Oracle Communications keeps virtualization and cloud top of the agenda
Ovum view

Summary

At OpenWorld 2015 Oracle’s general manager, Doug Suriano, explored the impact of the evolution of the digital economy on the communications industry and the sticking points for communications service providers (CSPs). He also clarified the role that Oracle Communications can play in helping CSPs achieve the agility and flexibility they need to compete with disruptive players and deliver digital services.

Overall, Oracle Communications spent less time evangelizing its own unique selling points this year and more time showing how it fits into the overarching plans of the Oracle Corporation. However, its message was no less powerful and it will be a strong partner for CSPs heading for virtual and cloud-based environments.

Configuration rather than customization as the way forward

CSPs still spend 90% of their revenues on running the business as usual; as a result they invest far less in innovation than the new breed of competitors. However, as software and services move closer to the center of their operating models, CSPs can begin to do things differently, provided they opt for an industrialized and virtualized approach to running their core businesses and use configurable software to develop use cases.

Oracle Communications recommends that CSPs configure rather than customize software as a means of reducing capex and opex. It has four pillars, Virtualization and Cloud, Communications Cloud, Horizontal, and Embedded, which are designed to address CSPs’ needs for greater agility, a new approach to customer experience, and a new economic model.

CTO Larry Ellison focused on the Oracle Cloud vision, in which infrastructure, platforms, and applications are all delivered from the cloud over a global network. The company is seeking to replicate the breadth and depth of its middleware portfolio in the cloud, which will enable rapid deployments of services and applications. By automating many common tasks and applying simple user interfaces, CSPs can reduce their time to market and their dependence on specialized skills for service development and configuration.

The key design principles underpinning Oracle’s cloud efforts include low cost of ownership, robust fault tolerance, secure data centers, and high levels of network and service performance. Oracle Communications Private Cloud Services, launched in May 2015, allows customers to deploy any of Oracle’s OSS and BSS products and solutions in a private cloud that is managed by Oracle Communications Consulting and hosted in one of Oracle’s global data centers.

Oracle Communications’ network-function virtualization (NFV) strategy is to organically grow its established product lines and evolve them toward the cloud. The aim is that all software will be in a virtualized environment supporting faster upgrade cycles, asset reuse, and improved utilization. Although Oracle does not plan to be an end-to-end vendor in NFV, its expertise in OSS/BSS, signaling, and core networks will provide considerable opportunities for growth.
Oracle’s consulting and systems integration partners also play an important role helping CSPs making this change. Its partners can also bring in any new skills that CSPs need to compete and deliver this new IT architecture.

Appendix

Author

Clare McCarthy, Practice Leader, Telecoms Operations and IT
clare.mccarthy@ovum.com

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We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum’s consulting team may be able to help you. For more information about Ovum’s consulting capabilities, please contact us directly at consulting@ovum.com.

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