Partner Ecosystems and Platform Strategies:
Satisfying the B2B2X Realities of Digital Enterprise Management

Stratecast Analysis by
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Introduction

Partner ecosystems, and the platform-based enterprises that engage them, are the fastest-growing branch of the general technology sector. At the end of 2015, for example, 176 public and private platform companies around the world, each with $1 billion or more in market value, were estimated to have a global market capitalization of $4.3 trillion. Most of these companies offer their platform functions as cloud-based services.

Some of the largest platform-based enterprises include familiar names such as Alibaba, Amazon, Apple, Facebook, Google, Microsoft, Netflix, Oracle, and Salesforce; and lesser known names including Tencent, Softbank, Naspers, Priceline, and Baidu. Other billion dollar platform enterprises include Airbnb, eBay, Intel, LinkedIn, Paypal, SAP, Uber and Xiami.

Peter C. Evans, primary author of The Rise of the Platform Enterprise – A Global Survey, stated in Feb 2016, at the London BearingPoint Economic Summit, that these companies generate $100s of

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1 In preparing this report, Stratecast conducted interviews with representatives of the following companies:
- BearingPoint – Angus Ward, Partner
- BearingPoint – Andrew Thomson, Senior Vice President Infonova R6 Solutions
- BT – John Gillam, CTO Cloud Computing, BT Global Services
- Infonova – Andreas Polz, Chief Technology Officer
- Infonova – Andreas Gabriel, Vice President Product Management
- Infonova – Susan Backhaus, Technology Architect and Marketing

Please note that the insights and opinions expressed in this assessment are those of Stratecast, and have been developed through the Stratecast research and analysis process. These expressed insights and opinions do not necessarily reflect the views of the company executives interviewed.

2 Market capitalization is the total dollar market value of all of a company’s outstanding shares. It is calculated by multiplying a company’s shares outstanding by the current market price of one share. Global survey results were conducted and published by The Center for Global Enterprise, in: The Rise of the Platform Enterprise – A Global Survey, January 2016.

3 Cloud-based services involve several attributes including on-demand, always connected, flexible, real-time, and self-service—in short, personalization not just for consumers, but businesses and enterprises too.
billions in global commerce, and enable 1.5 million jobs directly, with millions more indirectly.\(^4\) 

**Surprisingly, none of the 176 companies identified by the study are network operators.**\(^5\)

Further, the study indicates that approximately 50% of the $4.3 trillion market value is achieved by 44 companies headquartered within the San Francisco Bay area. Another 18% from four companies headquartered in Seattle, with an additional 6% coming from 44 companies based in Beijing. The most significant industries, by market cap size, that define the global platform marketplace include: Internet Software & Services, eCommerce, Application Marketplaces, and Search/Ad Technology.

Communication service providers (CSPs) are not presently counted among the list of $1 billion+ market cap platform companies, even though all of the largest CSPs have several $billion market caps. The reason? Delivering high-quality, dependable, and affordable network access services does not require an ecosystem enablement platform and accompanying suite of partners. Yet, it is evident from the just described Center for Global Enterprise findings that the exponential growth opportunity today lies in what travels across a network connection and between the partners that serve a growing list of customers.

Do CSPs have a chance in the global platform enterprise marketplace, with its expanding base of new business needs? This report provides a viewpoint concerning the changing customer and partner requirements that all CSPs now face, with an emphasis on the virtual services landscape. The report defines how CSPs can engage successfully, with differentiating customer value and in a way that enables partners to work closely with them, to bring a new generation of customer services to light. However, managing partnerships and enabling partners with the means to create and sell virtualized service offerings, at a wholesale and retail level, takes a different type of operations and monetization strategy than what CSPs have engaged with in the past.\(^6\) The report explains this business challenge, and shows how one ecosystem enablement platform supplier—BearingPoint, with its Infonova R6 platform—has already placed a few organizations on the partner ecosystem and enterprise enablement roadmap. Presently, BearingPoint is also helping other organizations to realize that even without owning network infrastructure, a company, in any industry, can successfully become a global Digital Services Provider (DSP).\(^7\)

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5 Softbank, a Japan-based corporation, owns slightly less than 85% of US-based CSP Sprint. Softbank made it to the list of global platform providers because it diversified a few years ago into platforms, away from its telecom roots, with large stakes in companies like Yahoo! Japan, Alibaba Group, and GungHo Online. It has more recently invested in Indian platform companies including OlaCabs, Snapdeal, and Housing.com, according to the Center for Global Enterprise.

6 A different operations and monetization strategy means change at many levels of an organization, and not just the systems and business processes that are necessary to enable a CSP to deliver Internet-like service offerings. Organizational structure is core, but the details concerning this level of change are beyond the scope of this report.

7 DSP, within this context, is about business partner enablement. A partner enablement DSP is dedicated to orchestrating the contributions of developers, content suppliers, and internal product managers to create innovative new solutions for customers and markets, by leveraging advanced digital technologies and applying platform economics.
Evolving Customer Needs Require Network Access and a Lot More

Demand Side Evolution and Business Opportunity

Shown in Figure 1, the demand side of the communication services business continues to diversify. The consumer-based and small business portions are a staple for CSPs the world over. Yet, average revenue per user (ARPU) for voice, text, and even data services is shrinking; the cost for supporting new technology evolution is rising; and network data volumes are expanding. As if these challenges were not enough, the CSP business environment has undergone extensive change over the last 4-5 years, to support a more customer-centric way to do business. Solutions designed to add new revenue, reduce costs, and improve business value are steadily progressing to meet demand.

Figure 1: Customer Needs are Now Well Beyond Just a Network Connection

Integrated Business and Operations Support

Enterprise use of communications services are rapidly evolving to new opportunities with layers of partner-supplied functionality. B2B2X services present many new operations and monetization requirements.

B2B2X Partner Orchestration, Monetization and Operations
- Partner Definition and Registration
  - Retail (B2C) and Wholesale (B2B)
  - Partner-with-Partner (PwP) Definition and Registration
    - Level 1 – Virtual PwP Enabled Retail Services (B2B2C)
    - Level 2 – Virtual PwP Enabled Wholesale Services (B2B2B)
    - Level 2 – Virtual PwP Enabled Retail Services (B2B2B2C)
    - Level n – Virtual PwP Retail and Wholesale (B2B2X)

B2C Billing
- Millions of consumers
- Many SMB customers
- Network-based services
- Partner content and data

C2C Billing
- Customer gifting and selling

B2B and B2C Billing
- Sponsored Data via CSP
- Specialized MVNO and Internet of Things (IoT) Solutions
  - Telematics (autos)
  - Healthcare
  - Utilities
  - RFID Labels
  - Retail Point of Sale (POS)
  - Transportation
  - Oil and Gas
  - Food Products
  - Waste Management
  - Manufacturing
  - Logistics Distribution
  - Public Safety
  - “X” as a Service (XaaS)
    - Digital Commerce
    - Device-based Services
    - Publishing
    - Entertainment
    - Others

B2B and B2C Billing
- MVNO Comms Services
- Value-Add Services (VAS)
Moving beyond the network service demands from consumers and large enterprise customers, additional needs from the rising connected everything world of the Internet of Things (IoT) and machine-to-machine (M2M) services are growing, at both the enterprise-based business-to-business (B2B) and business-to-consumer (B2C) levels. Solutions designed to meet these needs are advancing in nearly every industry including healthcare, retail point-of-sale, logistics distribution, public safety, transportation, the utilities sector and waste management, to name a few.

The use of mobile connectivity to help large businesses and enterprises offer traditional goods as a service is also advancing. For example, “X-as-a-Service” (XaaS) offerings—a business model where a customer’s capital expenditures (CAPEX) are changed into reoccurring operating expenses (OPEX)—are transforming individual businesses, and sometimes entire industries. These solutions are not only engaged within the retail point-of-sale sector, but also within the entertainment industry, with automobiles and financial services, and for portions of certain manufacturing processes.

Virtual Network Enablers (VNEs) facilitate the provisioning, activation, operations, and monetization of wholesale network capacity for enterprises. The VNE concept was successfully pioneered in support of first generation mobile virtual network operators (MVNOs) over 10 years ago. Many successful MVNOs from this era remain; however, a second generation of MVNO, or occasional fixed-line virtual operator, is now rising. This new-generation of virtual network operator (VNO) focuses on “connected” business opportunities in multiple industries, rather than a branded package of voice and text services for end-user customers. In this light, the VNE can be the enabling mechanism for enterprise-based MVNO and IoT initiatives, rather than requiring enterprises to directly engage with the CSP via its traditional systems and processes. In many cases, a CSP offers its network connectivity and support services to enterprises through its branded VNE.

A new demand market, known as a Virtual Business Enabler (VBE), has been discussed by Stratecast for more than five years now. Referred to in earlier reports as the Cross-Industry 2.0 marketplace, a VBE allows ecosystem partners to sell goods and services to a global economy. This enablement applies to what each partner brings to the market individually; but also provides the means for partners to assemble their service contributions with those from other partners, to yield new, never before established, virtual services.

As the lower portion of Figure 1 notes, the VBE environment offers a business, within any industry, the ability to engage with one (B2B) or additional businesses (B2B2…), in the same or different industries, to create virtual B2B2X service offerings. The “X” can be a wholesale offering involving another business “B,” or a retail offering designed for sale to a customer “C.” With a fully flexible ecosystem enablement platform, VBE-based services can be consumed internally (B2B…) by the organizations establishing the service; offered to retail customers (B2B…2C); or sold to other partners (B2B…) at wholesale.

**Virtual Business Enablement: The Next Generation of Large Business Growth**

Shown below in Figure 2, CSPs that engage the virtual business enablement opportunity transform their monetization and operations processes from a supplier of voice, text, and data services only, to

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one involving the federation of multiple partner contributions combined with the network connection. The CSP becomes a digital service provider (DSP)\(^9\) as a result of this transformation. To be successful, the newly transformed organization must engage with a horizontal ecosystem enablement platform to satisfy the operations, management, and monetization needs from the interactions of multiple partners. Often the most difficult business challenge is with transforming the way people interact with new systems and changed business processes.

**Figure 2: Virtual Business Ecosystem Enablement: Orchestrating Partner Offerings**

With a platform containing the right business enablement functionality, not only can newly established DSPs empower partners to provide customers their products and services, but these same partners can be enabled to combine solution options to create a new generation of services never before provided to consumers and businesses.

The balance of this report is designed to help communications service providers learn how to become DSPs, by tapping into the power that a VBE solution strategy can deliver for them. A platform-based digital services strategy is essential for any CSP in the race to gain significance amongst organizations that now define the $4.3 trillion global platform-based enterprise marketplace.

**The Role of a Virtual Business Enabler (VBE)**

**IT Industry Example: The Amazon Partner Enablement Platform**

Amazon, as one of the earliest platform-based enterprises, has evolved separately and differently from other platform-based companies such as Alibaba, Apple, Facebook, Google, and Microsoft. A distinguishing characteristic is Amazon’s appeal to small businesses for the sale of products and

\(^9\) For more insight concerning the attributes involving DSP transformation, see Stratecast report SPIE 2016-16 What is a Digital Service Provider? Hint: There is More Than a Single Answer, April 29, 2016.
services. It’s growing 50,000+ base of small and some large customers includes companies selling their wares in 30 different product categories—including device accessories, automotive, baby products, books, collectables and even food—along with 56 types of professional services ranging from roof repair to landscaping, and from academic instruction to Web design.

Amazon Services enables the sale of a company’s business products or professional services by listing them on the Amazon platform with corresponding pricing sheet (product catalog). The platform addresses traditional customer service functions including shipping, fulfillment, and payment processing. As part of the Amazon Professional Services offering, Amazon also provides customer scheduling, order management, and payments processing functionality.

By design, the Amazon platform does not allow a business supplier to work directly with another. In addition, digital services are not supported. For the CSP marketplace, the Amazon Services platform dramatically falls short of satisfying the VBE needs that digital services enablement requires. A different type of platform is needed; one that can meet the specifics of the communications industry, as defined by Figure 1 above. This platform must also address the VBE role to enable CSP success in the evolving DSP marketplace.

The VBE’s Role for Collaborative Selling: Cupcakes and Ice Cream Go Together

What a business enablement platform *should support* for a DSP-based, partner-supplier ecosystem and customer audience can best be explained through an analogy everyone can relate to: cupcakes and ice cream. An enterprise business enablement platform company, “Original VBE,” provides business solution capabilities for two fictitious companies; one selling cupcakes and the other selling ice cream, as shown in Figure 3.

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**Figure 3: Business Limitations of Many Enterprise Business Enablement Platforms**

**Company A:**

*World’s Best Cupcakes (WBC)*

- WBC and SBIC each display their *product offerings and pricing details* to potential customers that search the platform website.
- WBC and SBIC are *not aware* that they are both using the *same* enterprise enablement *platform*.
- Platform supports *products or professional services*, but does not support *digital services*—network connectivity, remote storage, content
- **Key support functions:**
  - Product catalog and registration
  - Fulfillment logistics
  - Billing and invoicing
  - Customer service
  - Payments processing
- **Unsupported, but needed functions:**
  - Insight about other companies listing products on the platform
  - Opportunity to collaborate
  - Support *B2B wholesale* transactions
  - Combine *two or more partner’s products* to create *new product options* that add customer value
  - Partner tracking and settlement

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**Company B:**

*Simply the Best Ice Cream (SBIC)*

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*Source: Stratecast*
Although neither the ice cream company nor the cupcake company knows that the other uses the same VBE to advertise their products and to sell to their customers, through word of mouth these companies soon discover this fact. Armed with this new knowledge, it is easy to understand that both of them could easily establish a dependency on the other to:

1. Increase the value of the products each company sells to their customers by offering customers a product package that contains both ice cream and cupcakes.
2. Open up potential new business opportunities by delivering the combined product to a new set of prospective customers within each company’s target markets.

In this illustrative example, Original VBE uses a popular enterprise enablement platform that has certain appealing capabilities, but also significant shortfalls relative to DSP services. Original VBE enables a cupcake company (WBC) and an ice cream company (SBIC) to do business individually. However, as noted in Figure 3, above, there are limitations within Original VBE’s platform that define what WBC and SBIC can do in developing a joint sales and customer reach strategy.

Although WBC and SBIC are successful and revenue flows to them from their respective customer bases, they also know that offering their customers a product that includes ice cream and cupcakes together will enable them to reach new sales objectives. If Original VBE’s enterprise enablement platform were not a bottleneck for either company to create and sell new service offerings, which include the capabilities from other partners, advanced product offerings could be easily established.

First Tier Partner Enablement and New Product Offerings

Clearly frustrated with Original VBE, both WBC and SBIC change their business operations to a different VBE, known as “VBE the Greatest.” This new VBE has an enterprise enablement platform that can support any level or combination of B2B and B2C interactions, as shown in Figure 4.

Figure 4: Enabling New Products through B2B Partner Relationships

World’s Best Cupcakes (WBC) and Simply the Best Ice Cream (SIBC) Need to do Business Together
- They want to jointly sell to each other’s customers
- They also want to continue selling to their own customers
- If they can sell a wholesale “package offer,” this creates another reason for working together
- WBC and SIBC define success through accurate accountability of all B2B and B2C interactions

Source: Stratecast
In this new environment, the first thing that both companies want to do is establish a joint package of capabilities that incorporates input from both organizations through a B2B relationship, which both can also sell to their existing B2C customers. Both companies (WBC and SIBC) create a wholesale agreement (B2B) that defines a new product, called “Cupcakes and Ice Cream.” This product is then sold, as a new B2C retail offering, by each company to new customers and existing customers alike. In addition, both companies agree to sell the new product at the wholesale level (B2B) to other companies, such as catering companies and some restaurants. Throughout this process, WBC and SIBC continue to sell their individual product offerings—cupcakes by WBC and ice cream by SIBC—to their long-term retail customers (B2C).

A Second Tier of Business Opportunity with Increased Complexity

A new company, The Catering Company (TCC), is also a customer of the same VBE as the one used by WBC and SIBC (VBE the Greatest). TCC immediately notices when the new wholesale product offering “Cupcakes and Ice Cream” is made available. TCC then reserves several wholesale packages to incorporate into its catering bookings. Doing so does not require TCC to negotiate with WBC and SIBC separately, but rather “incorporates” the Cupcakes and Ice Cream product by selecting it from VBE the Greatest’s business enablement product catalog.

The Cupcakes and Ice Cream product is an instant hit with TCC, as this new offering fills a major hole in TCC’s end-to-end customer service portfolio. TCC also has wholesale agreements with other companies to round out its full catered services menu, including those with two food companies, an entertainment company, and a party supplies company. Each of these companies, as shown below in Figure 5, offers its services directly to customers (B2C), as well as to companies such as TCC through wholesale agreements (B2B). As before, TCC incorporates other partner products by reserving them when they appear in the product catalog of VBE the Greatest’s business enablement platform. Figure 5 also shows the flow of revenue from customers of products offered by WBC, SIBC, and TCC to the respective partner entities in the total customer value chain that involves both B2C and B2B transactions.

With the flexibility offered by VBE the Greatest’s business enablement platform, the Cupcakes and Ice Cream offering is sold by TCC directly to customers (B2C) as a single component, and as a combined package with TCC’s other partner-provided capabilities (B2B2C). Although allowing TCC to sell the Cupcakes and Ice Cream package at the retail level creates a potential competitive offer to the Cupcakes and Ice Cream package offered individually by both WBC and SIBC, TCC sells the Cupcakes and Ice Cream package at retail (B2C) based on permissions established by WBC and SIBC when the Cupcakes and Ice Cream package was made available in VBE The Greatest’s product catalog. Sales and usage permissions were defined on the basis that there is high market demand for the combined package, and that any company exposing the Cupcakes and Ice Cream offering to B2C customers will interact with different customers than what WBC or SIBC could do individually. Both WBC and SIBC can monitor total sales of the Cupcakes and Ice Cream package, and make adjustments on usage permissions at any time, by using the management reporting capabilities of VBE the Greatest’s business enablement platform.

Following TCC’s success with selling the Cupcakes and Ice Cream package to retail customers, market research suggests that TCC create a second retail package consisting of three components:

1. The Cupcakes and Ice Cream package from WBC and SIBC
2. Party suppliers from TCC’s partner, Paper and Party Supplies
3. Clown entertainment procured through TCC’s partner, The Entertainment Company

Figure 5: Combined Wholesale and Retail Service Offerings Bring Complexity

The Catering Company (TCC) specializes in full meal and entertainment options:
- TCC has contracts with two food companies for all events
- TCC contracts with an entertainment company for all events
- TCC contracts with a paper supplies company
- TCC wants to add the wholesale ice cream + cupcakes offering from WBC – SBIC
- TCC sells its “packaged services” to customers at both a wholesale and retail level
- While engaging with TCC, each supplier also sells retail offerings to other customers

Beyond TCC as a retailer, another likely relationship would involve TCC as a wholesaler. In this case, some of WBC’s and SIBC’s original customers could be presented with added product options that not only include packaged offers containing cupcakes and ice cream, but either full or partial “party packages” that contain main course food, party supplies, and even entertainment options, provided to WBC and SIBC through wholesale service agreements with TCC; which, in turn, consist of multiple components supplied to TCC from each of its wholesale partners. Regardless if a company sells at a wholesale or retail level, it should be able to also buy from other partners at either a wholesale or retail level, depending on market needs.

As business continues to grow for TCC, other retail and wholesale service packages are defined and launched for use by other TCC partners (B2B) and customers (B2C). The multiple business relationships and revenue flows between TCC and each of its partners can quickly become overwhelming. However, there should be no limit to the number of virtual service layers that partners on the platform can define and sell to their target end-customers, at either a wholesale or retail level. This significant requirement is needed to meet the growing complexities from digital services defined by evolving partner ecosystems and enterprise platform strategies.
Operational Analysis: VBE Partner and Customer Management Platform

A tactical measure of any partner’s business success within each endeavor lies with the partner’s ability to:

- Fully launch each service offering
- Monitor both partner and customer usage
- Account for and collect all revenue from wholesale and retail customers
- Reconcile revenue share with each of its partners at all levels of a service definition

Accomplishing these tasks requires a purpose-built enterprise business enablement platform, which, for the example previously described, empowers VBE the Greatest to support its customers and partners. Grasping the complexity behind each of the platform’s operations and monetization functions is a challenge, particularly as the number of partners and partner relationships expands. This is especially relevant when partners create products together, which in turn are sold to end-user customers, or to other partners to include in still other product offers.

Continuing with the example described by Figures 4 and 5, the products offered by the three involved companies—WBC, SIBC, and TCC—are defined on VBE the Greatest’s business enablement platform through a “functionality wrapper,” as shown in Figure 6.

**Figure 6: VBE Platform Enablement Functionality Wrapper**

This wrapper incorporates the various operations, orchestration, data analysis, and monetization functions needed for supporting any retail or wholesale service definition provided or consumed by each partner. In this manner, traditional application programming interface (API) methods are avoided, which are limiting to the business relationships that organizations using the platform can engage in. The wrapper is the mechanism that enables a partner registered on the platform to:

- **Directly on-board** and manage its own internal products (internal service sourcing).
- **Consume wholesale** offers from other partner providers on the platform (external service sourcing).
- **Sell retail** offers to end customers. Retail offers can be based on the partner’s own products, wholesale offers from other partners on the platform, or offers defined by combinations of partner capabilities.
• **Sell wholesale** offers to other partners on the platform. Wholesale offers are based on the partner’s own products, wholesale offers from other partners on the platform, or offers defined by combinations of partner capabilities.

**Wholesale and Retail Digital Services from Any Partner to Any Customer**

There are multiple layers of partner-to-partner wholesale interaction and retail customer sales supported by VBE the Greatest’s enterprise enablement platform, shown in the examples illustrated by Figures 4 and 5. Focusing only on WBC, SIBC, and TCC, as shown in Figure 7, the major interactions are:

- WBC registers its cupcakes product on VBE the Greatest’s business enablement platform.
- SIBC registers its ice cream product on the platform in a similar manner to WBC.
- At a retail level, WBC and SIBC each sell their respective products to their customers (B2C). Revenue flows from customers to WBC and SIBC.

**Figure 7: VBE Partner Enablement and Wholesale/Retail Service Definition**

Source: Stratecast, BearingPoint and Infonova
• WBC defines a joint “Cupcakes and Ice Cream” product. This new product is made available on VBE the Greatest’s business enablement platform for any registered partner to sell at retail, or to incorporate at wholesale with other product capabilities that a partner may use in support of its customer's needs. WBC begins to sell this new product to its retail customers (B2C). In turn, revenue flows from customers to WBC, where a portion of this revenue is then shared with SIBC.

• SIBC also defines a joint Cupcakes and Ice Cream product. While the new product from SIBC may be identical or very similar to the same product created by WBC, the two products can also be different, according to the terms in which each company defines its new partner-enabled product. SIBC begins to sell this new product to its retail customers (B2C). In turn, revenue flows from customers to SIBC, where a portion of this revenue is then shared with WBC.

• WBC begins to offer its new partner-enhanced Cupcakes and Ice Cream product to other partners on the platform, at wholesale (B2B).

• TCC purchases the Cupcakes and Ice Cream wholesale product (B2B). Revenue flows back to WBC, and WBC provides a portion of this revenue to its partner, SIBC.

• TCC combines the Cupcakes and Ice Cream product with capabilities from other suppliers to create new product offerings for its sales portfolio. To support the needs of its retail customers (B2C), TCC sells its enhanced service offerings containing the Cupcakes and Ice Cream product along with enhanced products containing input from some of its other suppliers. Revenue flows from these retail customers back to TCC; which TCC, in turn, shares a portion of with its partners.

• TCC also sells its enhanced service offerings involving the Cupcakes and Ice Cream product to its core group of wholesale catering customers (B2B). While not shown in Figure 7, these customers can purchase this product for resale to their end customers (B2C), or they can combine it with other products to create yet other wholesale product offerings.

• TCC sells just the Cupcakes and Ice Cream product to its retail customers (B2C). Revenue flows back to TCC; and, in turn, a portion is shared with WBC and SIBC.

• TCC also sells the Cupcakes and Ice Cream product to other suppliers (B2B) for inclusion in their advanced product offerings.

While the example involving WBC, SIBC, and TCC is purely illustrative, the real use of VBE the Greatest’s business enablement platform lies in the creation and sale of virtual digital services. Such a platform can enable various retail and wholesale business interactions to address a growing list of enterprise customer needs. Stratecast believes that the future of the communications industry, and many industries outside of the communications sector, will depend on cost-effective support of the VBE concept. In essence, the multi-tier enablement of partner-provided digital services is how the next generation of multi-industry commerce will be conducted.
Next Steps

The BearingPoint and Infonova R6 enterprise enablement platform, shown in Figure 8, addresses the partner orchestration, fulfillment, monetization, and management functions characteristic of the external interactions needed between partners and CSPs for the delivery of advanced virtual services. The Infonova R6 platform also offers front and back office support to satisfy multi-layer business models. As cloud-based network and data functions become commonplace, the next step in virtual services evolution will bring together the capabilities of multiple industries to define services that have never been possible before. This report attempts to describe this point through an illustrative example of tangible products that are easily recognizable, rather than the abstractness that often comes when talking about virtual digital services.

Figure 8: Infonova R6 Multi-Tenancy Flexible Business Enablement

Stratecast believes that the field of qualified suppliers, which can address the VBE market opportunity the way it has been defined in this report, remains slim. Nevertheless, BearingPoint, with its Infonova R6 platform, is one supplier that has already delivered on the wholesale and retail sales promises of VBE services with customers in various parts of the world. BearingPoint and Infonova are calling their VBE solution strategy “Digital Ecosystem Management (DEM).”

Stratecast also believes that a flexible, platform-based approach to supporting the VBE concept is a way that CSPs can be more effective in addressing the digital services needs of businesses from any industry; and that can assist them in nurturing new virtual business opportunities. CSPs are ideally positioned to satisfy this software and services-based business infrastructure requirement, as was shown in Figure 1, near the beginning of this report.
CSP customer demand has grown in multiple dimensions, from support for millions of customers to addressing the needs of large businesses that want to incorporate mobile services within the goods and services they have provided in the past, in order to generate higher customer value. Virtual service enablement is a new level of business opportunity for CSPs and others. Virtual services are also driving today’s rapidly evolving platform economy.

What makes the platform economy successful is partner ecosystems. Installed CSP systems, processes, and organizational structures were never designed with the degrees of flexibility and responsiveness needed to deliver products and services through an online, elastic, and partner-oriented environment. Such experiences are the domain of new-generation Internet providers—also known as Over-the-Top (OTT) providers. These organizations assume that network connectivity is affordable, easily available, and always available, to power their extensive platform-based service offerings and partner ecosystems.

A partner ecosystem is an understanding by each participating organization that no group can do it all; and also a commitment that proper accountability of usage and customer revenue allocation will be effectively managed. Partner ecosystems of the most advanced level will engage with a business enablement platform that allows individual partners to:

- Directly on-board and manage their own internal products (internal service sourcing).
- Consume wholesale offers from other partner providers (external service sourcing).
- Sell retail offers to end customers. Retail offers can be based on the partner’s own products, wholesale offers from other partners on the platform, or offers defined by combinations of partner offerings.
- Sell wholesale offers to other partners on the platform. Wholesale offers can be based on the partner’s own products, wholesale offers from other partners on the platform, or offers defined by combinations of partner offerings.

This last necessity—buying or selling at a retail or wholesale level—takes the playing field of eligible business enablement suppliers to a very slim number globally. Yet, this is the role that BearingPoint, with its Infonova R6 business enablement platform, makes possible for any services provider that is willing to engage. The challenge lies in understanding the business potential that multi-layer B2B2X business models can bring, and then transforming not just systems, platforms, and business processes, but the way in which an organization conducts its business with the customers it targets.

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About ODAM

The processes and tools that communications service providers (CSPs) have utilized to run their businesses have changed over time. More than a half-century ago, CSP network and business management processes were manual (OAM&P). As CSPs evolved over the years, so did the operations support systems (OSS) and business support systems (BSS) that address CSP business and network management needs. In recent years, the lines between OSS and BSS have become less clear, with much overlap. In addition, the roles in which OSS and BSS operate have expanded beyond traditional boundaries. As such, Stratecast now uses the term Operations, Orchestration, Data Analytics & Monetization (ODAM) to encompass both the traditional OSS and BSS functions and the new areas in which business and operations management must now work together, including virtualized networks and telecom data analysis.

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