

Episode 47 | Shaun Whalon
CSG
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DR: [00:00] I'm Danielle Royston and this is 'Telco in 20.'

[00:14] While most people agree the public cloud is the final destination for telco workloads, there's still a lot of debate on how to do it. Some people think that telcos will want to take interim steps to a private then hybrid cloud due to hyperscaler regional availability, data sovereignty, or just plain old telco IT culture. I'm not one of those people.

[00:34] In a move to the public cloud I advise telcos to not take a half measure. Setting up a private or hybrid cloud is hard work. Don't waste your time fiddling with a temporary setup. I think you should go straight to the public cloud, but still there's a lot of debate, and so for this episode, we're going to talk about whether taking a half-step might be necessary. Today I'm talking to the VP of digital monetization at CSG, Shaun Whalon. CSG recently announced their new product, Encompass, aimed at supporting telcos who are moving towards the public cloud at their own pace by offering a step deployment approach in their move to the public cloud. It's a super fun discussion that all telco execs should listen to. So let's take 20.

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[01:20] Shaun Whalon is VP of digital monetization at CSG. Hi Shaun, welcome to Telco in 20.

Shaun: [01:27] Hey DR, glad to be here. Very pleased to virtually meet you.

DR: [01:30] I know, I'm so excited to have you on our podcast. You are the VP of digital monetization at CSG, and I'm curious what that means. Are you primarily meeting with customers in helping them sort out their strategies and plans, or do you spend your time with the product teams thinking about CSG products, new features and trends around monetization, more broadly?

Shaun: [01:51] Yeah, it's all of the above really. For any business to inform the roadmap, pipeline, the backlog, I feel it's crucial to connect with the customers for input. In addition to those insights; analyst communities, vendors, competitors are really a great source of information. Shameless plug: your podcast, Telco in 20. I've listened to quite a few over the last six months. And of course our customers are an important source of collaboration and debate. The main aim is to try and predict and steer where the industry's going, and then from a CSG perspective to continually refine what we think our role in that partnership is.

Shaun: [02:24] In a lot of those conversations at the moment, there is journey to the cloud recurring theme. Increasingly we're seeing how to manage and monetize multi-sided business models. Everyone's talking 5G. Another really pet project of mine is a software solution provider. We also have an opportunity to get our engineering and product teams closer to the customers; provide opportunities for them to kind of eat their own dog food, drink their own Kool-Aid, pick your analogy. But I think that leads to building better products, better solutions, and so that's also another pet focus of mine.

DR: [02:53] I love talking to customers. It's my favorite thing to do; just see our products or even how they see the industry and their challenges. Every time I sit down with a customer, I learn about their country, which is different than the United States. It's such a great source of information. I always tell the people that I work with, "Just go talk to the customer." It's fantastic.

Shaun: [03:14] I agree. Actually, in tech we can sometimes get a little ahead of our skis and then of course you talk to customers, they give you another perspective. Generally what is the delta is the pace and rate at which you get to that end result, I sense. And that varies, right? To your point, culturally, regionally, geographically, it's really, really different. And it's the part of the job I love.

DR: [03:34] It's really easy for product people to stay in their spreadsheets or in their product management tools. Sometimes it's a little bit daunting to get out on the road and talking to customers. So I always love product people that love to talk to customers. You mentioned something there, that you're starting to see, looking for the trends. I'm super proud to say that people are really talking about cloud. I think when I started five years ago, no one really talked about the cloud as much as we're seeing now. And we spoke to a colleague of yours a couple of episodes ago, Jon Fagan, who is Senior Principal System Architect. And we talked to him about Ascendon rating and charging, but I noticed at MWC this last year, you guys announced another product called Encompass, that you describe as a future ready SaaS commerce solution. So what's the difference between Ascendon and Encompass.

Shaun: [04:21] That's a great question. With the introduction of Ascendon, CSG was actually quite an early market entrant in acknowledging the processing compute and storage scale benefit of the cloud. So I fundamentally believe DR, that's of you and I and CSG share. And as John explained at the time, we made a pretty significant bet and investment on AWS, in terms of platform technology. But also the investment in not only the technology side of it, but all the people skills evolution.

DR: [04:46] No, it's a massive undertaking.

- Shaun: [04:47] It's massive, and the target audience for Ascendon rating and charging was primarily B2C players, struggling to compete and thrive in digital economy. We tend to find that those customers are typically looking for full stack architectures, these are players that are looking to modernize and simplify their business models, with obviously the aim of optimizing revenue and earnings from traditional services, but also position themselves for new digital service offerings.
- Shaun: [05:13] We launched a good few years ago now, but as an early market entrant, also married with CSG's pedigree and charging monetization. I guess somewhat tied to my earlier response around customer feedback, we also started to realize that we needed a different technology and business-led proposition in addition to the story and narrative around Ascendon. So as a response to that, we did launch CSG Encompass as you highlighted at MWC this year.
- Shaun: [05:39] And the main aim of Encompass is really to enable our customers to embrace not only that B2C play and the commoditization consideration there, but with the advent of 5G and the increasing complexity of B2B2X, which someone said to me the other day makes anyone that says it sound like Porky Pig. Which our customers may or may not desire to deploy in the public cloud, and that's the difference. We've realized that not everybody is willing to embrace and deploy in the public cloud rather at the same rate of adoption. So whilst CSG Ascendon is for B2C, CSG Encompass provides that opportunity for us to ride multiple horses, the B2C and the B2B and the Porky Pig B2B2X. And I guess, simultaneously we provide a path to fully embrace public cloud at differing velocities, depending on where those CSPs tend to operate to be geographically or within their market segment.
- DR: [06:31] What about Encompass makes it a SaaS offering? You guys described it in your press release and in the announcement as SaaS, and you're saying that's hybrid, and so I guess it's not fully public cloud. And so what makes it a SaaS offering?
- Shaun: [06:45] Yeah. That's another great question. And one of the things that continues to make me laugh is the wonderful parts of the technology industry is that we can describe the same terminology, but completely different street corner perspectives. So some say SaaS has to be X, Y, or Z. We describe CSG Encompass as SaaS because it's modular, it's decoupled, it's a TM forum, open API standards based solution that we believe is both network vendor and service agnostic.
- Shaun: [07:12] As an early adopter of cloud, we recognize that cloud native as a baseline is fine. We've embraced that with Ascendon, but we also realized that without decoupled modules and interoperability, our solutions and our customers potentially missed out on an increasing number of B2B2X opportunities. What

we've also realized is playing nicely with everyone and leveraging common standards is critical to the success of specifically the enterprise ecosystem and that our customers, the CSPs capability to thrive and succeed in the digital economy needs an architecture that supports that. We would really see the SaaS element of it linked to its flexible architecture, it's decoupled modules and where they come together tightly when necessarily, but then as obviously things evolve, they can drop off whenever they're no longer wanted or needed. We absolutely, fundamentally agree that the cloud is one enabler to drive that scale, but also interoperability is quickly going to become as, or if not more important.

DR: [08:09] Yeah, and so a lot of times when people think of SaaS, they think as multi-tenant and shared components across multiple customers. It sounds like this is still being deployed customer by customer. Everyone has their own instance and deployment space managed separately.

Shaun: [08:26] Yes.

DR: [08:26] Yeah, okay.

Shaun: [08:27] Absolutely, but at the end of the day, when you think end to end and you think coupled architecture, there are absolutely components-think charging-that we can distribute fully in the cloud and embrace the scale of that. There are also elements of the solution that don't necessarily benefit from that, or our customers are ready to embrace that. I think that's the fundamental difference in the industry at the moment, is I think everybody's agreeing on where we want to get to in terms of the panacea of-

DR: [08:51] The destination.

Shaun: [08:52] The destination, right. Everybody's aligned with it, and we were first to market with , so we fully embraced that vision. But what we've discovered is when you start talking to customers in the different regions and the different geographies, that there are other considerations when it comes to resiliency, when it comes to data sovereignty, when it comes to frankly just ingrained cultures within organizations, that mean that where the difference really is, is around the nature and pace of that journey to realize that destination.

Shaun: [09:21] From a CSG perspective, of course, we feel pretty privileged because we're in a position where we have Ascendon that meets that market need, and with the catalog driven benefits of Encompass, we can meet a different market need that really is focused on B2C, B2B and B2B2X, which of course will be enabled very meaningfully by the advent of 5G, which is another technology that's also being embraced at very different rates of acceptance around the world. You've got some countries where they're just still at spectrum Oxford and

stage. So I think the difference is the nature and pace of which the journey we all get to that destination and ultimately with the advent of Encompass and the benefit of Ascendon, we can say we have a solution for that,

DR: [10:01] That's super interesting. I think I understand that about Encompass, kind of supporting customers and regions or cultures, as you said. Telco always likes to almost brag that they're slow. I'm like, "Why are you bragging how slow you guys are? Let's go faster." And as a public cloud girl, we agree on the destination; I'm constantly urging people to move faster. I think one thing that's really interesting and maybe just from your perspective at CSG, the hyperscalers continue to put out new regions in different countries, and it's almost like by the time someone decides to upgrade a BSS or change out a system, a usable region has popped up. Are you seeing people change their mind about their movement to the public cloud because one of the hyperscalers makes an announcement and they're like, "Oh wow, I didn't know there was a region here and now there is, and maybe I'm going to change my mind. And now I will go to the public cloud." Are you seeing any of that go on at all?

Shaun: [10:53] I think everyone's fully aligned that they're going to go to the public cloud, but the research tells us that the majority of both enterprises and CSPs don't intend to do just one; they'll go to two or more public cloud providers. I listened to the Neil Macrae discussion we had from BT the other day, and he gave plenty of examples from a BT perspective around effectively why they're choosing different hyperscalers for different needs in the business, and obviously different cloud providers for different uses within the business.

Shaun: [11:18] And so what that really means is that working with one or more hyperscale cloud providers is almost a fundamental component of most enterprise cloud journeys. Today, they have global scale, they have deep expertise, they have cutting edge innovation and a broad range of cloud services. But ultimately for us to support that we can place our single bet as we did with the Ascendon on AWS. But also we are seeing the need to embrace different cloud architectures. And the resiliency thing, particularly in billing and charging is a key thing because yes, a particular hyperscaler could announce a region, but then the way in which they deploy their own public data center infrastructure in that region can really change the outcome. One of the recent discussions we've had is a new region popped up, but both data centers were in the same state.

Shaun: [12:04] That created a resiliency concern, if they happened to have a statewide power outage, what did that mean? As opposed to, well, they had one data center in one state, another data center in another state. And of course, what that means is if this particular hyperscaler doesn't meet that need, then we'll look at a different hyperscaler. And as a solutions provider in that space, we have to have the flexibility to be able to accommodate both those scenarios. I do think

there is resiliency, availability, and data sovereignty considerations that as the hyperscalers are embracing the new regions, we still have to be very considerate of. Particularly in our SS BSS space, and ultimately we see that not all CSPs, especially Brownfield, are going to buy separate standalone stacks as well. So material, whether it's in the cloud or on the premise, particularly a segment of the market are more likely to go and consolidate best of breed domains like billing or ordering.

Shaun: [12:55] And then they're looking for best of breed that easily comes together that give them their best version of best of breed, as opposed to full stack. So for this, we have catalog-driven architecture of Encompass. Other players will want to do everything in one platform. The regional launches and needs of the hyperscalers will meet that need, and they'll look to be thriving in a commoditized market and for that we have Ascendon. There's very much two segments, and everything in between, of the market that is a leader in the monetization space CSG has to consider and embrace.

DR: [13:25] Yeah. I was looking it up. How many regions have been launched in the last four years? And it's like 36, 37 new regions? And personally I've been like "Middle East is moving a little bit slower, there's not as many regions," but I looked it up and there are seven now in that area. Saudi Arabia, Bahrain, UAE, and so what used to be a dearth and it was really hard to go out to those customers and talk about public cloud because there was nothing really close by or in their region, and that's a very complicated region politically and data wise. I'm with 180 countries in the world at a pace of 40 every four years, they're going to have the planet covered with a hyperscaler in your country, or nearby. And it's a matter of time.

Shaun: [14:12] They're going to get there, DR. The new region launches, I mean their business at the end of day. So they indicate their trajectory and velocity in terms of where they think the demand's going to be in the future. And that's going to encourage telcos to accelerate their journey of the public cloud, absolutely. It's going to also allow them to get familiar as organizations, 'cause as we talked earlier, it isn't just about the technology, it's how do the telcos embrace getting familiar with public cloud? Getting the experience, preparing the business to operate, get the skills. But that requires patience, and right now, at least the dialogue we're having with our customers, not all can see that future ROI in the same way.

Shaun: [14:45] And then you've got the added challenge that particularly is consolidation in the telco space, you've got different entities within the groups that want to embrace public cloud and different rates and different trajectories as well. So how do you offer them a solution that can meet the needs of one segment that's fully ready? And the regions happen to be able to service their needs versus an

entity that's in a different location that isn't quite at that level of maturity or cadence. And so again, totally a hundred percent aligned on the destination where I think we differ in the spaces with CSGN and others in our spaces, the different pace at which our customers will get there.

DR: [15:20] Yeah. There's certainly that piece where, like you said, you got to look at each region individually, each customer, what are their needs, understand the regulations, the maturity of the organization. But I think, like we said, a couple of minutes ago, the destination is agreed, and now it's a matter of what's the trajectory and what's the velocity in supporting customers along that journey.

Shaun: [15:42] Yes.

DR: [15:43] I don't recommend customers take a hybrid approach or even a private cloud approach. I think that it wastes time. It adds years, potentially, to a journey where you know where the destination is. There's so much work to be done to transform workloads and refactor applications and think through integrations and training and culture changes, that if you know where you're going, just make that move. And so obviously CSG, you guys are smart people; did some math and figured out "No there is a need in the market." So I think we'll find out which approach is best and most efficient and works for carriers.

Shaun: [16:15] Yeah. So in the B2B2X space there is, whether we like it or not, a much greater level of complexity in those multi-sided business models. Particularly in enterprise space; there's customer hierarchies, bulk orders, usage recurring subscription, flexibility, different versioning of products and offers. So we've seen democratization and B2C, but in B2B2X, that complexity, the material of your tournament architecture is unlikely to go away. So really the CSG perspective is we can make it simpler to manage with Encompass that complexity, but whether you like it or not, B2B2X is going to continue to present a level of complexity in that multi-sided business model that our customers will embrace.

DR: [16:53] And there's a middle step that you've got to do. Crazy. Well, we'll see.

Shaun: [16:56] And yeah, we're in the luxurious position where if a customer is fully ready to embrace public cloud, we have a solution there; it's called Ascendon. It's been in the market for three years. Near the largest number of production sites in AWS on the back of the Ascendon brand, so it's not like we're pitching one way or the highway. We're very early into the public cloud. We fully embrace the narrative, but we've kind of figured out that there's also another path and trajectory that our customers are going to want to take.

DR: [17:21] Yeah, and for me, I'm acting CEO of Totogi; I am sort of "My way or the highway." I think it's public cloud, and our product is built a lot different than

everyone else's. We don't build and provide and deploy single instances managed individually by customer. It's a multi-teneted SaaS solution and it runs on AWS and only AWS. And it is in a classical sense of SaaS product, right? Multi-tenet, server list. You connect to it. It's more like Salesforce than it is like Amdocs, but maybe I'm before my time, I don't know. We'll see. I'm betting big on it, but I think it's the future, and it's always interesting to talk to other vendors and get their perspective. Because people are like, "You're wrong, DR, you're going at it wrong." And I'm like, "Well, I'm going all in and we'll see."

Shaun: [18:05] Here's the difference; I'm not saying you're wrong. I say I agree with you for the segment of the market, but hey, there's this other segment. We got a solution for that too. It's catalog driven Encompass.

DR: [18:13] Well, I know something that we can agree on and that is how super adorable your children are. And you were very difficult to research, I'll just go ahead and lay that out there. But we found that your girls have been producing their own little cute baking show, and so as the head of monetization of your household, which I imagine that's what you do, how's the monetization of that TV show going? They're running ads yet and pulling down six figures a year?

Shaun: [18:41] Yeah, I wish. I didn't even know that they'd set it up in my user profile. Yeah, my daughters have grown up in an environment of free content and I always feel really old in trying to relate to the enjoyment that they get when they watch gamers on YouTube play Minecraft and Roblox. But equally what it's given them, I think, is a complete lack of fear of sticking themselves in the public domain.

DR: [19:04] I know, it's crazy.

Shaun: [19:04] Based on their own personal interest. So for them, they've got really limited concept of profit and loss and in their case, their interests happened to be baking. My oldest, however, has a slightly different approach. She likes to follow the recipe, my youngest likes to make it up and she goes along. And actually I had to laugh because once I found out about it and we'd kind of realized that by the fact that the 'Telco in 20' production team had actually looked at what they do, they tripled the subscriber base overnight. So maybe as a result of this podcast that they get some PR, right?

DR: [19:33] Well maybe we can drive more views, but I think you're right. Our children-I have two children-they are future subscribers, and the way that they use data and their phones and the internet is so different. I'm 51, it would be shocking to put myself out there and my daughter's doing TikTok dances and crazy little cute videos, and then she deletes them. So it's kind of interesting, back to what we started with in terms of talking to customers and understanding

trends. These teenagers are just producing so much content and then deleting it. It's insane. And that's the future of our industry, so here we go.

Shaun: [20:10] Absolutely. And actually I would say the one thing that their generation, or at least my generation do have alignment on is it's a bit hit miss. So they'll do about three or four podcasts or YouTube videos in a space of a week, and then they'll do nothing for six months. Yeah. It is absolutely peaky and troughy. I'll give you that.

DR: [20:26] They need a little bit more grit.

Shaun: [20:28] Exactly.

DR: [20:29] Well, I wish CSG the best of luck with their two products and their approach and Shaun, what a great conversation. Really nice to have you on the podcast. So thanks for coming along.

Shaun: [20:39] Thanks for the chat.

DR: [20:40] Awesome. Stick around, because we're ending each podcast with a 'Telco in 20' takeaway. I have 20 seconds to tell you something you need to know.

DR: [20:51] All right, guys, let's hit the rewind button. Did you hear those stats? I tossed out earlier about hyperscaler regions. In the last four years, AWS, Azure and Google Cloud have launched 37 hyperscaler regions across the globe. I looked it up. With about 200 countries in the world and nearly 40 regions put up in the last four years alone, how long do you think it will take to cover the globe? There are nearly 120 regions planned or already in production, across 40 countries by the big three hyperscalers. So telco execs, pay attention. There's a good chance you're located near a usable region right now. And if not, it's a matter of time before there's one in your backyard, ready to go. When it takes years to plan out a BSS upgrade, don't take a half measure and move to a private or hybrid cloud. You're wasting valuable time and money investing in soon to be obsolete on-prem solutions, when you could be moving to your final destination, the public cloud.

DR: [21:50] Remember, the shortest distance between two points is a straight line. And speaking of straight lines, make a beeline over to my YouTube channel. And don't forget to share this award-winning podcast with your colleagues. Subscribe on Apple Podcast, follow us on Spotify and leave us a review. DM me on Twitter at Telco DR, connect with me on LinkedIn, and give me a call or WhatsApp me at 925-TELCO-DR. Finally, head on over to telcodr.com to sign up for our totally awesome email newsletter. That's all folks. Later nerds.