



Jaduka - Another Take on the Platform Play Q&A with Jack Rynes

By Jon Arnold, Principal, J Arnold & Associates

In previous Service Provider Views columns, I have reviewed a variety of standalone platform plays, and there are certainly many others out there who understand the role they can play to help service providers remain competitive. One of these is Jaduka (News - Alert), a company I've been following off and on for about a year. I've been meaning to shine some light on them, as they have been especially successful with enterprise applications. The stars have finally lined up for Jaduka and me, and I've decided to use the Q&A format this time around.

What follows is my interview with Jack Rynes, the CEO of Jaduka. He's got a clear vision of the value his company brings as a platform play, and provides some great examples of how voice can be integrated with Web services to create new value for subscribers, as well as make business processes more efficient. I'll leave it at that and let Jack tell you the rest.

JON: The platform play has been the focus of many Service Provider Views columns over the past year, and I've written about quite a few companies that would fit this description to varying degrees. It's clear to me this is an important trend in the service provider market, and I only see it continuing. Let's start there, so I'll first ask for your views on what constitutes a platform play. What does this mean for a service provider, and what are the core elements that a vendor such as Jaduka needs to provide?

JACK: Looking at this from the infrastructure side, service providers must have two core components, APIs and the platform, the telephony infrastructure on which those APIs ride. So if we focus on the APIs, what makes one API different from another? Put in its simplest form, it's the audience that can use the APIs to access your platform. So why not extend access your platform beyond the programmers? Make sure the audience needing access has their preferred method of access — REST, SOAP, XML (all flavors), FLASH etc. Also, the

platform must be reliable and have the ability to scale.

JON: Since Jaduka is largely focused on enterprise applications, where are service providers getting the most utility in deploying a platform play — with consumers or business customers? How are they different?

JACK: In my opinion, the biggest impact is felt at the consumer level and I believe that is dangerous. While you can get out in front and take market/mind share with consumers, they can be fickle and change over quickly to a new service provider. If you look at community-based sites and social media as a parallel to the service providers, you find that what was once hot a few years ago — MySpace (News - Alert) — is no longer the leader. Facebook has taken its place. Why? Because it was easy to move. It's just that simple. Then it will be the next Facebook (News - Alert), and Twitter, etc.

That is why we are focusing on the enterprise. We want to make it easy for enterprises to have access to the platform, and the real key is providing them with the data and reporting which they use to satisfy their customer's needs. The data is the key. In tough economic times, CFO's and CIO's are looking for ways to reduce friction in the business process without investing in 7- to 8-digit implementations. Keep your CAPEX down and provide a better solution at a lower cost.

JON: Let's look at the service provider environment now. What factors are you seeing that are leading them towards a platform play? Are they doing this more because they want to, or because they have to?

JACK: That's a tough question. I would like to think they are moving to the platform play because they want to, but I have a feeling that they are doing it because they see the evolution taking place and they need to take part. There is a real threat to service providers with the platform play. Smaller, more agile companies are gaining momentum and making inroads to

the service provider's customers.

Just look at the enterprise customers of the top service providers in the world. They have relationships with the all of the Fortune 5,000. They talk to them on a regular basis, or at least they should. They know where the pain is within an organization and they cannot solve the problem without involving their vendors. Platform players can and are solving the problems.

JON: You must meet with service providers all the time. What types get it with platform plays, and what types are still not seeing the need? Why would you say that?

JACK: I think this has a lot to do with the socio-economic relationships service providers have with their customers. I learned a great deal attending the Orange Partner camp in Orlando in December. I had to keep reminding myself that the majority of the U.S. is based on all-you-can-eat bundles while most European entities are per drink. The more you drink, the more you pay. So to answer your question, BT (News - Alert), Orange, DTAG, etc. are embracing the platform play and believe in Martin Geddes's two-sided business model. His fingerprints were all over the Orange Partner camp sessions.

The North American carriers are slower to adjust and are just starting to make headway into the platform play. I believe the main reason they are not moving faster is that they don't have to. No competition. Ma Bell is just around the corner again.

JON: Platform plays are largely technology-based, and there are many approaches and moving parts. What technologies are emerging as the winners among service providers, and what are the holdups? I'd have to think some core challenges around platform plays would include scalability, security and billing.

JACK: Let me answer your last question first. YES, YES and YES. There is no doubt about it. You must be able to scale in order to grow. This is kind of an obvious comment, but you would be surprised at how many people forget. Security, enough said. Billing — I had an old boss that told me the difference between two new products that a previous employer of mine had built was this. One we can bill and the other we can't. Don't build products and or services you can't bill.

The technology question is a bit of a deeper dive. You have standards-based technologies, SIP XML, etc. and you have Web services based on REST, SOAP, etc. I'll take a step back

and ask, how many different tasks is a platform asked to perform? One-way calling, two-way calling, group calling, recording, collect digits, play prompts... 10 maybe 15 different tasks. I believe the truly successful platform providers will have different types of access to perform those tasks. Access to the platform will extend beyond the IT staff and web developers into the work groups. Think of what Excel did for spreadsheets. Why limit the audience in regards to access?

JON: Software as a service (SaaS (News - Alert)) and cloud computing are becoming more important for service providers to compete against purely Web-based communications offerings. What's your outlook on these, and what impact will they have on platform plays?

JACK: Cloud computing and SaaS are here to stay. I recently attended a summit sponsored by the biggest mainframe provider in the world, and they are moving into SaaS to complement the core of their business. Cloud computing and SaaS will work hand in hand with platforms. The access to the cloud is driven by APIs, SaaS environments are accessible by APIs, and we know the platforms are accessible by APIs, so why wouldn't they all work together?

JON: Jaduka is one of a handful of platform play companies that are having success with enterprise-based applications such as click to call and conferencing. The value proposition stems from your ability to use voice as an enabler for other applications, and I know we've barely scratched the surface. I'll ask you to expand on why voice is so important — even though telephony has become a commodity — and how solutions like yours are unlocking new forms of value for enterprises.

JACK: Voice is and always has been the fundamental method of communications. I know this will upset those of the social media movement, and those tools are useful, but we tend to be more productive with voice. There are numerous case studies on voice implementations but I will take an example of one that I believe most of your readers have experienced.

Credit card companies run complex calculations to determine if fraudulent purchases are taking place on hundreds of thousands of credits cards daily. There is no way that they can efficiently notify everybody in real-time using a human work force. However, by implementing simple voice tools, notifying this many people is easy and cost efficient. Six years ago, Citibank called me after some suspicious charges occurred 15 minutes after the last charge. It was a live person and she

asked if the charges were valid or not. Human latency added cost, but it was the only way they could perform that task six years ago. Fast forward to six months ago, same situation; I was called and it was an automated system that listed out the transactions and gave me the option to talk to a live person. The transactions were valid, I pressed a digit to confirm, and the transaction was finished without a customer service rep.

Could you do that with e-mail? The response would be slow. They could have shut down the card, but then I'm not happy. They could have texted me but then I would have had to call them. Voice was the best method to handle this situation.

JON: Building on this, I'd like your thoughts on how platform plays and open API solutions like Jaduka's are allowing both service providers and their enterprise customers to do new things – as opposed to doing the same-old maybe just a bit faster or cheaper? What are some of the more exciting new applications you're seeing?

JACK: Well, to understand the market, you first have to understand that the problems don't change, and the exciting applications allow us to solve those old problems better. For instance, we're working on ways to rapidly connect health care workers with doctors and experts using click to call as a basis. We've had the problem of properly managing the doctor's time in the past; now we can solve it quickly and easily.

JON: There's really a continuum about what constitutes a platform play, just as there is a continuum about what defines a service provider today. How would you describe a service provider that is best able to deploy a platform play in 2009? How Web-centric do they have to be? Do they need to be really large? Do they have to have telecom roots?

JACK: I would say the best providers these days are mid-sized, since they need to be small enough to be responsive to their partner's needs, yet be large enough to depend upon. Although it's important for the provider to support Web integration technologies, it's more important they have telecom roots, as the basic problems to solve like connectivity and billing are core carrier skills.

JON: Jaduka is different from most platform plays in that you're not a standalone startup. Your parent company, NetworkIP, is fairly large, and has a history of success with prepaid services. Does this give you a bit of a captive market to trial new applications? I'd have to think this puts

you in a somewhat fortunate position, and if so, what has this allowed you to do that may not have been possible otherwise?

JACK: Having a parent company that has a telecom network has afforded us the ability to trial new ideas and services. When we first launched the APIs, they worked with us to make sure our APIs worked with their structure. They grew with us and provided lots of feedback. In fact, we are working together on the third evolution of the APIs. As they were looking for new ways of doing business on the Web, they requested certain features – some being specific to prepaid – that made their jobs easier.

JON: 2009 is going to be a challenging year for service providers and vendors alike. To wrap up, how should service providers be thinking about platform plays today, and what lessons learned can you pass on to help them make better decisions about going down this path?

JACK: A tough question to close, if I were to sit with the CTO of a service provider I would ask them two questions. The first question is – do you have the right people with the right mindset and skill set to move forward with a platform play? It is a tough transition from old telecom to Telco 2.0. The second question – is your organization bought-in from leadership down to the techs? If your organization does not believe in this direction, your job just got a lot harder. If the answer to the questions are both no, then the question becomes – what is your budget? In that case, you'd better go out and get the right team together to make yourself successful because platform plays are here to stay.

Jon Arnold, Principal at J Arnold & Associates, writes the Service Provider Views column for TMCnet. To read more of Jon's articles, please visit his columnist page.

Edited by Greg Galitzine