

# **Role of Network Management in Reviving Telecom Industry**

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## ***Equipment Manufacturer's View***

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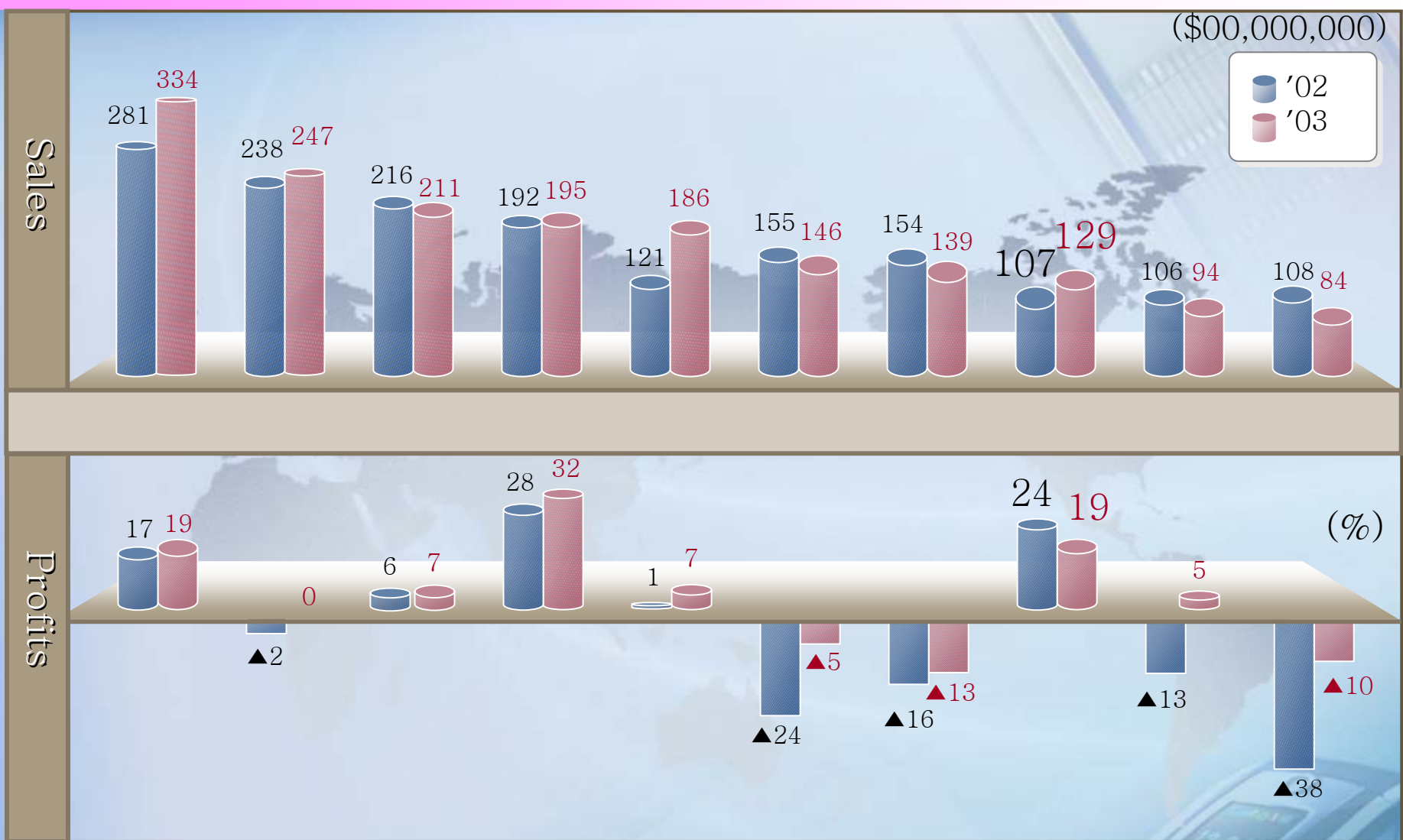
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# Outline

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- **Telecom Equipment Manufacturers, now**
- **Network Mgmt for Telecom Manufacturer**
- **How to *'wag the dog'***

# Telecom Manufactures



# ***Telecom Equipment Manufactures***

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## **□ Financial difficulties**

- **Revenues : mostly flat except for handsets**
- **Profits : many in red, improving**
- **Stock Prices are down or below the market average**

## **□ Tough Market for telecom equipment**

- **Operators not investing : over capacity, under pressure**
- **Competition is fierce : bidding on the lowest price**
- **Telecom hardware becomes commodity : same core chips**
- **Fancy new technologies : expensive R&D**
- **No new markets or revenues are generated**
- **Less money for R&D & new investment**
- **Wireless sector is better, but some markets saturated**

# ***Network Mgmt for Manufacturers***

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## **□ Network management is important to mfg's too**

- Element level management : mandatory
- Higher level management solutions : desired
- Total solutions are sometimes required
- Prefer to *buy*, but often must *build*
- Internal *vs.* out-sourcing development
- Need good development platforms

## **□ Network management solutions for business**

- Small share of equipment sales
- Pricing : bundled *vs.* extra charge
- Often cost centers, rather than profit centers
- Different characteristics from manufacturing :  
SI-type software development

# ***How to 'wag the dog'***

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## **□ Efficiency & proficiency**

- Responsibility : technical & financial
- No more telecom specific, expensive solutions
- Need to adopt IP & IT technologies more
- Need industry-wide standards : broaden the market
- Technology & protocol specific standards

## **□ Network Management Solutions as a differentiator**

- Network management can be the deciding factor
- Ease of use : help operators get more efficient
- Reduce customers' operating expenses & TCO
- Enable new services for new revenues : *e.g.* local/mobile number portability, remote management ...
- Acquire loyal customers : barrier to new entries
- Compensate low hardware price with NM solutions