

Canada's Telus automating for the people

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Canadian telco urges industry to focus on 'Webco' space; details cost-savings made through automation of partnering process.

Working with Internet companies and other third parties is vital for telecoms players to get new applications to market quickly and at low cost, according to Canadian operator Telus.

And key to that is the automation of the partnering process. There's a laundry list of applications out there, and "trying to pick the winner is very difficult," It is not easy to pick the applications that will be successful, Telus Mobility's director of services architecture Shane Logan told Total Telecom on Wednesday. Therefore Telus' approach is to "throw out as many as possible," he said.

Working with U.K.-based software and solutions provider Aepona, Telus is building a service delivery framework to enable it to "simplify the process of dealing with external partners...[in order to offer] as many applications as possible, cheaply and quickly," Logan explained. Operators can remove upfront costs by offering applications that are accessed remotely via the Web, rather than being physically present in the telco's network, and by brokering revenue-sharing deals, Logan said. Furthermore, "automate as much as possible," he advised, noting that telcos can place NDAs online and work with standard SLAs for their developer partners, as well as automating access to location, messaging and other servers. Access to the charging APIs for billing can also be automated.

"We knocked out about 75% of the cost of an average application [in this way]," Logan said.

"You don't have to hand-hold," and telcos need to get their people used to that, he added. Old habits die hard.

While facilitating applications created by third parties is a path many telecoms operators worldwide have embarked upon, North American players are further down that route than most. Operators are changing some of their thinking, Logan said, but some are still wedded to the idea of building applications themselves. North America does have its nose in front, while "Europe is still catching up," agreed Michael Crossey, VP of marketing at Aepona. U.K. incumbent BT is an exception to this, being more advanced than its European peers, and France Telecom is also making some headway, Crossey said, noting that "France Telecom has appointed a head of Telco 2.0." And those telcos that have taken the plunge are seeing the benefits. "[It's] time, effort and cost, versus just collaborating," said Logan.

Telcos are still worried about diluting their brands and about revenue-sharing, he admitted, but collaboration is the answer, he insists. "The end result is a lot more traffic."

And operators can generate revenues from niche applications, provided their costs are low enough. A service could have penetration of 5%, 10%, or 20%, which is not even close to penetration levels for mainstay services like voice and SMS. "[You] need to have a lot of those [niche services]," to generate revenues, he said.

Five or more years ago, innovation was coming out of the enterprise side, said Logan. Now, "all that innovation has moved to the Web," he said, naming YouTube and Facebook as prime examples.

"[Our] focus should be in the Webco space," Logan said. "A large volume of services going forward... will now originate from the Webco space."

Symbiotic relationship

But it is not simply a case of telecoms players ceding control to Internet companies and application providers. Telecoms operators have the billing relationships that applications providers need, and they have the trust relationship with their customers, said Logan. "The Webcos have to work with the telcos." Furthermore, mobile operators cannot prevent their customers from accessing Web-based applications from their phones, and a bad experience with an over-the-top application can reflect badly on the operator. "The telco has a big client care organisation," while you will not find helpline numbers on Google's Website, said Logan. Therefore the telco is the first port of call when something goes wrong.

"There are times we want to own the customers and there are times we don't want to own the customers!" he said.