



Oracle Application Integration Architecture for Communications

Commentary

Global Telecom Software Market Analysis



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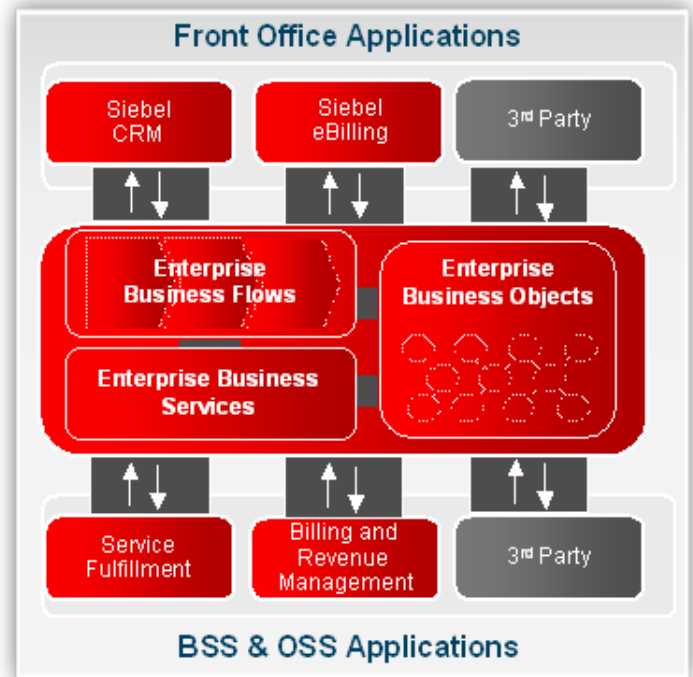
On October 2, 2007, Oracle introduced Oracle Application Integration Architecture for Communications. The goal of Oracle Application Integration Architecture is to deliver a complete suite with productized integrations and industry-specific business processes. It includes the business process framework for telecom, including business object models and workflows. The goal is to deliver a standardized foundation for end-to-end process integration, helping companies more flexibly align their IT infrastructure with business strategy. According to Oracle, this comprehensive, standards-based solution offers out-of-the-box cross-application business processes, business process design models, implementation methodology and SOA governance, all tied together via Oracle Fusion Middleware. This makes it easier for companies to configure and evolve composite business processes in support of changing business requirements.

The telco specific offering, Oracle Application Integration Architecture for Communications, provides CSPs with pre-built integration packs to enable quick deployment of key business processes. The initial telco process integration packs are: order to bill, agent assisted billing care, and revenue accounting. Oracle Application Integration Architecture for Communications is a mouthful, so we will call it AIA

CSPs and systems integrators can customize and extend AIA as they see fit, leveraging common objects and services, referred to as Enterprise Business Objects and Enterprise Business Services. AIA provides pre-built integrations of Oracle and third-party applications. These are tied together via SOA using Oracle Fusion Middleware. AIA uses a common object model and service registry to enable common enterprise-wide service and object definitions and unites applications through composite business processes.

Oracle Application Integration Architecture for Communications is delivered through three process integration packs. Industry reference models provide a foundation for understanding the business. Pre-built processes enable quick connections across applications. Oracle Enterprise Business Services reduce the time to deploy and change services. Oracle Enterprise Business Objects enable any application to plug into the process. Application Business Connector Services (ABCS) provides application-specific service translation and transformation. The following figure shows the overall Oracle Application Integration Architecture for Communications architectural

approach.



Source: Oracle

Phase 1 of Oracle AIA for Communications addresses “order-to-cash-to care” by integrating Siebel CRM to Oracle Communications Billing and Revenue Management to enable “order to bill” and “agent assisted billing care”, Siebel eBilling to Oracle Communications Billing and Revenue Management to enable billing self-service, and Oracle Communications Billing and Revenue Management to Oracle E-Business Suite to enable revenue accounting. Future releases will integrate other OSS applications, with the ultimate goal being a single end-to-end suite of applications that address the entire Communications “concept-to-cash” process. It remains to be seen if this approach will resonate with large numbers of CSPs—who are often reluctant to be too dependent on a single vendor.

OSS Observer believes Oracle Application Integration Architecture for Communications footprint is valuable in that its breadth of applications in telecom brings knowledge of many aspects of the operational processes and packages it in workflows and objects. It clearly integrates Oracle’s recent acquisitions for telecom, providing added value in the combined acquired companies. This approach will be particularly valuable to CSPs who already use a number of

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Oracle applications. In addition to the pre-integrations, CSPs will find value in the common customer data hub and product data hub. Oracle's approach addresses major issues including the range of applications needed to run CSP businesses, SOA integration, object models for major functions like orders or bills, and tools for object extension.

Oracle gains credibility by having leading CSPs as early adopters of Oracle AI A for Communications. **KPN** has publicly committed to use it. A number of other large and small CSP's have told us they would use AIA. They make it clear that AIA addresses a big problem for them and they think Oracle is capable of solving part of that problem.

As much as Oracle Application Integration Architecture will be attractive to existing Oracle customers, we believe it will have limited value to CSPs who have not standardized on Oracle middleware. For CSPs where **IBM** WebSphere and **BEA** WebLogic are more widely deployed by CSPs than is Oracle Fusion Middleware, AIA will have less appeal.

Systems Integrators who make their money by integrating telecom applications may not be overly enthusiastic about Oracle doing their job for them. Oracle is emphasizing pre-integration of its applications over easy integration with other applications, which is a more immediate market requirement. Despite the technological integration that is possible, this approach tends to put Oracle into competition with all other ISV's that depend on a more open integration approach to telecom software. Ultimately of course Oracle thinks this strategy will allow it to take share away from those vendors. More problematically, it puts Oracle into competition with internal IT departments that have to choose the systems CSPs use.

CSP resistance to depending on a single vendor could hamper Oracle's efforts to convert CSPs to Oracle Application Integration Architecture. This is clearly a problem in the networking side of the business that concerns CSPs. Additionally, systems integrators position their value in allowing CSPs to choose applications from different suppliers, and therefore could put up opposition to Oracle's approach. Oracle will continue to depend heavily on SI's even with Oracle AIA because of the inevitable migration issues.

Some CSPs will see commitment to a product of a single vendor as preferable to lock in with a systems integrator because the market provides some control over product pricing. Oracle Application Integration Architecture may also be attractive to ISVs in segments such as service assurance that Oracle does not address.

We believe Oracle should position Oracle AIA for Communications as an integration framework that CSPs can move towards over time. Oracle needs to put more emphasis on the path from where CSPs are today with many

home-grown applications and various EAI technologies to this target architecture. It could also provide versions that are built on BEA and IBM middleware to improve immediate market acceptance.

With Oracle Application Integration Architecture for Communications, Oracle is emphasizing its stated strategy to provide productized integrations of key telecom software applications. It is a bold move that may turn out to be well accepted by CSPs who are definitely tired of the high costs and myriad failures in application integration.