



Third entrant to Colombia's GSM market
wins world-record 250,000 subscribers
in first month



... y comunícate feliz.



Challenge

- Colombia Móvil wanted to launch a suite of rich mobile services nationwide in time to capitalize on the lucrative 2003 Q4 sales window. To accomplish this, the operator needed to build a complex service delivery platform within a very short time period.

Solution

- Colombia Móvil partnered with HP to build and integrate all OSS and BSS functions into a single framework, leveraging the HP ISM solution.

Results

The 400-strong HP team and the ISM solution enabled Colombia Móvil to:

- Build an integrated OSS/BSS service delivery platform in just seven months
- Launch a suite of enhanced mobile services to customers nationwide
- Capture 250,000 new subscribers within the first month
- Win 10 percent of the Colombia mobile market by the end of the second month
- Scale flexibly and smoothly to manage this rapid growth

We are obviously realizing the benefits of HP's integrated architecture and strong heritage in mobility

Guillermo Estrada, CIO,
Colombia Móvil

Situations in life and business where the correct course of action is crystal clear are relatively few and far between—but for the partners of Colombia Móvil, this was one of them. As they considered their options for entering the local communications market, it became apparent that the demand for fixed—or wireline—telephony was holding steady, or even slightly declining. Meanwhile, the mobile business was growing at a rate of about 150,000 lines per month.

In fact, mobile operators in Colombia ended the first quarter of 2003 with a total of 4.88 million subscribers, which increased their subscriber base from 2002 by 38 percent, according to figures published by the Colombian Communications Ministry.

"We saw that there was no chance of being a partner in the telecommunications market in Colombia except to enter the mobile business," related Mauricio Mesa, president, Colombia Móvil. "So we decided to establish Colombia Móvil, planning to start work in early 2003. We had the challenge and the opportunity of starting the business from scratch."

Colombia Móvil is a joint venture between two of the most successful multi-utility providers in Latin America: Empresas de Telecomunicaciones de Bogota and Empresas Publicas de Medellin, both billion-dollar corporations.

With such rapid mobile growth in a country of 44.2 million people, the opportunity was huge. But the challenges were daunting. Other wireline and long-distance companies in Colombia had built their OSS (operations support system) and BSS (business support system) solutions piece by piece—then ran into integration problems with these heterogeneous systems.

"That lack of integration led to a lot of investment and time-consuming effort to try to get the systems to work

together," Mesa said. "We decided it was much better to get an integrated system from a single source." He also noted that mobile operators around the world tend to experience roughly 40 percent of their annual sales in the last quarter of the year. To capitalize on this revenue opportunity, Colombia Móvil put its implementation project on a fast track.

HP ISM offers rapid time to market with superior QoS

Colombia Móvil evaluated system integrators with end-to-end knowledge of OSS/BSS systems in a GSM (global system for mobile communications) start-up and narrowed its search down to three large global companies, Mesa reported. "After the negotiations and getting to know the people at each of them, we decided to go with HP—and not only for financial reasons. A key decision factor was the quality of the people that HP was going to put on the development of the application.

"You see, we get along much better with the HP people than those from the other companies [we evaluated], so we decided to take a chance with HP—and we are very happy with that decision."

Among the other factors in HP's favor, open systems was high on the list. HP also offered the right combination of local and remote resources, and assigned a senior sales team and a senior account management team to the Colombia Móvil project.

From a technology perspective, nothing was more important to Colombia Móvil than integrating its OSS and BSS solutions, and the competition did not have an integrated vision of the proposed OSS/BSS architecture. HP, on the other hand, offered its mature Integrated Service Management (ISM) solution. Experienced personnel from HP Services Consulting & Integration (C&I) proposed an integrated strategy from day 1 one, Mesa said.

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Mauricio Mesa, president, Colombia Móvil

HP ISM is an end-to-end solution (hardware, software, and services) for delivering an integrated OSS/BSS that enables service providers to manage the various processes involved in the creation, delivery, assurance, and usage of a rich set of services. By integrating all OSS and BSS functions into a single-view framework, HP ISM enables operators like Colombia Móvil to: 1) accelerate workflow processes; 2) streamline the deployment and delivery of services; 3) ensure that customers are receiving the expected quality of service (QoS); and 4) provide the proper billing and charging flexibility that is needed in a hypercompetitive market.

Rapid implementation translates to 10 percent market share

To take advantage of the last-quarter sales window, in which almost half of annual mobile sales are made, HP had to implement and integrate a GSM mobile system for Colombia Móvil that encompassed 11 solutions—and do it in just nine months. The objective was to capture and keep clients with innovative and high-quality services. HP's solution consisted of hardware, software, support, and outsourcing for the OSS/BSS platform. HP ISM provided the implementation methodology.

"Our system has a front end from Siebel," noted Guillermo Estrada, CIO, Colombia Móvil, "as well as a CRM module from Siebel for all the contact centers, the stores, and corporate sales. Behind that are other systems that are all integrated through TIBCO, which is our main path of integration. The system accommodates convergent prepaid and postpaid billing models, as well as fraud management and revenue assurance modules from HP. We wanted to have an integrated, automated workflow within the company, which is the main reason we chose HP.

"The time frame for implementing such a solution is a record. We implemented the SAP ERP (enterprise resource planning) module in just four months. To put that in perspective, the SAP implementation at another company took 54 months. But HP put together a team of about 400 people—250 people here in Colombia and 150 people outside Colombia."

The project was kicked off on May 5, 2003, and the HP and Colombia Móvil teams established a day-to-day, multi-level working relationship that ranged from development to sales, leveraging HP C&I and outsourcing services; Colombia Móvil contracted the outsourcing of its systems to HP for the six-month period following the launch.

The company rolled out its services in November 2003, and the response was phenomenal. In its first month of operation, Colombia Móvil acquired 250,000 new subscribers. By the end of two months, that number had ballooned to 560,000, which translated to an unheard-of 10 percent market share. The flexible and scalable ISM solution enabled Colombia Móvil to smoothly manage this rapid growth.

"We are competing with Bell South and America Movil's operation in Colombia, which is called Comcel," stated Mesa. "We think that [gaining 560,000 subscribers in two months] is a world record for a third entrant into a GSM market."

"In a very short time, Colombia Móvil has delivered enhanced mobile services to a significant number of subscribers nationwide. As a result, we expect to see lower operational costs, greater business flexibility, high ARPU, and decreased churn, all of which are key to growing our business," added Estrada. "We are obviously realizing the benefits of HP's integrated architecture and strong heritage in mobility."

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Mauricio Mesa, president, Colombia Móvil

GSM-rich services as a competitive advantage

The de facto wireless telephone standard in Europe, GSM digitizes and compresses data, then sends it down a channel with two other streams of user data, each in its own time slot. Colombia Móvil's license allows it to operate using GSM technology in the

1900 MHz band, enabling the operator to offer a rich set of services, including Internet access. One of Colombia Móvil's competitors has started offering similar services using GSM technology but is restricted by a license that only allows it to operate on a lower bandwidth, so its cell phones do less.

"We will deploy many value-added services (VAS) for our customers over the next three years," Estrada said. "These are mainly data-based services that will let them use the mobile handset as a tool for banking, for example. There are numerous services being developed and invented around the world, such as location services. We will learn from the experiences of countries where mobile services are much more advanced and are made and implemented on the platforms that we already have."

The benefits of a compatible partnership

While Colombia Móvil is still in the process of implementing phase two of the project, Estrada pronounced the deployment "a complete success. When you have a relationship of this size, and such a long-term relationship, it is like a marriage. You have to look very carefully at who is going to be your spouse, right? Again, one of the things that is very important here is the quality of the people. And if problems arise, HP can bring in more people from all over the world."

"The single most important point," added Mesa, "for an operation like Colombia Móvil just entering the market, is that it is key to get a partner like HP to integrate the system so you can save time and money and do the job properly in a very restricted time frame. At the end of the day, you have a complete system that works smoothly as a whole, rather than as a collection of parts."

The partners of Colombia Móvil are pleased that their clear-eyed vision panned out so well—if a little surprised that it paid off so quickly.

For more information go to www.hp.com/communications

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