Oracle Communications signals its virtualization policy
Ovum view

Summary

At Oracle OpenWorld 2014, the Oracle Communications Global Business Unit put its stake in the ground regarding software-defined networks (SDN) and network functions virtualization (NFV), but also spent time reviewing how last year’s Tekelec and Acme Packet acquisitions have enriched its portfolio and opened up new opportunities.

At this year’s event, Oracle launched new signaling and policy solutions, and the company shared its NFV strategy and discussed the impact of OSS on orchestration.

Oracle and Tekelec tackle the network and IT domains together

SDN and NFV were the focus of Oracle Communications’ energies at Oracle OpenWorld 2014, but this strategy is still a work in progress. Arguably the bigger story is that Oracle Communications recorded a blockbuster first quarter (June 1 – September 30, 2014), due in no small part to the Tekelec and Acme Packet acquisitions it made in 2013. In addition, the acquisitions have accelerated its signaling and policy products in Asian markets.

The former Tekelec unit plays a central role enabling the digital lifestyle for consumers and enterprises, and on the first day of the event, Oracle announced the release of Oracle Communications Policy and Charging Analytics. This analytics application enables telcos to understand the impact of policies and charging on customer retention, marketing campaigns, and network usage.

Oracle increases the flexibility of its policy offer

Analytics is a pretty hot topic in its own right. However, without a powerful policy engine to enforce the rules for traffic management or individual customer preferences, agile and flexible business processes and personalized services will remain a pipe dream. Policy and charging does not excite the wider industry in terms of opportunities, but represents full convergence of the network (policy) and IT (charging) domains, so is a vital part of a telco’s next-generation infrastructure. Telcos’ progress here is an indicator of their ability to master a software-driven world and monetize network and customer data.

Although network and IT convergence is the future, telcos’ first love remains the network – the proportion of capex flowing to the network versus IT is around 4:1. Pressure on network capacity and availability continues to rise, fuelled by IP-based, high-speed mobile broadband services and the gigabits of data uploaded and downloaded through smart devices. However, it is not just the data volume that is causing problems; it is also proving difficult to manage background traffic and signaling to the device, and update installed applications. As a result, telcos are deploying new standards and signaling protocols, such as Diameter, to increase the speed and capacity of wireless networks to cope with these issues. Oracle has updated its Oracle Communications Diameter Signaling Router and Oracle Communications Performance Intelligence Center. This is to help telcos make the move to next-generation standards in order to optimize network resources and simplify new service deployments.
OSS has an important role to play

Once the network is optimized, telcos can look at more efficient ways to design and deliver offers and services. To this end, Oracle released updates to its integrated BSS/OSS solutions – Oracle Communications Rapid Offer Design and Order Delivery (RODOD) and Oracle Communications Rapid Service Design and Order Delivery (RSDOD) – which together provide a unified design experience to model products, services, and network/IT resources within the service catalog. They also support intelligent orchestration of network-facing and customer-facing services, allowing faster set up and tear down of offers and services associated with LTE, IPTV, VoIP, data, and cloud/IT services, on both network and IT platforms. The benefits for telcos are reduced cost to serve, faster revenue recognition, and much better service quality for customers.

Oracle outlines its NFV strategy

Oracle’s NFV strategy is both top-down and bottom-up, as required for successful deployment among telcos. It is also expanding its OSS portfolio to include NFV orchestration, which will enable telcos to introduce new virtual network components and virtualize existing network components, including Acme Packet’s Session Border Controllers and IMS Core, and Tekelec’s Diameter Signaling Router and PCRF. Oracle Communications’ new OSS applications help CSPs to rapidly launch and deliver new services, and to manage, optimize, and transform their underlying network infrastructure.

A key differentiator for Oracle is its strength in analytics, which combines usage, subscriber, and network data in near-realtime to drive orchestration decisions and market activities. For now, Oracle offers its application orchestration product, Oracle Communications Application Orchestrator (essentially a VNF manager for its network components), and expects to launch network service orchestration soon as part of its vision of an intelligent orchestration framework augmented by advanced policy and analytic capabilities.

The way forward

Compared to last year, when there was a flurry of acquisitions, this was a somewhat quieter event for Oracle Communications. That said, it is no less an important year. The division has reviewed and consolidated its new inventory of technical assets, and is developing the kind of propositions we would like to see more telcos embrace – those that allow them to have more positive management and control of their business.

Appendix

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Ovum Consulting

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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