



Policy Management 2.0: Welcoming the peasants to 'Telecom Versailles'

There's a bit of a French Revolution going on in wireless today. Thousands of peasants – pitchforks and iPads in hand – are storming the walled gardens of Telecom Versailles, demanding entry. They've already seized the Bastille with their fearsome smartphones. Now Louis XVI and the telecom aristocracy fear that their regime may be cut terribly short. Blame it all on that rabble rouser Steve Robespierre Jobs who's preaching nonsense about 'net neutrality'.

All is not lost, however. Marie Antoinette has come up with an ingenious plan called "Let Them Eat Cake with Blackberries." The idea is to let the peasants come into Versailles but charge them an admission fee for smelling the flowers . . .

Citizens, the wireless rebellion is over and the rabble are now in control. Though we may wish otherwise, we can never go back to those idyllic days of walled garden services like voice mail and AIN. Today, even location-based services can be widgetised by app developers outside our telecom walls.

Luckily, the one thing the rabble didn't take away from us was our land. The communications networks we still own remain extremely valuable property. They enable everything: voice, the internet, the wireless web – even cloud computing. And one more reassuring thing: no matter how

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Dan Baker, Founder of Technology Research Institute (TRI) has joined VanillaPlus's Editorial Advisory Board. www.technology-research.com

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over-the-top and mobile the world gets, people still need to connect to the physical network and our industry is good at that.

However, telecoms clearly need to change their mindset. They need to accept this new post-revolution reality. And they must embrace the notion of opening up their systems because they have so much to gain as the wireless broadband pie gets larger and spreads across the globe.

At the CTIA show in Las Vegas, I saw evidence of this mind shift. Many of the conference sessions on content, advertising, and applications were led by non-telco people – folks from the developer/application community and Madison Avenue – even a few bankers.

On the show floor, Verizon's booth was particularly telling. Gone were the big, bold logos and multi-storied exhibit booths of years past. Instead, the Verizon booth was subdued, bazaar-like, and designed to attract content and application developers. No more "shock and awe". It was more like: "Welcome to Versailles, fellow wireless citizens."

BroadHop is a policy management vendor who understands this new "open telecom" philosophy and fully plans to exploit the trend to add value and grow its business.

And now that one of its chief rivals, Camiant, has been purchased by Tekelec, the Denver-based BroadHop can boast that it's the last remaining pure-play policy management vendor. The company earns most of its revenue from the developing telecom world: it has 65 customers today, including Vodafone companies in Greece and South Africa, Saudi Telecom, Reliance in India, and Maxis in Malaysia.

BroadHop has coined the term "Policy Management 2.0" as a way of contrasting its new, more open style of policy management with traditional PM solutions.

Here, Dan Baker, Senior Analyst with Technology Research Institute (TRI) and a member of VanillaPlus's Editorial Advisory Board, talks to BroadHop's Senior Director of Marketing, Dan Geiger.

TRI: Can you explain the differences between policy management as we know it today, and how it's evolving as it moves to Policy Management 2.0.

Dan Geiger: To me, policy

management today is a very network-centric activity. It's all about managing bandwidth and making do with limited resources. And for that reason it's a heavy infrastructure play as well. In fact, that's precisely how BroadHop and the other policy players have delivered value for years.

However, all of us need to change. We need to become more oriented around the applications that drive telecom services and revenue. The policy management vendors who succeed in the next few years will leverage policy and deliver more personalisation and greater choice. They will also help the operator and subscriber interact with each other in real-time.

TRI: How about an example of the real-time interaction you mentioned?

Geiger: Here's an interesting one. Say you're Fred, a premium wireless customer paying top dollar to ensure that your broadband service will always have a high throughput. Now suppose it's the middle of the work day and you – as Fred's wireless operator – experience a congested network in Fred's cell. And after querying the network for Fred's location, you also know that he is probably in his office and has access to wireline voice and data.

With that information, we can now send Fred's iPhone a message saying, "Hope you're having a great day, Fred. The cell site serving you right now is congested – and, by the way, you're still getting the quality of service (QoS) you've paid for. However, if you access your data and voice from a wireline phone during the next hour, we can free up some bandwidth to serve other wireless customers. In return for doing us this favour, we'll send you 50 points you can use to purchase a music download or an app in our catalogue."

OK, what's happening here? Well, two or three things. First, the operator is essentially bartering with Fred. Now, not all subscribers would want this sort of relationship with their service provider, but Fred has opted in because he's a nice guy who likes to help fellow wireless users – plus he likes the idea of earning some reward points. Notice too, that you, as the operator also benefit. You get to serve your customers better. And by replicating a policy-driven bartering exchange like this, you might be able to avoid the cost of buying a new router serving that congested cell.

TRI: What you've described is certainly an interesting and sophisticated policy-based service, but I'm not sure it represents a ►



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paradigm shift from the policy management we have today.

Geiger: You're right. The example I gave is not necessarily ground-breaking by itself. But what if an operator had hundreds or thousands of these little services working for them? It would have a big collective impact on network efficiency and customer satisfaction.

And that, frankly, is the big challenge: enabling those thousands of services. To do that you need two things: a highly scalable policy platform and a means of abstracting away policy management complexity so your average Java developer can create these services on her own.

And that's basically what BroadHop has done in the latest edition of our software. We've built a framework upon which iPhone, Android, and other smartphone apps get written. And that solution sits on the network and interacts with the subscriber database, charging, B/OSS (business / operations support systems), and the rest.

Most policy coding and scripting today is done by telecom experts who are trained by vendors like us. And it takes 6 or 8 weeks to design a service that way because each application's interface has to be coded on its own.

That's why we feel strongly: wireless operators need to move to a broader set of developers, such as SIs (system integrators), third party developers, and even business people at the carriers.

The solution also needs to be more graphical. You need to clearly see the parameters to be set: time of day, quotas, parental cost controls, bandwidth limits, and so forth. So we've put that all together in blueprints that allow you to assemble components and abstract the interface to policy.

With this new style of policy platform, we think apps will eventually be developed in days not weeks. Plus, you've opened the development door to thousands of Java developers who couldn't care less about becoming policy experts.

TRI: Tell me how telecoms will actually bundle these policy-enabled services.

Geiger: Dan, you can see Policy 2.0's future every day on the web. You see it on **Facebook**, **Bloglines**, and a thousand other websites that allow the user to drop widgets onto his personal page.

The process begins by assembling pre-packaged modules – a **WebEx** module, a **Skype** module, an entertainment module. A Webex online meeting service, for example, would contain policy to recognise WebEx traffic and then prioritises it for a particular user.


And the idea is to mash up all these components into a lifestyle or business-style offering. Sooner or later customers themselves will want to manipulate their suite of services on the fly.

Now all of this is stuff is tough to achieve, but at some point these features will become mainstream.

TRI: Finally, I'm curious about where you see the market headed. My sense is that most of the policy-enabled services you're talking about are still on the drawing boards.

Geiger: I would agree. For instance, even though the **Apple** iPod has thousands of apps, relatively few of them are policy-enabled – they are pure over-the-top. Some of the people I talk to here in Silicon Valley are enjoying playing **Scrabble™** on the iPad. Well that's great, but whether response time is 30 milliseconds or 3 seconds really doesn't matter for that application.

Where policy comes into play is in mission-critical apps. When people start doing enterprise-class applications across their iPads® and BlackBerry®s there are some real opportunities there for telecoms because those apps require a stringent QoS.

It's things like making sure your **SalesForce.com** data is moved securely and quickly. We also feel policy will be key to managing cloud computing for enterprises. When you think about it, all the interesting places telecoms want to go with their businesses have a policy component to them. 



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