

On-Demand Services enjoy increasing acceptance

The telecommunications market is facing significant changes. Consequently business processes are also about to change.

Within a period of three to five years the IP based Next Generation Network (NGN) will have replaced the traditional time division multiplexing services (TDM), predicts Dan Bieler, ICT Analyst with IDC. "This will also have a direct impact on the corporate business processes. Billing, CRM, ERP, nearly all processes will change with the upcoming new communication infrastructure."

"Migration towards IP will lead to the fact that new service offerings such as IPTv and VoIP will be created and marketed ever faster," said Kenn Walters, Executive Advisors with Experton Group AG. This change is already visible in the market: Many recently formed corporate associations are witness to this. Services provided by network operators, virtual providers, service or content providers,

and point of sale need to be harmonised on the one hand while they must also be individually billable on the other. "Especially smaller providers who quite often employ only a couple of people, call for IT solutions such as mediation, call center services, billing, document and content management," says analyst Bieler.

However, it is costly and risky to purchase such an IT solution since the requirements must be adapted to specific customer needs. Thus, to be able to grow as flexibly as possible, providers are increasingly using On-Demand services – like the services Danet offers. Julia Reichart, Senior Consultant with Pierre Audoin Consultants (PAC) comments: "To procure software in this way – that is exactly what small and medium-sized companies are looking for."

Positive effects


Meet the Compliance regulations to gain competitive advantage

The requirements for companies in the context of compliance are becoming increasingly complex. In Germany these include primarily the German Federal Data Protection Act and the German Corporate Sector Supervision and Transparency Act (KonTraG). In addition, for internationally active companies it is

essential to respect the national legislation and practice of other countries, such as the Sarbanes Oxley Act in the United States.

Danet Context interviewed Dr. Markus Schumacher, Fraunhofer SIT, on what should be done to meet these requirements (see page 3).

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Editorial

Dear Reader,

The results of the German barometer of public opinion sends positive signals – not only thanks to the Mediterranean weather! If we look at the IT market it is evident that IT investments have again been slightly rising over the past year - and this trend is continuing. Although many big companies are still cutting their budgets by consolidation, standardization, offshore resourcing, outsourcing, etc., many are also keen to reinvest in order to reduce costs and to gain competitive advantage from IT investment. Small and medium-sized companies will benefit from the economic recovery to a much greater extent. This situation also stimulates the market for IT services and software products. Danet has the right innovative service offerings in the fields of consulting, systems integration, managed and on-demand services. We would be pleased to support your business objectives with Danet solutions in the areas of operations & business support, customer relation management, and security. Let us prove to you that Danet can add considerable value to your IT consolidation and can also help you to promote best business practice within your company.

Sincerely yours

Dr. Reiner Nickel
Chief Executive Officer
Danet Group

German Federal Minister speaks about the national IT Summit

“I am fascinated to see the innovative models and services a medium-sized company like Danet can bring to the market”, summarised the Federal Minister of Justice, Brigitte Zypries, on her visit to Danet GmbH. In a dialogue with Dr. Reiner Nickel, CEO of Danet Group, at the end of April, the Minister familiarised herself about the company and its products.

Zypries and Nickel also discussed the First National IT Summit hosted by the German Government at the Hasso-Plattner-Institut in Potsdam, Germany, on December 18, 2006. Dr. Nickel pointed out that medium-sized companies like Danet would generally be interested in joining such initiatives but it proved to be difficult to attend. Minister Zypries promised to review the options for an increased participation of medium-sized companies at such events.

Dr. Nickel also expressed the view that the regions should also form IT clusters to a greater extent, with a view to

strengthening the position of the Darmstadt/Frankfurt region in comparison to national and international competition. In Dr. Nickel’s opinion, this region could very well organize its own IT summit. Although Danet is an internationally active company, it has close ties with this region, having been founded here and having operated in Weiterstadt for the last 25 years. Danet also has locations in Austria and the United Kingdom, and implements projects worldwide. Nonetheless approximately 350 employees, out of a total staff of 450 people, are working on the Weiterstadt premises (near Darmstadt).

Dr. Nickel’s suggestion to have an IT summit at regional level obtained the Minister’s approval. Zypries would welcome to see local companies, universities and research institutes organize such an event in close cooperation with each other.

Dr. Nickel drew a positive conclusion from the Minister’s visit: “Our conversation revealed how important it is to have an exchange between political and economic entities to jointly promote initiatives like the IT summit and to move the Darmstadt/Frankfurt region forward.”



Federal Minister Zypries and Danet-CEO Dr. Reiner Nickel.

„Understand Compliance as competitive advantage“

Interview with Dr. Markus Schumacher, Fraunhofer-Institute for Secure Information Technology (SIT)

■ Danet Context: The Compliance issue is being discussed intensively at the moment. What does Compliance mean to you: More pain than pleasure?

Schumacher: We experts believe that it is basically a positive aspect to see security given a greater significance. Some of the companies concerned, however, look at Compliance with some kind of reserve since it is not a trivial issue.

■ What must be considered specifically?

Compliance must not be seen from a pure technical point of view. If you believe that buying an appropriate identity solution is all you have to do, then you have a very short-sighted view. Law, economics and technology have to be seen in context, and that means across companies. Furthermore, it is most important that Compliance is being put into practice. We must aim at protecting the existing values in such a way that no provisions of relevant laws are infringed. Seen from this angle, Compliance is also kind of risk management.

■ How should companies deal with the Compliance topic?

It should definitely be dealt with by management. You should appoint a responsible manager and build a team to combine all the relevant competencies. Then you provide the Compliance services within and throughout your company. It might help at the beginning to consult an independent expert in order to avoid mistakes on the one hand, and to gain competence and speed on the other hand.

■ ...and how to proceed further?

Once the team has been built, you set out a roadmap with all markets and

countries which are to be considered. Then you clarify which laws are relevant, and define benchmarks. New risks will have to be identified and assessed, that means, you will have to decide whether these risks are relevant in terms of Compliance. There are some risks you may disregard, but there are others to be covered. Then you'll have to answer the question of what this means for security, and how this all can be implemented from both a technical and organizational point of view. An as-is analysis will show you for example whether the products already in use can meet the requirements or whether you will need new ones. Implementation itself will be done in line with the priorities defined. In doing so it is always important to have a look at what is feasible and get the right feedback of what has been done. In the end it is a matter of reiteration to be done on a periodic basis, say once a year.

■ Are there any pitfalls the companies proceeding in the way you have described should be prepared for?

First of all, it is not only a question of technology when it comes to Compliance. There is a further aspect to consider: Your employees must be permanently involved. Moreover you should be aware of the fact that there are discrepancies which are unavoidable but can be settled. There has always been a conflict between data security and traceability. Last but not least you should watch out that Compliance does not become an end in itself.

■ Information technology – what does it mean in this context?

Even in this context information technology must also be seen as a tool



Dr. Markus Schumacher

Head of the Smart Devices and Embedded Security Department at the Fraunhofer Institute for Secure Information Technology (SIT) in Darmstadt, Germany. He is also CEO of the Virtual Forge GmbH in Mannheim, Germany.

which is used, for example, to implement and operate Identity Management at all corporate levels. In addition, IT should help you keep an overview resp. get your daily information about the processes. A CEO should be able to have a daily view of the data from which he can read that the company is operating in line with the Compliance guidelines.

■ And finally, what would you suggest a company should do to get the best possible benefits from Compliance?

Compliance must be seen as a competitive advantage. In this context, you needn't even think of the corporate scandals which were publicised not so long ago. Implementing the principles of integrity at all levels will bring sustainable benefit to the companies, and this is important because the companies' behaviour is a topic the public is increasingly watching. ■



Danet provides Billing Solution to bill VoIP Services

Platform for Multimedia and Collaboration Services

For new business models you must have a vision, and a solid and adaptable IT platform to make business processes “fly”. Swisscom Solutions recently expanded their core business with the offering of VoIP services to their business clients. Using a solution from Danet, the Swiss company can now manage the complete lifecycle of mediation, settlement and integration for partners.

At first glance, chameleons and companies do not have very much in common – with the exception of aspects of adaptability: The reptile is able to adapt to its surroundings within a few seconds just by changing the color of its skin. A company, of course, cannot react that quickly when a market is changing or when it is about to launch a new business. But speed and time to market are the essential factors when it comes to highly competitive industries.

Swisscom Solutions, a wholly-owned subsidiary of Swisscom, Switzerland, has also adapted to meet these new challenges. The company provides a variety of data services to major customers and, in this role, markets the services provided by its parent company. “We combine Swisscom’s services to form new packages which we sell to business clients,” said Andreas Arrigoni, manager responsible for the development of VoIP services at Swisscom Solutions in Bern, Switzerland.

For many service providers, IP telephony (Voice over IP, also called VoIP) is providing considerable market opportunity. “There are many customers who ask for offerings which will enable them to phone at cheaper tariffs than over already existing IP networks,” added Peter Heckenberger, OSS/BSS project manager at Nortel Networks, Germany.

But Swisscom Solutions decided it was not sufficient to only provide IP telephony with its new offering. “At the beginning of 2005, we decided to invest in the future, with the new services VoIP Phone and VoIP Gate to be included in the first phase. But the platform required for these business VoIP services could be further extended to also implement multimedia and collaboration services,” explained Arrigoni. Thus, Swisscom decided to implement their own technical infrastructure for the purposes of marketing and selling VoIP services.

In 2005, the telecom provider Nortel was asked to submit an offer which would not only comprise the technical platform in the form of a Nortel CS2Kc switch, but would also provide a tool which allows for fast and flexible implementation and settlement of the business models.

The call related data, i.e. the Call Data Record (CDR), is a crucial component of this solution. Such information is needed to have the calls billed in accordance with the terms agreed. There is the challenging task of accurately allocating all information and parts of the services to the respective providers involved. In addition, it is also necessary to send an itemized bill to the customer and to properly pay the supplier for the services delivered.

■ Adaptable, flexible software

The above billing requirements call for software which is flexible and adaptable and which also provides mediation functionality, i.e. collecting, formatting, checking and compiling of the Nortel switch generated call data. “It would have taken too much time and cost to integrate the new functionalities into our existing systems, and we would have missed the required flexibility,” Arrigoni remembers.

This is where Danet came on the scene. The company was known to



Swisscom Headquarter



The C.I.S.S. System

Nortel's project team from a previous project where Danet had delivered a flexible mediation and billing system. Initially, within the scope of a request for proposal in the summer of 2005, Danet was requested to participate in a three days Proof of Concept in Bern, Switzerland. To start with, Danet's team gave a presentation which introduced the scope of services that are covered by Danet's mediation and provisioning system (VMD). The full range of services which Danet's billing & settlement solution C.I.S.S. offers was the subject of a further presentation. It took only a couple of hours for Danet to generate the first invoices from the CDR's raw data according to the specifications of Swisscom Solutions. "The rapid response Danet had shown was one of the major factors contributing to the awarding of the contract to these experts," said Arrigoni.

The system went live mid-March 2006 and manages today not only the mediation but also the aggregation of the billing data, including those from external service partners and service providers (Interconnect Provider). Today, all master data are filed in C.I.S.S. "Thus C.I.S.S. gathers the changes every day and is generically able to find any number and any price," said Dr. Sebastian Weik, Head of C.I.S.S. Product Development. Danet's

specialists, in cooperation with Swisscom Solutions, defined all the required interfaces to the connected systems, and set up the system accordingly.

"The solution has impressive features across the board," commented Swisscom manager Arrigoni. He continued: "It is its flexibility that makes it extremely convincing. Major customers always want special services, like specific tariffs for individual countries. The system can be rapidly adapted in such a way as to enable you to easily change individual prices when it comes to a customer in any country or region."

Furthermore there is the functionality needed for IT services companies which is just as comprehensive, such as the "Revenue Sharing" component. Using this component, the CDR can be differentiated by individual business partners and the rates of the payment flows modelled. Danet's C.I.S.S. solution also includes valuation functions and reports enabling the evaluation of all service-related information.

From Arrigoni's point of view Danet's solution meets two requirements at the same time: Both a stable and mature product and the required flexibility which is needed to prepare for future functions. "To make sure that our solutions are as adaptable as chameleons are." ■

The right solution: VMD and C.I.S.S.

Swisscom Solutions uses primarily two of Danet's solutions to bill and settle their VoIP offering: VMDB and C.I.S.S. Both of these applications have been integrated with Nortel's VoIP network elements and Swisscom Solutions' billing system for the purpose of billing and settlement.

VMDB gathers the usage data from the network elements and processes the data for the billing and business process supporting systems. The VMDB component provides all the functionalities of a future-orientated mediation solution:

- ◆ Support during processing of the usage data on the basis of batches (data files) and transactions (individual data sets)
- ◆ Support of various protocols for the transmission of the usage data
- ◆ Support for various processing steps (filter, duplicate check, aggregation, correlation, extension, partitioning, etc.)
- ◆ Rule-based rating
- ◆ Highly scalable architecture supporting the decentralised preprocessing of data
- ◆ Reporting

C.I.S.S. is a convergent partner settlement and retail billing application. It supports a variety of services associated with billing and settlement (billing and concluding, conducting and fulfillment of financial transactions) with service and product partners.

The main features of C.I.S.S. are:

- ◆ Multi-client application: Data administration and partner selfcare via Web GUI (role-based, multilingual)
- ◆ Multi-tier value chains: Revenue sharing and direct billing of more than one involved partner with individual contract and tariff structures
- ◆ Enhanced partner settlement: Support of manual or automatic reconciliation (data balance by shadow accounts), full re-rating and re-billing functionality (revision of single invoices)
- ◆ Payment flows: Generation of invoices and credit notes, accounts receivable management
- ◆ Pricing simulation: Creation of complex pricing schemes, simulation of tariff structures using real data



Better overview to better manage projects

Given the great number of simultaneously active projects that companies have to master these days, it is not always easy to keep an overall view of activity and progress. Danet offers consulting and services which utilise comprehensive process analyses to help companies do things right and do the right things. The OMV oil and gas group relies on Danet's EPM solution for structuring and organising their projects.

15 percent of all IT projects fail completely, 52 percent of the projects cost twice as much as originally planned, and two thirds of projects no less, run the risk of failing. The figures reported in the Standish Group's CHAOS Report for 2003 portrays IT departments in a very poor light.

"One of the reasons behind this deficiency is quite often evidenced in a lack of project transparency," said Tobias Hummel, Head of the Danet office in Stuttgart (Germany). "There are many companies who do not even know which projects are currently running and at which stage

they are right now." He firmly believes this is due to the lack of a consolidated data base which records all projects in a clearly structured manner showing the responsible manager which project has which status, who is currently working on it and what the current deadlines and costs are.

This is exactly what can be achieved by using Danet's Enterprise Portfolio Management (EPM) service offering. To implement their services, Danet relies on the "Clarity" technology, i.e. software from CA who is the market leader in the area of project and portfolio manage-

ment applications.

But not only IT projects can be methodically managed using EPM. At OMV – the leading oil and gas group in Eastern Europe, headquartered in Vienna (Austria), an EPM solution is also used to manage technical and business projects such as the construction and modification of refinery facilities. „We had already opted for CA's Clarity software. Due to the wide experience Danet has in project and process management and their status as a major integration partner of CA Clarity in the German-speaking countries, we decided in favour of Danet, to implement this project," said Dr. Oliver Mack, Head of the Project Management Committee (M-PS) and responsible for the standardisation and further development of processes, methods and tools for project management within OMV Refining / Marketing (OMV R&M).

■ Analysis as a first step

The Project Management Committee is also responsible for ensuring the uniform implementation of the tools within the Group. All activities relating to the EPM implementation converge here where they are managed centrally. "The first step consisted of analysing projects, processes, responsibilities and data together with Danet. Based on the results of this analysis, and in close cooperation with us, Danet worked out the specifications for implementing the solutions within the individual divisions," added Markus Berghofer, Programme Manager in charge of the implementation of the EPM solution within OMV R&M.

"To reach consensus with the customer on how to organise processes and projects is always the first challenge to cope with", said Dr. Richard K. Laing, Client Manager Enterprise Portfolio Management at Danet in Stuttgart, and Project Manager OMV. „For this purpose it is necessary to make an as-is analysis and to clearly define the objectives. The solutions must be designed such to give consideration to the fact that the indi-



Refinery

vidual processes in the respective companies and sub-divisions are quite often completely different, and to progress simultaneously with the most efficient harmonisation and standardisation of the processes to exploit potential synergies.

■ Full speed ahead

Indeed, it is possible to follow a quite different approach.

In the case of the Romanian oil and gas group Petrom, of which OMV controls 51% of the shares, the strain to find the quickest possible solution was extremely high. „We plan to build and rebuild a petrol station network in Romania with objectives and requirements that are going far beyond the planning projects of other groups in Germany”, said Christian Schneider, CII Group, who is the project manager in charge of this comprehensive investment plan of Petrom. “It was of great importance to us to first filter out those projects which should be given top priority, and to initiate the process analysis accordingly.” „We always favour a successive rollout”, said Laing, “that is an approach which allows for a fast rollout with short-term benefits starting with the out of the box functionalities of the Clarity product, and then proceed with the implementation of the process optimisation.” ■

Facts at a glance

- ◆ OMV – Austria’s largest listed industrial company
- ◆ leading oil and gas group in Central Europe
- ◆ Explorations and production activities in 19 countries on five continents
- ◆ consolidated sales (FY 2006): EUR 18.97 billion
- ◆ Market capitalisation: EUR 14 billion
- ◆ 40,993 employees



Danet celebrates 25th anniversary

The Danet Group celebrated its 25th anniversary together with customers, employees and partners. Well renowned guest speakers were also invited to join the anniversary celebrations. The focus of the evening’s talks was:

‘That Danet has changed by adapting to market changes and is therefore well prepared to meet the requirements of the fast moving telecommunications and media industries’.

“In industry 25 years seems like nothing whereas in the IT world that is nearly an eternity.” Those were the words Dr. Reiner Nickel, CEO of Danet Group, used to welcome around 100 guests who were invited to attend the 25th anniversary celebration ceremony at the Orangery in Darmstadt at the end of November 2006. Keynote speakers were Prof. Dr. Ralf Steinmetz, Head of the Multimedia Communications Lab at Darmstadt University of Technology, Germany; and Prof. Dr. Helmut Krcmar, who holds the chair of Information Systems at Munich University of Technology, Germany. Both lectures spanned the divide

between research theory and reality in business practice.

“He who believes himself to be someone has ceased to become someone”. Said Socrates, the ancient Greek philosopher. Referring to this quote, Dr. Nickel illustrated how technologies and markets have evolved over the last quarter century. It was 25 years ago that the first CD players from Sony and Philips were brought to market – nowadays, MP3 players and music downloads are commonplace technologies. 25 years ago, the first home computer available on the market was the Sinclair ZX81 with 1 KB of RAM – today’s laptops have similar performance to the early mainframe computers, with a hard disk drive capacity of many gigabytes.

“In the course of its 25 years’ history, Danet has had to adapt to meet chang-



Invited guests during the ceremony (below)
Dr. Reiner Nickel (CEO) addressing the audience (above)

ing market and technology needs. In doing so, the company has succeeded in following the development of the market and was thus able to distinguish itself as an IT consulting and IT service provider representing cutting-edge technology and innovation", said Dr. Nickel.

"Danet has consistently further developed and leveraged its core competencies with a view to becoming an IT service provider offering services like CRM, billing and customer care – and that's who we are and what we do," Dr. Nickel added. Five years after the market bubble burst, and after a period of con-

solidation the company has successfully gone through, Danet has been able to reposition itself in line with the changes in the global market.

■ New business models

The growing demand for alternative, cost-effective, billing models for Sales and Marketing orientated Mobile Virtual Network Operators (MVNOs) has led to the development of a new innovative business solution from the Danet Group. "Danet as Business Enabler" ensures that Danet can not only offer innovative customer care solutions like that provided for "Tchibophone" – the mobile offering of Tchibo, and "smobil" - the prepaid offering of Schlecker; but can also implement subscriber management and billing solutions like that implemented recently for a French Pay TV provider.

A major step forward in the provision of such I.T. solutions is to use a modern software architecture as the supporting component for its products. Future software solutions will increasingly be manufactured in an industrialised way using primarily standardised components. These individual components will be assembled on the basis of an integration platform to build new applications which in turn should be designed to support the corporate business processes, from order entry and invoicing right through to customer service.

The most obvious advantages of such a platform strategy are that tailor-made solutions can be delivered to the customer more quickly, with a reduction in development and maintenance costs.

Danet is increasingly relying on Open Source products as cornerstones of this platform.

■ Industrialised software manufacturing

This strategy was supported by Professor Krcmar, TU Munich, who said: "Information technology, in future, should focus more strongly on the businesses' and processes' benefit.

Only he who succeeds in mastering his IT architecture and understands how to manufacture software in an industrialised way will be able to meet the needs of the business lines."

Dr. Nickel's model in matters of services and quality of service was also well received by guest speaker Professor Steinmetz, whose speech topic was: "The Internet is a relic". Steinmetz gave a talk on the improvements made in the Internet area, and spoke about modern software architecture concepts such as service-oriented architecture (SOA). In his opinion the Triple Play market, for instance, offers enormous potential. Steinmetz continued: "The service provider whose offers are the most simple, i.e. easiest-to-handle, will be the most successful." ■

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