



NGB ramps up marketing with launch of new automated VOIP installation software

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Date: 5 Jan 2007

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Next Generation Broadband is starting to make an impact in the market for automated service activation and device management software. The company, founded in 2001, has gained traction first with its Automated Installation software for broadband service – similar to competitors like **Motive Inc/BroadJump** several years earlier – and is now branching out into the red-hot VOIP market with a new VOIP Install product.

Impact assessment

The message

NGB's executive team has deep experience in broadband service operations, and has turned those insights into a software offering that can be installed as a parallel system for device and service management.

Competitive landscape

Motive and SupportSoft are the main competitors in the cable market. Sigma Systems' acquisition of C-Cor's service activation and provisioning software put Sigma in the game. The DSL market is also served by device makers like 2Wire and Netopia (recently acquired by Motorola), among others. Some offerings could put NGB into competition with Camiant and other policy server vendors.

The 451 Assessment

With an estimated six million VOIP customers already provisioned in the North American cable market alone, NGB's VOIP Install software should do well during this period of rapid service growth. NGB should focus on marketing its software as enabling cost savings through automation, rather than as an enabler of a self-install model for VOIP. NGB's combination of device management and policy server in a parallel provisioning system is interesting because it enables cable providers to engage in new business models. Cable operators have already worked on deployments of stand-alone policy server systems; 2007 should reveal the degree to which they'll be interested in NGB's hybrid model.

Context

The cable industry background of the company's founders includes time at RoadRunner, the cable broadband service originally founded as a joint venture between **AT&T**, **Time Warner**, **Microsoft** and **Compaq**. The founders – including NGB president Martin Hannes (former president of RoadRunner), EVP of operations Tiffany Norwood (director of European operations for RoadRunner), VP of engineering Sammy He (director of system architecture for RoadRunner) – experienced firsthand the reliance on manual processes for provisioning and management of customers and associated equipment in the early days of broadband.

NGB was created in 2001 with the idea that more automation in the datacenter was needed – and that integration of a new management system needed to be easier.

Products

The integration of systems into broadband network operations centers (NOCs) has historically been a services-led engagement, though this has changed somewhat as hosted device and configuration management systems have come to market.

NGB's system is installed on-site, but was designed to operate as a parallel system. A software adapter called 'SmartBridge' hooks into the DHCP server (which by itself is used to manage IP address distribution to devices that sign on to the network) to endow it with more smarts. The DACS (Device Application Control System) is the part of the secret sauce that lies in the ability to manage a device based on its MAC (media access control) address and related attributes, not just an inconstant IP address. NGB describes this parallel system as a 'mini-datacenter' that has an application server with software for automated device installation, service provisioning and management.

A typical data service install for a cable operator can still often require a truck roll, though many service providers also use automated install software from companies like **SupportSoft** and Motive. While other offerings require either integration with the modem itself or a separate CD-ROM that installs software on a user's system, NGB touts its ability to provision devices without any such software.

While data service install has been the primary focus for NGB, it is branching out with an important new product called VOIP Install System, which automates the activation process for VOIP services. The VOIP product leverages the same SmartBridge technology, but does add interfaces to accommodate third-party services for e911 and number porting, for example. With an estimated six million VOIP customers already provisioned in the North American cable market alone, NGB is offering its product during a period of rapid service growth.

NGB's system will eventually enable operators to sell MTAs (multimedia terminal adapters) at retail outlets – like a regular phone – and have service provisioned automatically once connected to the network. Technicians can log in to on-site diagnostic tools and service verification tools when customer self-install is not desired or technical assistance is needed.

Other products in the stable include applications for security (abuse management; disconnect on spam detection; virus control) and marketing (pay-as-you-go, including usage tracking; bandwidth on demand; GameConnect for enabling automated activation of broadband service for gaming consoles and quality-of-service functionality). Some of these applications utilize an integrated policy server, which acts as a mechanism to control subscriber actions based on preset rules.

Competition

The two most obvious competitors are SupportSoft and Motive Inc. Both have been offering data service activation and provisioning software for some time, and have a significant installed base. These companies' offerings typically require a software install on a client PC as part of the install process, but offer Web downloads as well as CD-ROMs to facilitate the process. This client software can be used to help diagnose service issues on the PC as well as the network gateway device, so in some cases, both NGB and its competition would be used for ongoing service management.

NGB notes that a separate policy server and/or traffic control platform is needed to enable such services, while its software has a built-in PacketCable Multimedia-certified server built in. This puts NGB indirectly in competition with companies like **Camiant** and **CableMatrix**.

Some carriers like **BT** have used hosted versions of Motive's software, for example, to get up-and-running more quickly than if the software was installed on-site. NGB argues that most of its customers prefer to

have control over the software and associated systems, in which case, NGB claims, its technology allows for faster integration.

Sigma Systems' acquisition of the service activation and management software from **C-Cor** last year (itself acquired from **Alopa Networks**) marks the intent of Sigma to expand from core OSS activities like order management. NGB for its part says it doesn't intend to become an all-encompassing middleware platform that translates commands and orders between billing, support ticketing and resource management systems.

Consumer premise equipment vendors like **2Wire** and **Netopia** (which is being acquired by **Motorola**), as well as network access vendors, also have device activation and management offerings that talk up support for TR-069 and other device management standards.

Customers

NGB has a pre-built system that it takes around to service providers. NGB tells potential customers to install the system and use it to connect modems that they've bought themselves at retail to prove the efficacy of its product. So far, **Cox Communications** (where NGB says it displaced Motive) and **Telstra** are announced customers, with others expected to be announced in the next year.

Funding

The company has mostly been funded by its founders, with some minority outside stakeholders having contributed to an unspecified amount of total funding. NGB says it's at cash-flow breakeven now. As the balance sheet gets stronger and new deployments expand, the company expects to explore the need for outside funding from a strategic investor, executives say.

SWOT analysis

Strengths	Weaknesses
Management has a strong background in broadband services and has used experience in operations to create an easy-to-install product.	Focus on a single market is often necessary for small companies, but delays by cable providers in advancing plans for rolling out new services have the potential to stifle growth.
Opportunities	Threats
VOIP product promises to automate the provisioning of voice services at a time when growth of these services for cable companies is hot.	Direct competitors are moving up from simple device provisioning to other areas like home network management, service verification, and service activation for IPTV. Traditional OSS vendors are making noise about service management too, with companies like Sigma, which bought service activation and management technology from C-Cor.