Accenture Solutions for Innovation and Service Management

Service Delivery Platform 2.0: The Next Generation of High Performance

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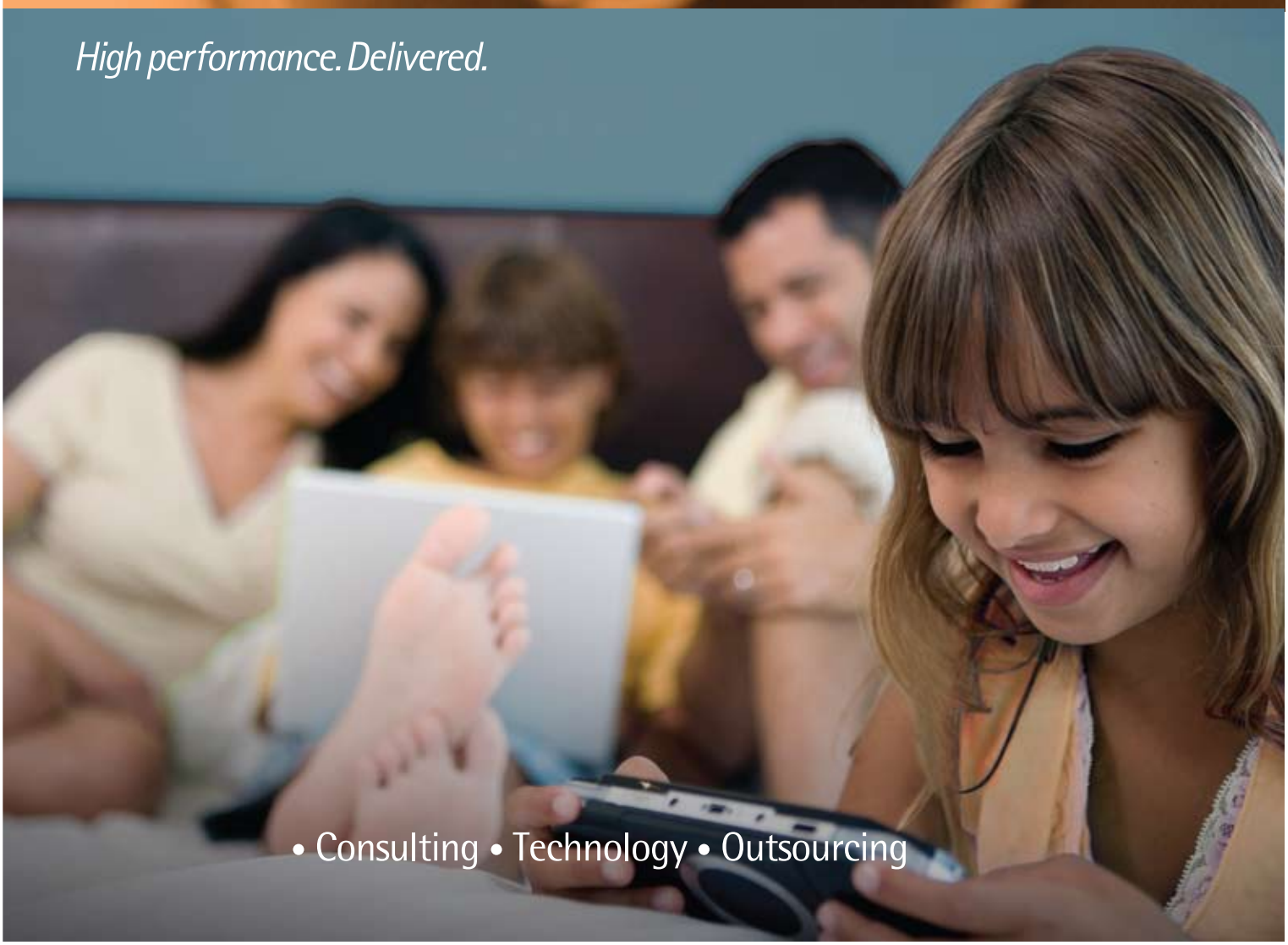

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Service delivery platforms have emerged as critical, strategic tools for service providers. If a service delivery platform is to continue to help providers meet their needs in the coming years, however, such solutions must adapt to the ever-changing technology and consumer environment. This Accenture analysis argues that first-generation service delivery platforms have now run their course. Companies that expect to achieve and sustain high performance in the coming years must make the leap to the next generation—to SDP 2.0.

The communications, high-tech, and media industries are facing a period of unprecedented change as the traditional lines separating their marketplaces blur and disappear in an age of convergence. As the IP ecosystem converges in the service space, new competition is emerging from companies with strong brands and a loyal customer base. The resulting hyper-competition places enormous pressure on companies to set a path toward high performance based on a transformed ability to innovate and to roll out profitable services as quickly as possible to capture market share and fuel growth.

Over the past half-decade, service delivery platforms have emerged as a critical, strategic element for service providers looking for an edge when it comes to driving faster speeds to market for new products and services. A service delivery platform is a standardized service creation and execution architecture that accelerates the introduction of new applications and services. It provides a common set of functions and a common way of viewing the underlying network.

For example, during the more than eight years that Accenture has been implementing its Service Delivery Platform Solution for service providers, we have seen the benefits of an end-to-end solution that creates a dynamic, demand-driven developer community with incentives and tools for rapid innovation. With an effective service delivery platform, operators have the opportunity to reduce service creation costs, accelerate the development cycle for mobile applications, increase the variety and nature of applications, promote service reuse, and reduce their proportionate business risk within their total application portfolio.

If a service delivery platform is to continue to help providers meet their needs in the coming years, however, such solutions must adapt to the ever-changing technology and consumer environment. Accenture believes that first-generation service delivery platforms have now run their course. Companies that expect to achieve and sustain high performance in the coming years must make the leap to the next generation—to SDP 2.0.

Today's complex service creation and delivery environment

For several reasons, the service creation and delivery environment has outpaced the ability of traditional service delivery platforms to keep up. One reason, as already noted, is because of new players crossing over into market spaces traditionally dominated by telcos. Companies such as Google, Microsoft, Apple, and Yahoo are entering the digital ecosystem, which is causing traditional telcos to reexamine their business and operating models to achieve greater speed in service innovation.

The growing need to collaborate with other companies to create compelling innovations is also a factor. A recent survey conducted by Accenture with the Economist Intelligence Unit showed, for example, that 60 percent of service providers had more than 10 co-design partners per product development project. Such a collaborative development environment increases the chances for innovation, but also introduces more risk and, potentially, more cost unless

steps are taken to make the environment more efficient and effective. Companies constantly seek to reduce and make more predictable their capital and operating costs. So pressure mounts to transform service innovation, as well as to streamline and industrialize the service delivery process.

Finally, providers must create consumer services that build upon a suite of capabilities which, together, have been dubbed "Web 2.0." Today's Internet environment, especially as it intersects with wireless and broadband services, is creating an unprecedented wave of user-generated content and of services that treat the consumer not just as an individual, but as part of a larger social fabric of extended family, friends, and colleagues.

A recent Accenture study, "Mastering Social Ecosystem Marketing"—part of Accenture's ongoing research into the characteristics of high performance in the communications and high-tech industry sectors studied consumer shopping and purchasing behaviors in the US, Europe and Asia. The study found that companies must understand more deeply the influences that social networks and household types have on customer buying behaviors.

Such an understanding, paired with sophisticated analytic tools and dashboards, can drive revenue and profitability growth and can improve loyalty and customer retention—if, that is, companies can create innovative services that can easily and smoothly flow across the "three screens" of the typical consumer today: mobile device, computer, and television.

Evolving a service delivery platform to account for this complex, three-screen development environment is a challenge that must be met if providers are to achieve and sustain high performance in the age of convergence.

Four functional groupings for SDP 2.0

Accenture's vision for a new service delivery platform—what we call "SDP 2.0"—makes possible faster, more cost-effective, and lower-risk service development in a converged service provider environment.

A service delivery platform must enable and bring together four primary functional groupings:

1. Access is the entrance point to the SDP world. The applications within this layer enable the management and control of the SDP capabilities from a user-interface point of view.

2. Enablers provide a set of service building blocks that are generally common to all services that are exposed by SDP.

3. Services are composite services built by combining multiple enablers. A composite service consists of functionality drawn from several different enablers within a service-oriented architecture (SOA). The components may be individual web services, selected functions from within other applications, or entire systems whose outputs have been packaged as web services (often legacy systems).

4. Core provides a centralized business support system by integrated process flows and business logic. It also provides synergy across services, users, profiles, and subscriptions which are dynamically created, configured, and provisioned by utilizing a set of profile definitions.

Accenture SDP 2.0 framework

Accenture's SDP 2.0 framework (see Figure 1) creates a compelling, cost-effective environment for service development across multiple activities and technologies in the IP ecosystem:

- **Convergent, three-screen offers.** The ultimate goal of SDP 2.0 is the development of innovative, convergent offers—triple plays or quadruple plays—across the consumer's three screens. One important objective of SDP 2.0 is to capture the elusive "first screen" of the consumer; to be the primary conduit for communications, commerce, and social interaction in a wireless broadband, all-IP world.
- **Device platforms.** At the next layer of the framework are the device platforms containing the operating system and the enabling middleware. Equally important are the embedded applications focused on creating a compelling user experience across multiple devices.
- **Multi-channel customer portals.** Essential to creating differentiated and customer-centric capabilities via SDP 2.0 is the customer portal—multi-channel applications that enable the creation, sharing, and distribution of personalized content, as well as access to self-service capabilities. Portals provide broad functionality for success in the Web 2.0 world, where the need to find information, connect to others and communicate and collaborate in real time is more often an essential capability companies must provide. From the service providers' perspective, portals enable the segmentation, aggregation and delivery of rich media, communications and service experiences, while driving customer service costs down.
- **Profitable services.** Obviously, SDP 2.0 must support powerful capabilities for consumers: voice, video, and other content; social communities; search and navigation; and a variety of self-service customer care activities not only to hold down costs, but to provide the kind of real-time service consumers are asking for.
- **Service delivery platform foundation**. SDP 2.0 builds upon all the functions and features that have made service delivery platforms essential tools from the beginning:
- Support for dynamic, flexible creation of end-user services that run over networks.

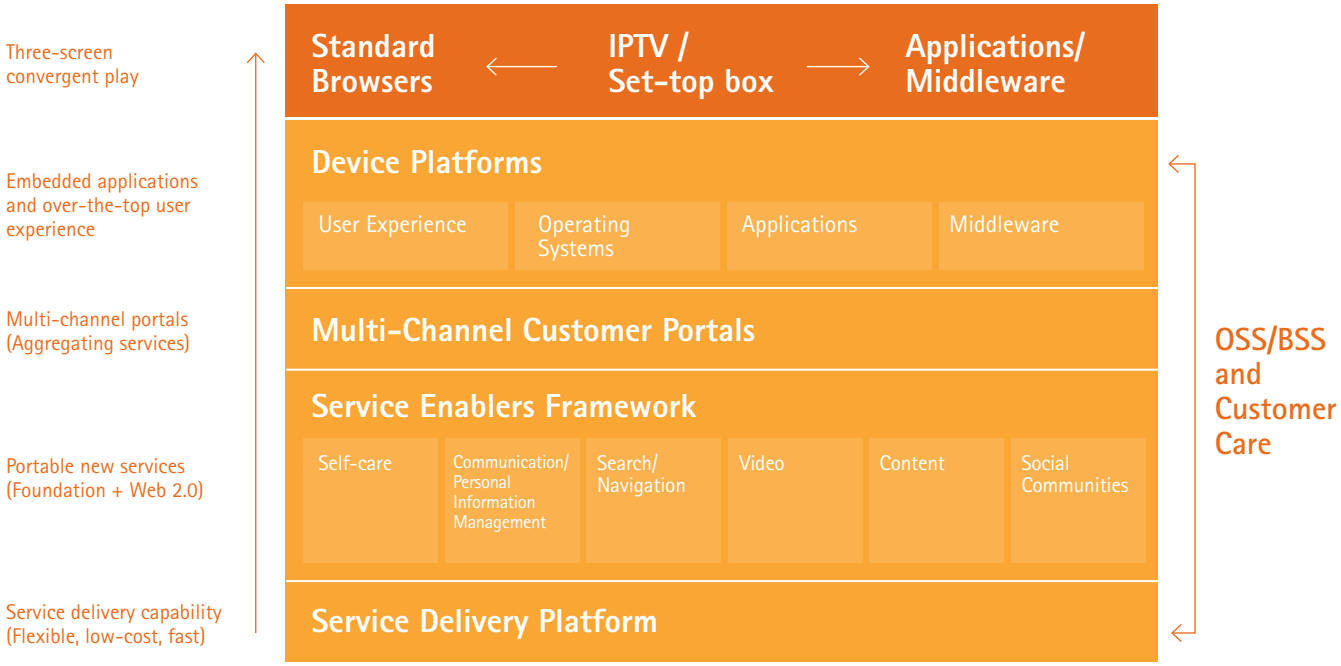

Figure 1: The Accenture SDP 2.0 framework

- Reduced business and financial risks in service development.
- Consistent provision of services to end-users.
- Controls over the execution of those services to make them cost-effective. To those basic services, SDP 2.0 adds vital new capabilities such as on-boarding, unified user information, flexible policy management, full service management and control, and open service creation environment. It also enables things such as mashups, mobile widgets, application presence, network presence, location-based services, and so forth.

Other critical supporting features of SDP 2.0 are:

- Third-party gateway, to expose Web services to the community of developers in a secure and policy-controlled way.
- Third-party on-boarding capabilities, to manage the service creation process and operations.
- Service enabler exposure to expand the 2.0 partner ecosystem, enabling the mashup of network-specific capabilities such as location and presence with other services from multiple external providers.
- Support for the end-to-end process: qualification, on-boarding, validation and deployment of final users.
- Support for different operating and business models with third parties.

Are you ready for SDP 2.0?

Based on our experience helping leading providers around the world advance toward high performance, we believe that an important first step for companies as they pursue SDP 2.0 is to conduct a rapid diagnostic of their existing service delivery platform capabilities.

The assessment should cover several relevant areas:

- Architecture/technology
- Governance framework
- Service delivery organization and processes
- Available resources and skills
- Collaborative capabilities between global and local levels as well as operating companies, if applicable

Data for the diagnostic is gathered in a number of ways:

- Interviews with key stakeholders
- Reviews of relevant documentation
- Analyses of industry benchmarks and trends

Achieving high performance with SDP 2.0

What does SDP 2.0 look like in an actual implementation? Accenture has recently helped Turkcell—a major European mobile communications provider and the leading operator in Turkey—upgrade its service delivery platform architecture to facilitate new subscriber offerings such as music downloads, data services, and transfers of digital photography.

The purpose of Turkcell's technology architecture upgrade was to create infrastructures and processes that support the rapid rollout of innovative software-based services to its customers. The architecture upgrade was targeted at:

- Decreasing product development time.
- Reducing time spent creating and introducing new subscriber services to market.
- Providing improved coordination of the new services and offerings across multiple platforms to help facilitate an uninterrupted user experience.
- Lowering long-term requirements for capital expenditure around service delivery.

"Our customers count on us to be first to market with creative and compelling wireless services," says Cenk Bayrakdar, Turkcell's chief service and product officer. "This new platform enhances our ability to deliver both our own services and those of the world's leading content developers. It reduces the time our customers have to wait to enjoy the latest breakthroughs in wireless applications, and better positions us to exploit the proliferation of leading-edge services that will be available in Turkey in the months and years ahead."

A year after the launch, 50 application service providers and 53 content providers were able to offer more than 180 revenue-generating services over Turkcell's network. Examples of innovation applications are Internet access and browsing, ringback tones, unified messaging, instant messaging, and Internet "push information" services such as news, weather updates, and entertainment. Services like these demonstrate how Turkcell's service delivery architecture can act as a powerful enabler of innovation between operators and the development community, resulting in a richer set of applications to benefit end-users.

Designed for multi-network convergent environments, Accenture's SDP 2.0 solution for Turkcell significantly advances Turkcell's ability to offer compelling services across multiple networks by using common Internet Protocol standards. This approach gives Turkcell a key competitive advantage and enables them to seize the IP convergence opportunities in today's fiercely competitive marketplace."

The SDP 2.0 solution has helped Turkcell advance toward high performance in several ways. Among the benefits Turkcell has achieved are:

- A reduction in time required to bring new services to market—from several days to one day.
- Increased subscriber usage of online services: just one month after the launch, wireless application portal usage rose nearly 3,000 percent.

Keys to success with SDP 2.0 implementations

Turkcell and other providers who have worked to evolve their service delivery platforms toward 2.0 capabilities have found it important to bear in mind the following keys to success.

- Clearly define SDP component priorities. Use a classification based on the four key functional groups discussed here: access, enablers, services and core. Such an approach supports the clear identification of priorities to be mapped onto phased deliveries by identifying, prioritizing, and linking business requirements for new services to SDP building blocks. This approach also avoids the temptation of a big-bang approach to implementation, which is very difficult to manage.
- Prevent the identification of the SDP with only a limited set of specific services. In a 2.0 world, the SDP does not implement services by itself; rather, it provides the foundation and the capabilities to create, execute and support services. This vision eliminates the risk of designing an SDP point solution (which would enable just one or a few services) while, at the same time, enabling a service creation process that is aware of SDP components—that is, which components are needed to enable which services.
- Link SDP capabilities to services. Linking core, access, and enabler capabilities to services allows companies to align business priorities with the availability of the required capabilities, while speeding up definition of the SDP target architecture.

SDP 2.0 and the quest for high performance

Leading service providers today are focused on growth—which, in turn, demands more effective service innovation and more rapid service creation to cope with a hyper-competitive marketplace. Developing SDP 2.0 capabilities gives providers the opportunity to drive toward high performance by mitigating development and delivery risks and speeding new services to market—all while lowering costs and helping to increase the impact of limited resources.

Contact

For more information about how the Accenture Service Delivery Platform Solution, and SDP 2.0 capabilities, can help you advance toward high performance by transforming your service innovation and delivery capabilities, contact:

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The Accenture Service Delivery Platform Solution is the foundation for empowering service innovation at 3 Italia, a project which attracted finalist status in the IEC's InfoVision Awards, 2007. "The IEC's InfoVision Awards recognize top contributions in the information and communications technologies (ICT) industry. We're pleased to recognize the joint work of 3 Italia and Accenture as an InfoVision finalist for their Digital Video Broadcasting-Handhelds (DVB-H) Solution," commented IEC President John Janowiak.

Accenture was awarded first place among nearly 200 entries in the Enterprise ROI category at the CTIA Wireless 2006 Convention (www.ctiawireless.com), further validating the benefits which our wireless clients may achieve in creating and managing data services through Accenture Service Delivery Platform Solution.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills and technologies to help clients improve their performance. With approximately 170,000 people in 49 countries, the company generated net revenues of US$19.70 billion for the fiscal year ended August 31, 2007. Its home page is www.accenture.com.

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