Infonova is the key device for BearingPoint's digital-transformation growth strategy

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451 Research®

BearingPoint's Infonova has been selling its R6 (originally BSS Release 6) software since 2008 as a multi-tenant order-to-cash 'shopping cart' platform, mostly to telcos (which is its heritage). The R6 software has recently been placed at the forefront of parent BearingPoint's digital-transformation initiative, where it's positioned as the key device for enabling and managing digital platforms and ecosystems, and not only for telcos.

THE 451 TAKE

Digital-native entrants in every market are introducing a shift to digital processes. The most successful global brands are operating digital platforms for themselves, customers and partners. Consultants and integrators are actively seeking ways to bottle and sell this to the vast majority of organizations, which are not digital native, so they can respond to new entrants and compete in the digital economy. Thus, digital transformation has become the new calling card for Infonova's R6 software. Its challenge will be to demonstrate the effectiveness of what is referred to as its 'digital-ecosystem management software' beyond specific telco use cases and to be a growth driver for BearingPoint.

CONTEXT

BearingPoint's view is that, while traditional businesses grow organically and by M&A, in order to grow in the digital economy, they will require digital-ecosystem management. This can be provided as a combination of Infonova R6 software and BearingPoint consulting, it believes. Its premise is that digital-ecosystem management is a winning business model – proven by the success of US and Chinese digital-native companies – and is one that can be copied or emulated (together with an understanding of the local operating environment). Successful firms use these platforms as a way to sell their own products and services, and to allow customers to use the same platform to sell products to their customers – the white-label model. Developers continuously develop and enhance these platforms with new ideas. BearingPoint believes 40% of the world's top-30 brands are digital 'platform businesses,' including Google, Airbnb, ARM, SFDC, Xbox, Wechat, Xiaomi, Nike, Predix/GE, Alibaba and Amazon. Infonova is positioned as a way to allow firms to adopt this model for themselves.

BUSINESS MODEL

BearingPoint acquired Infonova in 2003. The firm changed its name to BearingPoint Infonova at the time, then changed it back to Infonova in 2009. The 380-person firm is headquartered in Graz, Austria, and works with systems integrators such as Tech Mahindra, Pactera and Hewlett Packard Enterprise. Its focus is consumer and entertainment/content providers, utilities and smart cities, financial services, and automotive – not only telcos. R6 is a C-level executive purchase. It's a hard sell to tier one service providers because it requires institutional top-down approval and change management.

TECHNOLOGY

Infonova's R6 software is designed to support concept-to-cash activities. Its process and module framework includes products (products/service catalogs), customers (customer information management, case management, inventory), orders (capture, management, fulfillment), billing (data mediation, rating and charging, invoicing, formatting) and finance (receivables management, dispute management, collection management). It provides platform and business management – ecosystem platform administration; supplier, partner and sales channel management; wholesale, retail and white-labeling; and an integration platform. The integration platform uses Java EE, REST APIs, a workflow engine, batch processing and message queuing. Services that customers or tenants may want to plug in include notification services and credit checking – these are aggregated or brokered by Infonova and offered as business services.

R6 enables different tenants to share resources and services. The tenants may be different groups, departments or activities within a company, or could be the customers or partners of the R6 license holder (or their customers and partners). Tenants can be functional blocks, integrated and coordinated as a single platform with business management, or they can be used as a multi-tenant platform to host or resell to partners. Each tenant can sell retail offers to end customers – retail offers can be based on the tenant's own services or wholesale offers from other tenants. They can also wholesale offers to other tenants – wholesale offers can be based on the tenant's own services or wholesale offers from other tenants. Each tenant can directly onboard and manage its own internal services or those from other tenants. It's here that a customer such as a car-sharing firm would use R6 to connect third-party insurance or parking services. To deploy a mobile payment offering, a bank may need to coordinate financial information, messaging, catalog and notification services, in addition to workflow tools and ERP modules from multiple vendors, each with their own release cycles. Infonova captures this and runs it as a single deployment.

R6 is not quite a business support system – what telcos use to run business operations toward customers – but it's as good as one. Customers don't need to build or buy their own BSS to use in conjunction with it. Infonova's provenance is in the telco industry, and R6 is grounded in the use of TeleManagement Forum artifacts. It is certified to TMF's Frameworx blueprint for business transformation. It uses the Business Process Framework (eTOM) and its Information Framework (formally Shared Information/Data Model or SID), which is a unified reference data model providing a single set of terms for business objects in telecommunications. The objective is to enable people in different departments, companies or geographic locations to use the same terms to describe the same real-world objects, practices and relationships.

Going forward, Infonova will add the ability for tenants to self-register rather than use a platform administrator. It will also open up the architecture to enable service sharing across and between R6 instances – not only within a single instance. This could, for example, enable telcos to share services. It will add a cloud-native microservice deployment architecture, as well as other configuration management and business operations functions. These will roll up in Infonova R6 version 8, due early 2017. Infonova is preparing to offer more flexible pricing models, including R6 SaaS, plus a single view of the customer and billing.

CUSTOMERS

Dimension Data has been using R6 for 18 months to provide consistent delivery of cloud services to customers across all countries and regions. R6 provides multi-country, multi-currency implementation; partnering between 60 billing entities; a centralized platform that supports cloud services from different providers; and consolidated usage-based billing. It's able to offer R6 tenant (white-label) options externally to its customers and partners, and has created billing-as-a-service options for customers.

In the BT Global Services division use case, BT owns the ecosystem and wholesale product catalog. R6 models the financial arrangements to the other tenants, in which each can onboard their own services, as well as resell those from the catalog and host their own partners in a kind of tenant-as-a-service model. BT purchased an R6 license and service agreement together with a certain number of tenants, and pays integration and consulting revenue to BearingPoint. It is a key element of BT's Cloud of Clouds strategy, and has enabled it to improve time to market, cut development cost, grow its partner ecosystems and grow its business to become a service integrator in its own right. The design point should enable it to support some 2,000 enterprise customers and 5,000 partners on R6. Other customers include Unitymedia, Liberty Global, Eircom, iiNet, paybox Bank and Crown Interactive.

COMPETITION

Infonova's closest competitors are principally B2B firms, such as Amdocs, NetCracker Technology, Huawei and Comarch. If it goes down the SaaS route, it anticipates firms such as Zuora, Aria Systems, Apptio and Ensim, which are aggressively reaching into adjacent markets, will become competitive. In response to buy-side requirements for digital-transformation support, many consultancies, systems integrators and managed service providers are establishing 'digital transformation' practices, bringing together expertise in cloud services, mobility services, social media tooling, analytics and cybersecurity. BearingPoint's 'Go Digital' initiative is an example of this.

SWOT ANALYSIS

STRENGTHS
Taking some of the disciplines of the telco BSS model (business and customer management, partner orchestration, and billing) and applying them to digital ecosystem management makes sense.

WEAKNESSES
Billing for data usage is a key problem for telcos undertaking digital transformation. They understand recurring fees and selling circuits, but pricing data usage and digital events is a challenge, which is where R6 comes in. However, non-telco prospects will need to be guided beyond the BSS capabilities.

OPPORTUNITIES
BearingPoint believes a combination of consulting, Infonova R6 digital ecosystem management, cloud technology, systems integration and managed service partners is a new way to help businesses grow.

THREATS
BearingPoint is taking a telco-oriented mechanism and repositioning it for more general-purpose digital transformation projects. It will need to demonstrate successful implementations beyond the telco sector.