management, field service, Supply Chain Management, Planning and Execution applications, Loyalty capabilities

Weaknesses

- Separate applications combination of in-house-developed and acquired products.
- Not specialized in CSP solutions

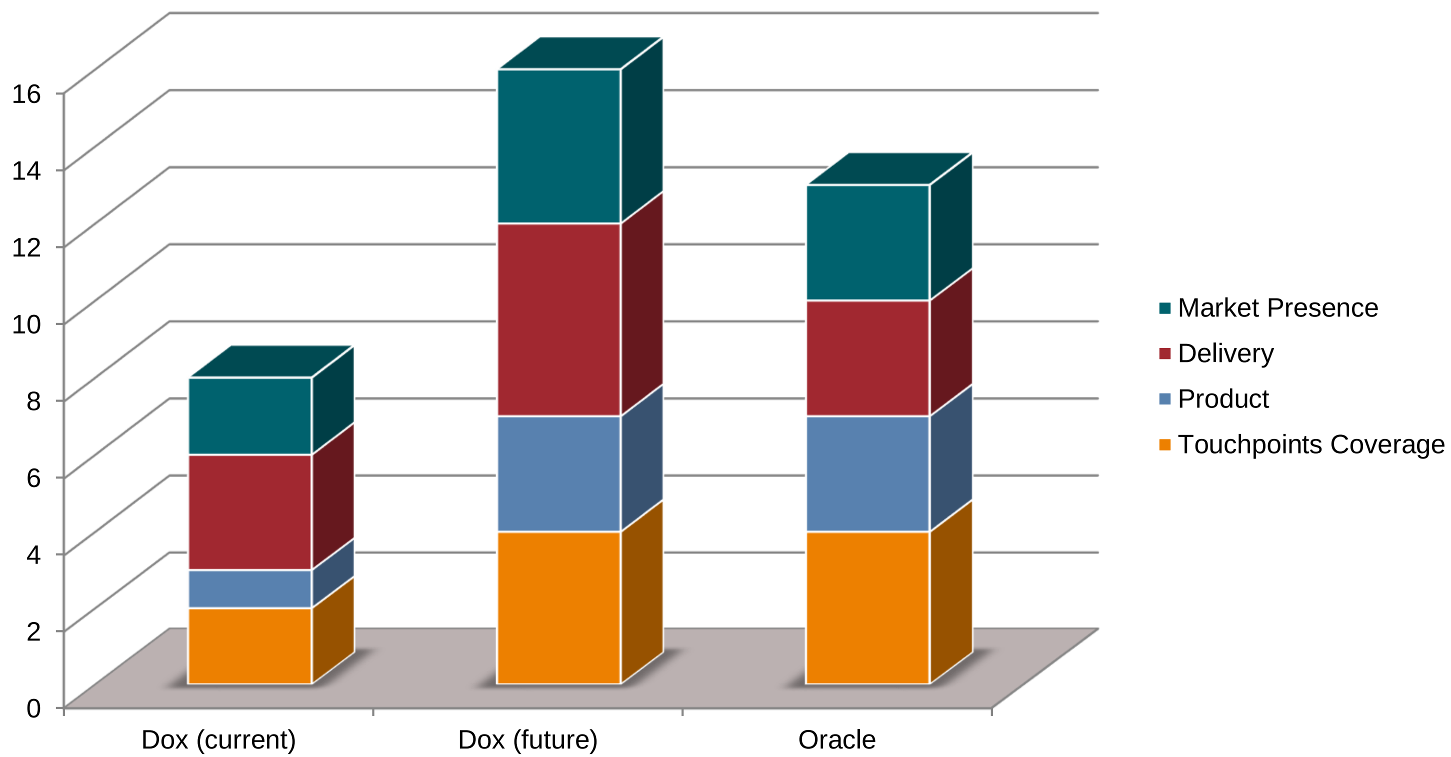
Opportunities

- Enhance CSP Retail solution/offering
- Enhance footprint

Threats

- CSP (Telco) specific solutions
- Extension of CSP CRM to Retail POS

CVC: Market Analysis
Critical Success Factors – Now and Future



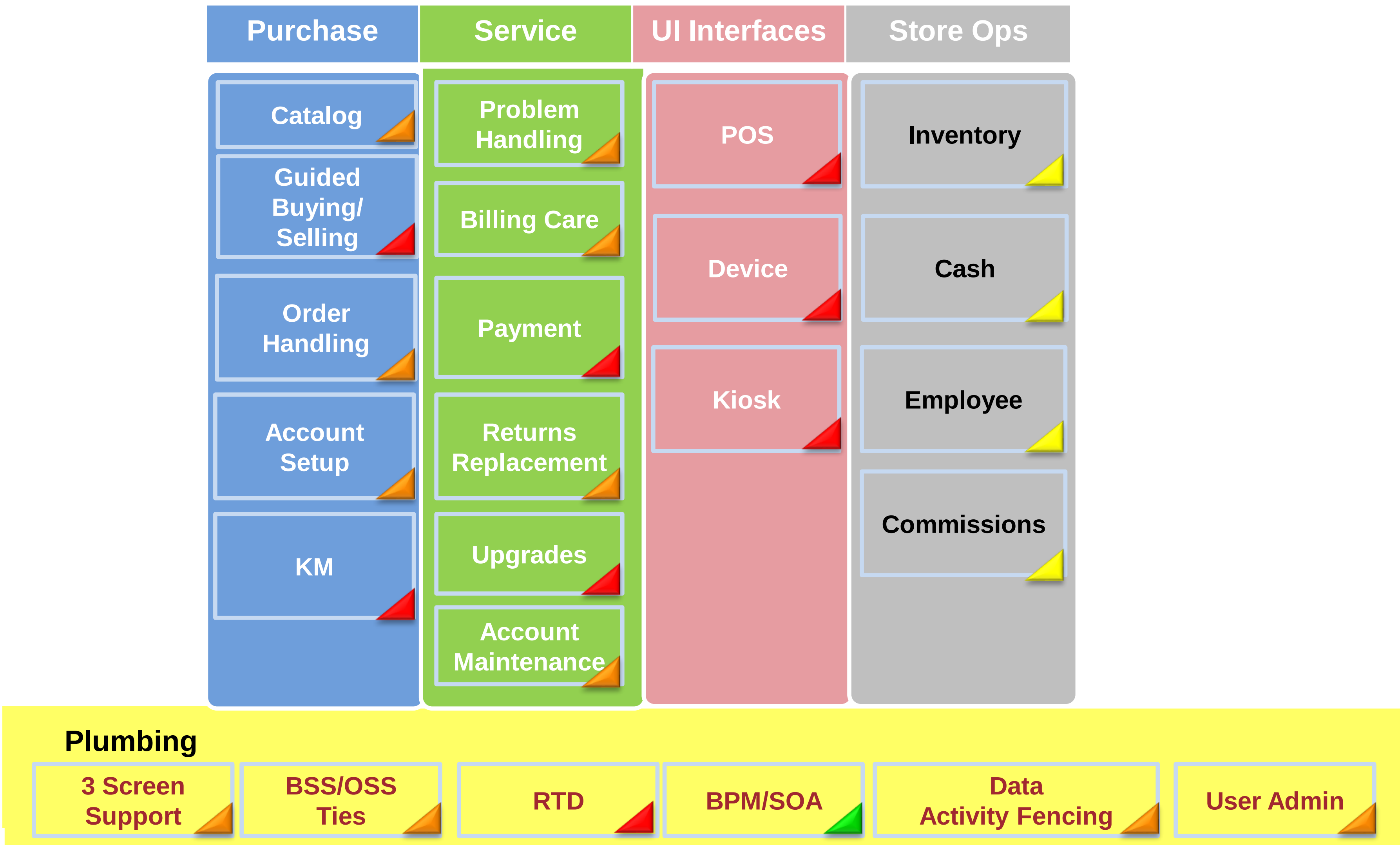
CVC: Vision

- Where Will We Compete
  - **Retail Experience** (vs. Entire Chain)
  - **CSP**, Consumer Electronics Retailers (vs. all ENT)
  - **Build**: B2C, "Front End," Assisted, Purchase & Service
  - **Partner**: StoreOps (MicroTelecom)
- Why Will We Be Successful
  - **Customer Intimacy**: understanding CSPs and xCVC better than they understand it themselves
  - **Delivery:** gets us in and out of places we normally wouldn't be in

How We Will Compete	Differentiator
Touchpoint Coverage	• OSS/BSS Links across all 3 Screens • Kiosk touchpoint
Product	• Ability to support converged offers (physical/digital goods, services) • Ability to support returns/RMA from same CRM/Retail system
Delivery	• Retail ACD/PSO Coverage • Army of trained delivery experts

CVC
Value Chain Heatmap

- We have
- Pass through
- We have, but with Gaps
- We do not have



CVC: Retail Store/POS Application

Project Definition

Description:

A customer management solution tailored for the retail store environment, including applications for the 3 screens: Retail Store agents (behind the counter, over a mobile device) and for customers in the store (self service kiosk). This solution will cover all aspects of customer management in the store, including customer acquisition, returns & replacements, payment s, customer & billing care, problem handling, and cross sell/up sell.

Business Problems Solved:

> Long lines / handling time in stores
> Deflect business to lower-cost channels
> Leveraging each interaction to increase wallet share
> Increasing customer satisfaction and loyalty by strengthening the SP brand

Portfolio Impact and Dependencies:

> **CRM** - ASCF, CIM, Support, Scripting, Billing Manager
> **Ordering** - Order handling, Order hub for Self Service
> **Self Service** – Self Service functions over kiosk, UI
> **EPC** - Target offers for POS channel
> **PRM** – Integration for commissions
> **Foundation** – SOA, BPM, Simple Interface, Action & Data fencing, Guided Buying & Selling

Business Justification:

> Window of opportunity: service providers are moving from in-house custom retail apps to productized solutions
> Expand DOX BSS/OSS footprint into the retail environment – potential to sell more user licenses, more services, more SI etc.
> Estimation cost : H

Buy/Build/Partner:

> Build 3 screens with Purchase & Service features, DOX touchpoints
> Leverage Guided Buying/Selling
> Partner for cash and inventory management, store operations
> Possible partners: IBM, MicroTelecom

Release Plan:

> Nepal

CVC: Retail Store/POS Application
Overview/Description

Priority	Product	Feature	Description
1	Foundation	Retail Foundation	Agent Management, Agent Data & Activity Fencing, Simplified device-independent UI (for touch screen), hot user switching (re-login)
2	Retail Store Portal	Customer Mgt., Billing and Ordering Functionality	Maximize UI reusability between 3 screens Support Purchase and Service functions across 3 screens Ensure touchpoints into BSS/OSS Rendering of the bundling in ordering and EPC for offering types services, digital goods/content, devices/hard goods, support/field service
3	Retail Store Portal	Integration of Ordering with POS/Inventory	Generic APIs for cash register and inventory, such as inventory check while capturing a new order, cash register update while accepting a payment Reference implementation with MicroTel
4	Retail Store Portal	“Advisor” – Guided Buying / Selling	Campaigns, Cross/Up-sell, Targeted Offers: Recommend to walk-in customers the best offers & plans for them (leveraging Guided Buying / Selling)
5	Self Service	Kiosk Support	Simplified UI (touch screen) to be used at kiosks to allow customers to serve themselves while waiting in line
6	Retail Store Portal	Analytics Integration	Analyze retail store traffic, quality and speed of service, net new adds, etc. (via integration with SAS, RTD)
7	Retail Store Portal	Commission handling	Integration with [Company] Partner Manager and/or MicroTelecom for allowing retail agent to view potential and actual commissions

CVC: Market Analysis
Critical Success Factors

← Back **Factor**	**Description**
Market Presence	- Industry leadership in defining CSP vertical solutions and standards - Long history of providing business solution partnership to large and small CSPs - Substantial installed base dominant in CSP markets
Customer Experience	- Personalized experience with preconfigured dynamic sensing and adaptation - Single point-of-contact for complete, unified operations - Consistent and simplified experience quality across the value chain - Multiple experience realization options: Behind the counter, portals, kiosks, CRM, wizard (intelligent and guided flows), configurators, etc.
Value Chain Mgt	- Consistent multi-channel customer management - Strong emphasis on Retail/POS solutions - End-to-end cycle of sell, quote, order, fulfill & assure across channels & partners - Simple-to-complex offering bundles for service, support, hard goods, soft goods
Service-based Integration	- Integrated Customer Management offering (and single customer view) - Integrated BSS/OSS offering - Comprehensive OOB offering of SOA-based published services - Integration (partnering) with store ops systems - SDK/tools to extend services as needed - Robust security model
TCO/TVO	- Rapid implementation/upgrade TTM w/ increased functions at reasonable costs - Multiple options through start packs, reusable configurations, custom extension - Agility in adapting to, and meeting change

Key Issues for Carrier Information

Gartner 30 January 2008: Systems and Operations, 2008

The business challenges facing CSPs include:

- Business agility, including faster time-to-market.
- Creating new revenue sources, often using more IT.
- Competition from Internet companies, broadband service providers, cable TV companies, IT vendors and NEPs.
- Bundling of previously separate products that are supported by separate systems.
- Self-provisioning and self-help on the Internet or on mobile handsets.
- Multiple payment systems, including using CSP mobile payment services for non-telecom items.
- Huge expansion of CSP product catalogs and data management requirements when moving to content services, advertising and client profiling.
- Faster and simpler configuration of internal and third-party products.
- Emphasis on customer retention and the "customer experience" in more mature markets.
- Handling integration after mergers and acquisitions.

Key Issues for Carrier Information
Gartner 30 January 2008: Systems and Operations, 2008

The related technology challenges facing CSPs include:

- Transformation of silo-based legacy IT systems and networks into horizontal functional layers and processes to meet new service portfolio requirements.
- Transformation of the entire technology stack toward an Internet-like service-oriented architecture (SOA), with possible control through IMS.
- End-to-end integration of service components and features across network resources,
- network layers and all supporting systems.
- Consolidation and replacement of suppliers.
- Automation of processes and software-based configuration of services and resources.
- Enhanced IT infrastructure and solutions to support customers in relation to IT services, hosting and life-enhancement services.
- IT-supported customer tracking and profiling, as well as more advanced and real-time business intelligence.
- Support for end-user applications on customer premises equipment or mobile devices..

Competition

Telecom and cable operators face **pricing pressures** from traditional competitors and risk losing consumer mindshare to **new, innovative players.** Over the next five years, strategists at leading telcos and cablecos will turn the tide by using experienced-based differentiation to deliver products that meet customer needs. These **new experience-based providers** (EBPs) **will integrate both internal and external innovations to create end-to-end customer** experiences like TV-your-way; ultimate gaming; and integrated voice, video, and text communications.

Customer Experience

CSPs must adopt a customer-centric, rather than technology-centric, culture. This increasing customer centricity will see carriers create personalized services that will respond more precisely to the needs of individual customers.

FORRESTER

Gartner 30 January 2008:
Key Issues for Carrier Information Systems and Operations, 2009

Retail is here to stay…

Introduction
What is Retail/POS?

- What it is
  - A CSP-branded store that sells to customers and provide them with services
- The users
  - Store agents
  - Consumers
- Why it provides value
  - Increased revenues – retail is the main sales channel for wireless CSPs
  - Provides consistent service to the customer
  - Ability to cross sell/up sell to existing customers
  - Strengthen the service provider's brand

CVC Demand

Market Size & Growth (Calculations)

Number of wireless subscribers		1455597572				
Number of Wireless tier 1 / tier 2		292				
Base Product Price		100000				
License per store agent		3000				
Cost of solution-based project		5000000				
Number of store agents per CSP		1500				
Average number of subscribers per wireless operator		2000000	970398.3813			
Ratio of avg number of subscribers to number of stores		1333				
Total Market for POS						
Currently supported by some POS		1164478057	1164478057	1164478057	1164478057	
		2005	2006	2007	2008	
	Product-Based System	0	29	44	58	
	SI-developed System	29	44	50	58	
	Inhouse-developed System	175	146	117	117	
Tarnslated to $						
	Product-Based System	146000000	219000000	248200000	292000000	0.265957447
	SI-developed System	0	134320000	201480000	268640000	0.244680851
	Inhouse-developed System	0	268640000	402960000	537280000	0.489361702
		2008	2009	2010	2011	2012
	Product-Based Solution	$292,000,000	$335,800,000	$386,170,000	$444,095,500	$510,709,825
	SI-developed Solution	$268,640,000	$357,291,200	$475,197,296	$632,012,404	$840,576,497
	Inhouse-developed Solution	$537,280,000	$714,582,400	$950,394,592	$1,264,024,807	$1,681,152,994

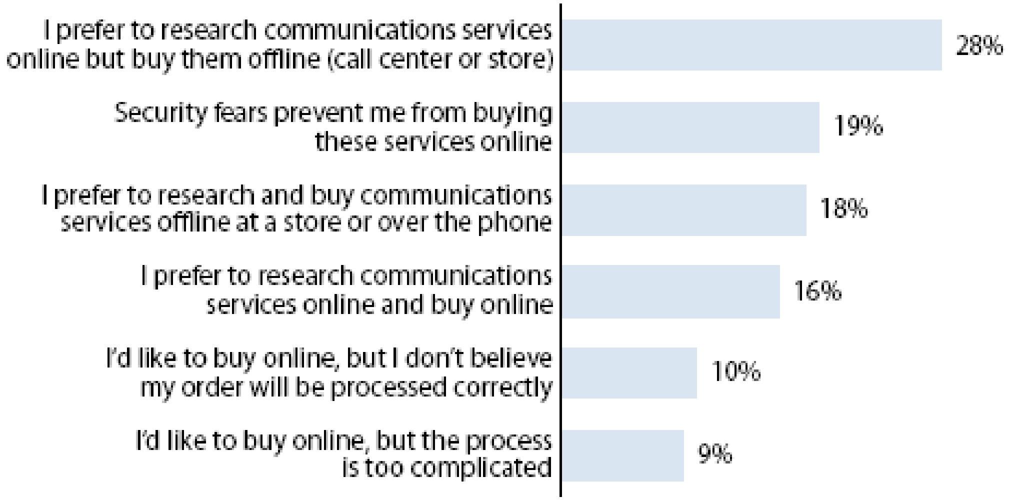
Market Research

Retail POS is still the most prominent sales channel

In the NACTAS Q1 2006 Devices & Access Online Survey, Forrester asked 5,100 consumers about their preferences for purchasing voice and Internet access online

Figure 1 Consumer Will Buy In Multiple Channels

"How much do you agree or disagree with the following statements about how you prefer to purchase communications services like voice and Internet access?"
(4 or 5 on a scale of 1 [strongly disagree] to 5 [strongly agree])



Base: US online consumers

Source: Forrester's NACTAS Q1 2006 Devices & Access Online Survey

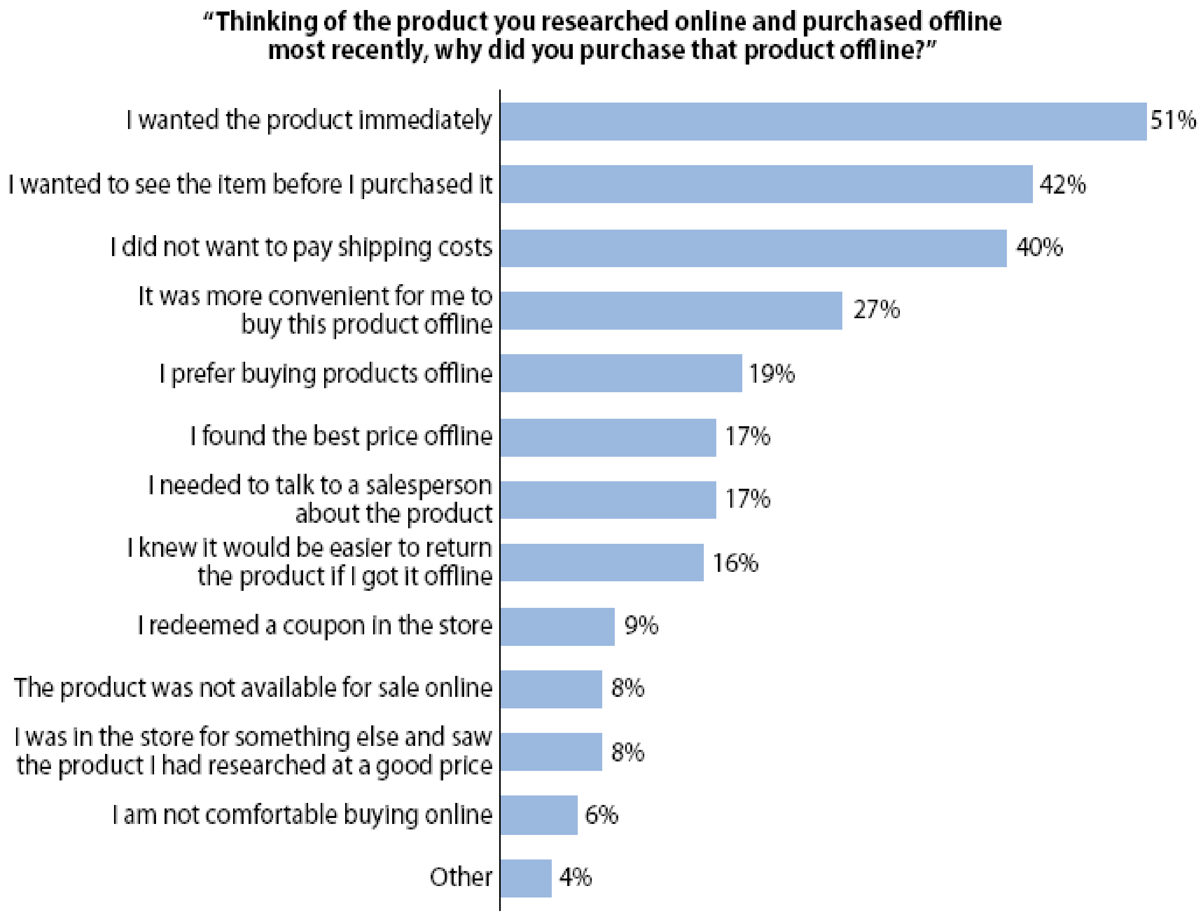
41218 Source: Forrester Research, Inc.

February 16, 2007

Market Research

Retail POS is still the most prominent sales channel

Back to VC Retail POS

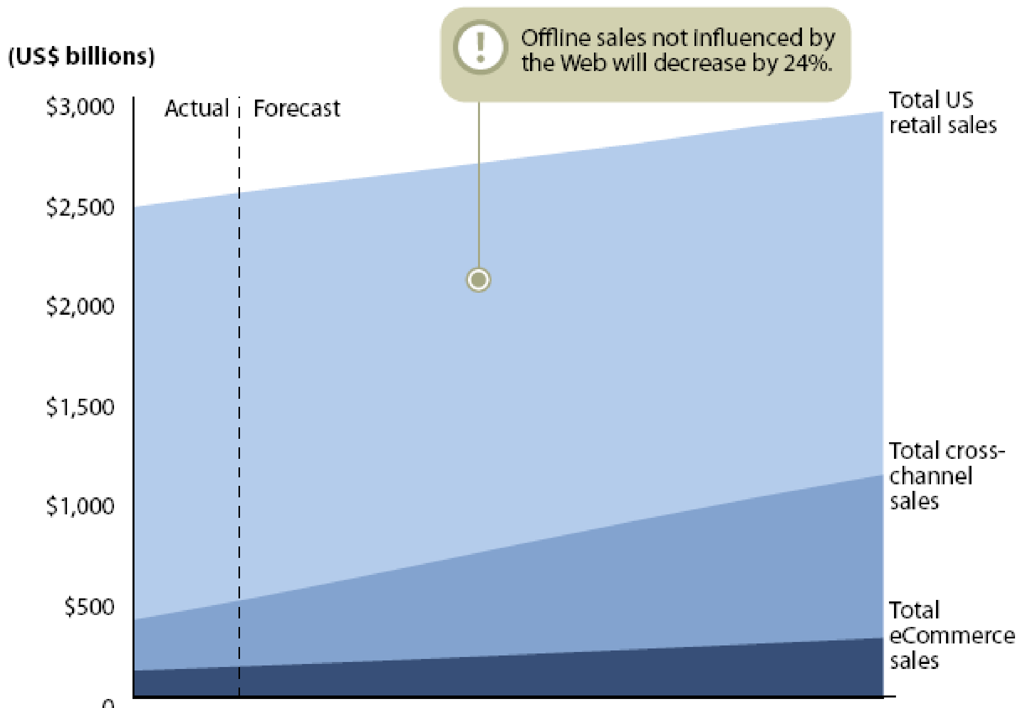


Consumers are increasingly shopping across channels — in fact, **slightly more than half of online consumers have researched a product online and then purchased it offline** in a traditional brick-and-mortar location. In addition, 45% say that they buy additional products once in the store, spending on average $154 in incremental purchases. This behavior enables the Web to affect store sales, influencing more than $500 billion in 2007. See the May 7, 2007, Trends "The Web's Impact On In-Store Sales: US Cross-Channel Sales Forecast, 2006 To 2012."

Market Analysis
Total Retail Sales

Back to Market Size & Growth

Figure 6 Forecast: US Cross-Channel Sales, 2006-2012



	2006	2007	2008	2009	2010	2011	2012	CAGR
Total retail sales amount*	$2,481	$2,552	$2,627	$2,705	$2,787	$2,873	$2,954	3%
Total cross-channel sales	16%	20%	24%	28%	32%	35%	38%	17%
Total eCommerce sales	6%	7%	8%	8%	9%	10%	11%	13%

*In millions, excluding travel
Source: Forrester's NACTAS Q2 2006 Survey

42084

Source: Forrester Research, Inc.

Market Analysis

Market Size and Growth Rate

Assumptions

2	License/Maint ro Service multipier, typically 5:1 in tier0, 1 but this is a conservative number
1524	CRM Customer Service license revenue (Frost & Suvillian)
12.50%	CSP Split (Gartner & [Company])
5.00%	CAGR estimate for overall CSP CRM growth rate
18.00%	Maintenance Split

(in mil US$)	**2008**	**2009**	**2010**
Worldwide Mkt (Lic)	$1,524	$1,600	$1,680
CSP Mkt Split (Lic)	$191	$200	$210
CSP Mkt (Ongoing Maint)	$67	$70	$108
CSP Mkt (Svcs.)	$515	$541	$636
Total Addressable Market	**$515**	**$541**	**$636**

CVC Solution Map

- Agressively Compete
- Opportunistically Compete
- Non-Compete

	Current		Future	
	Disposition	Comment	Disposition	Comment
POS/Retail				
Account Management	Build/Enhance	CRM	Sustain	xCRM
General Subscription management	Exists	BM	Exists	CRM (BM)
Order Products and Services	Build/Enhance	AOM	Sustain	AOM
Support Management	Enhance	Integrate with CRM, BM	Sustain	xCRM
Marketing & Demand Creation	Partner/Enhance	Integration/SOA	Partner/Sustain	Integration
Foundation	Partner/Enhance	Integration/SOA	Partner/Sustain	xCRM
Value Chain Management & Store Ops	Build/Partner	Integration/SOA	Partner/Buy	Integration/SOA
Dealer				
Account Management	Build/Enhance	Self Service	Build	Dealer Portal
Order Products and Services	Build/Enhance	Self Service	Build/Partner	Dealer Portal
Support Management	Enhance	Integrate with CRM (BM)	Sustain	xCRM
Marketing & Demand Creation	Partner/Enhance	Integration/SOA	Partner	Integration
Sales	Partner	Integration	BuildPartner	See details below
Foundation	Build	Self Service, RBA	Build	Dealer Portal
Value Chain Management & Store Ops	Build/Partner	Integration/SOA	Partner/Buy	Integration/SOA
MVNO				
Account Management	Build/Enhance	CRM, BM, Self Service	Build	MVNO Portal
Order Products and Services	Build	AOM	Sustain	MVNO Portal, AOM
Support Management	Build	CRM, Self Service	Sustain	MVNO Portal
Marketing & Demand Creation	Partner/Enhance	Integration/SOA	Partner	Integration
Foundation	Build	Foundation, RBA, ASC	Sustain	MVNO Portal