

Modern partner management systems are central to 5G IoT success

August 2022

John Abraham

This article was commissioned by Ericsson. Usage is subject to the terms and conditions in our copyright notice. Analysys Mason does not endorse any of the vendor's products or services.

The total number of IoT connections worldwide will increase from 1.8 billion at the end of 2020 to 6.2 billion in 2030. The total revenue from the value chain for mobile IoT and LPWA connections is expected to be around USD247.5 billion by 2030.

IoT represents an immediate opportunity for communications service providers (CSPs). Leading CSPs are increasing their focus on IoT use cases, driven both by the growing clarity on IoT business models and the difficulties that they face in growing their consumer businesses. Analysys Mason conducted a survey of 108 CSPs and IoT service providers worldwide in May and June 2022 to assess how ready CSPs are to attract, retain and monetise emerging IoT services for the enterprise segment. The survey results, conclusions and recommendations are published in the report, [IoT partner enablement in BSS: Ready for new IoT market opportunities](#).

Some of the key findings of the survey are as follows.

- **CSPs** consider support for IoT ecosystem business models to be strategically crucial to their survival and relevance.
- **CSPs** are preparing to transform their business support systems (BSS) partner management platforms specifically for IoT within the next 2 years in order to improve their ability to support new applications and emerging business models.
- **Enterprises** consider CSPs' BSS platform capabilities to be vitally important to support future IoT-based business models.

The current state of most CSPs' BSS means that much needs to be done to ensure that CSPs remain an integral part of the IoT value chain. CSPs that want to capitalise on the IoT opportunity need to accelerate their adoption of modern partner enablement platforms that can help them to attract and retain IoT partners and effectively monetise the combined offerings.

BSS partner management is evolving

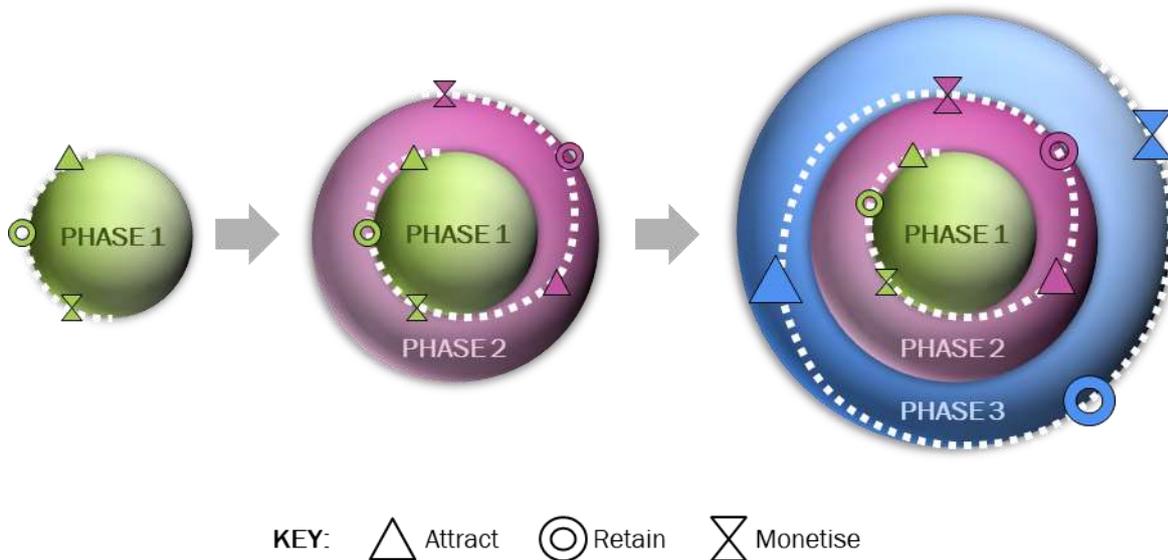
The fundamentals of partner management have changed in the last 10 years, in step with the development of the digital economy and related business and operating models. Two key trends have had an impact on CSPs' approach to partner management systems.

- The shift from a producer–consumer framework to an ecosystem model.** Traditional CSP business and operating models and associated systems were designed to exist within a producer–consumer framework; CSPs delivered services directly to a well-identified customer base. This required CSPs to build highly customised software stacks to meet specific requirements, and in many instances, the solution would then be managed by a third party as a managed service. CSPs are now increasingly embracing business models that are more open, software-driven and centred around ecosystems and marketplaces. The viability of ecosystems is dependent on the number of active participants and the availability of relevant third-party services and applications.
- The shift from connectivity provider to service enabler.** CSPs need to shift from being service providers to becoming service enablers in order to establish their role in emerging value chains. This requires the transformation of partner management capabilities in order to support and orchestrate a multi-dimensional partner ecosystem that can interact and transact across industry verticals and regions. CSPs will need to engage with a wide network of partners in order to become key players in the enterprise value chain beyond connectivity, while also bringing together a platform that can support the end-to-end process of onboarding to delivery.

There are three steps to driving deeper engagement with IoT partners

Successful ecosystems are built in phases. The number of active participants in an ecosystem is a key factor that determines the long-term success of the platform. An ecosystem becomes more attractive to new entrants as the number of participants increases because it will be able to provide more opportunities to build complex, multi-dimensional value chains that will increase the value of the platform. The three key steps to driving deeper engagement with IoT partners can be summarised as follows (Figure 1).

Figure 1: An overview of the phased cycle of attract, retain and monetise



Source: Analysys Mason

- Attract.** This step is about understanding what is important for IoT service and application partners, and presenting the CSP as a viable partner. A platform-centric approach with advanced capabilities such as automation, standardisation, configurability, monitoring and monetisation is fundamental to this; partners

can use the platform to co-create and build value on top of CSPs' networks. The agility of the platform is an important consideration for new partners because it highlights how futureproof it will be.

- **Retain.** This step focuses on the tools and process frameworks that make the CSP platform an important point of presence. Transparency of processes, support for co-creation, use of standardised interfaces, robust governance mechanisms and advanced dashboards are some of the important aspects that can ensure partner retention. It is also important for partners to have complementary service and application providers on the same platform.
- **Monetise.** In this step, partners' products and applications are combined with CSPs' services and packaged into compelling offerings. CSPs should support multi-dimensional value chains and complex settlement models to ensure effective monetisation. The partners should be sufficiently incentivised based on multiple success parameters, and the commercial settlements should be transparent and flexible to fit different conditions.

Architectural agility holds the key

Most CSPs are unable to participate in an IoT value chain beyond the role of a connectivity provider because their incumbent legacy BSS are unable to support an ecosystem framework. These systems are also too expensive to operate, which makes it cumbersome to onboard new partners and unviable to support low-margin IoT applications. CSPs need to prioritise the transformation of their legacy BSS in order to enable the creation of IoT ecosystems that can attract new participants, help them to retain existing partners and customer bases and support the effective monetisation of their partner-led offerings portfolios. The automation of process flows and workflows is a necessary first step, but partner enablement (with self-sufficiency for onboarding and ongoing partner management as the goal) is crucial for success.

John will be discussing these report findings and the implications for BSS evolution with Jason Keane (Head of BSS Product and Solutions, Ericsson Digital BSS) in a webinar entitled [IoT opportunities demand better partner enablement in BSS](#) on 7 September 2022 at 4pm CET/10am EST.