

On the Radar (IT): MATRIXX Software

MATRIXX Software provides real time convergent charging and policy platform

Summary

Catalyst

As telcos evolve their mobile data and LTE offerings, policy and charging systems need to be integrated to enable telcos to roll out tiered pricing, fair usage, family plans, device sharing plans and QoS-based pricing models. However, telcos still struggle to integrate disparate policy and charging systems with non-standard interfaces - adding further complexity to their operational and business support systems environment. MATRIXX Software's Unified Policy and Charging (UPC) solution provides policy management (PCRF) and online charging (OCS) on a single real-time, transactional platform. It offers telcos a unified graphical user interface to configure and manage services, products, pricing, rating and policy rules, and includes a single user data repository.

Key messages

- The MATRIXX Software product portfolio is based on the transformations B/OSS and IT systems need as a result of mobile broadband services, real-time customer interaction and personalization requirements. The drivers for business transformation originate from CSP's need to create and market value-based services (not unlimited data plans), sell them direct-from-the-device, and facilitate a myriad of real-time service top-ups, upsells and upgrades.
- MATRIXX Unified Policy and Charging was built from the ground up as a single, unified policy management and charging platform, and enables telcos to offer subscribers views and controls of service usage and spending through an app-based dashboard on the device.
- MATRIXX products are based on the MATRIXX Parallel Technology platform, an architecture for real-time transaction processing that provides telcos with instant visibility, intelligence, and control of data services across their mobile networks.
- In a short span of time MATRIXX Software has successfully won a handful of tier-1 telcos as its clients in Europe and Asia-Pacific. The company also has a strong pipeline for the next 12 months.

Ovum view

MATRIXX Software delivers a solution that addresses telcos' real-world challenges while allowing them to avoid the costly and difficult job of integrating their various IT systems. MATRIXX Software remains focused on delivering innovation to the operational processes that need it the most. While risk is always an issue with startups, MATRIXX Software has continued to prove itself over the years with innovative products that differentiate it in a crowded market. Although some of MATRIXX competitors such as Amdocs and Ericsson have higher brand awareness in this space, MATRIXX is steadily raising its profile.

Recommendations for enterprises

Why put MATRIXX software on your radar?

The growth in mobile data has put tremendous pressure on telco network and IT systems. Telcos globally need innovative operational and business support systems like never before, and they are open to new ideas and alternative approaches for transforming their operations and monetizing their networks. Unfortunately, the existing telco IT systems used in charging and policy management are legacy transactional systems that are not cost effective and cannot scale. Since telcos need to account for every transaction, often in real-time, a convergent policy and charging engine is a natural solution.

The MATRIXX Unified Policy and Charging (UPC) solution combines charging and policy management functionality onto a single platform, creating a decision-making engine that streamlines charging, network, and subscriber-oriented policy management into a single subscriber experience interface. This single interface allows telcos to gain information for service authorization, real-time notification, upsell and credit control. Operationally, it removes the complexity and overhead costs for the telco of having to integrate policy and charging systems together - often from different vendors with proprietary interfaces. Also, a single user data repository provides data consistency across policy and charging decisions and subsequent error reduction. The single platform offers business, operational and architectural benefits to telcos.

Although MATRIXX Software is a relatively small player in this market, it has succeeded in winning recognition, as demonstrated by its rapid revenue growth and a healthy pipeline of prospects. Its roadmap appears promising.

Highlights

Background

MATRIXX Software was established in 2008 with its headquarters in Mountain View, CA, USA. With 75 employees globally, the vendor has sales and services offices in London and Kuala Lumpur, Malaysia. MATRIXX software signed its first deal with Swisscom in 2012. Since then, the vendor has successfully signed new clients across geographies – multiple MVNOs across Europe, two projects in Australia with Telstra and two projects in New Zealand. The vendor is currently focused on expanding its presence in the European, Asian and Latin American markets. The vendor has gone through three rounds of funding, raising approximately \$35 million to date. Along with large venture capital funds, large tier-1 telcos such as Swisscom and Telstra Ventures are also investing in MATRIXX software. This highlights a more collaborative and partnership-led approach that MATRIXX has ingrained in its business model.

One of the key differentiations of MATRIXX Software is the underlying technology - Parallel-MATRIXX Technology - that offers speed, scalability and flexibility. The technology is developed using four key innovations: Contention-Free In-Memory Database, Parallel-MATRIXX Processing, Algebraic-Decision Engine, and MATRIXX Parallel Clustering. Combining these innovations into a single core platform, Parallel-MATRIXX Technology offers performance (specifically, a 100 to 400 times performance advantage), flexibility, and reliability for telcos. MATRIXX Software anticipated the explosion in mobile data traffic and designed new real-time technology specifically architected to

handle the scale and complexity of this new mobile data environment. The platform can be run in a virtualized environment and is also designed to run on commoditized, off-the-shelf hardware.

Current position

The new real-time experience on the front end requires that everything supporting the network needs to be in sync, especially critical business systems such as rating, charging, policy and customer management. The MATRIXX Unified Policy and Charging solution adds intelligence to policy management for telcos by increasing the value of each policy decision in conjunction with any charging-specific subscriber data, balances, counters, pricing data, usage history, or subscriber attributes. The solution also offers a pricing layer that provides competitive insights into each subscriber – the risk of churn, best pricing policy and real-time notifications. The telco can also look into the quality of service preference of the subscriber, and push new, compelling, personal offers in real-time.

Swisscom was the first commercial deployment by MATRIXX Software. Swisscom required the installation of a real-time platform that could support the full scope of its planned customer services, including total LTE rollout, and it chose MATRIXX as its technology partner. As part of a transformation initiative to move all of its business to real-time, Swisscom deployed MATRIXX Software as its strategic, convergent charging platform for pre-paid and post-paid mobile customers.

MATRIXX Software mostly sells directly to the market; however it also has IBM as its primary go-to-market partner. The MATRIXX portfolio is a part of IBM's 'Smart Network' project, which brings a set of functions together to provide an enabling environment for innovation of new and emerging areas of monetization of the network. The functions include charging, network and policy control, centralized online campaign management, and analytics. In addition, the vendor has partnered with industry-leading technology and systems integration firms such as Aria Systems, Atos, Capgemini, F5 Networks, Infosys Technologies, Sicap, Tech Mahindra, and Unico. MATRIXX also has industry affiliations with the TMForum and the Silicon Valley Telecom Council to build industry standard products and also participate in industry forums to build better relationships with telcos.

In the next 12 -18 months the vendor plans to focus on expanding market presence in the European, Asia Pacific and Latin American markets. MATRIXX software has robust expansion plans for 2014 and it plans to almost double its headcount by the end of the year. On the product development front, MATRIXX Software will concentrate on enhancing its capabilities to converge various online points of sale channels with dynamic pricing to facilitate telcos to tap into upsell opportunities. The vendor has no plans to diversify into other industries and plans to stick its medium term focus on the telecom industry.

Data sheet

Key facts

Table 1: Data sheet: MATRIXX Software

Product name	MATRIXX Unified Policy and Charging	Product classification	OSS/BSS
Version number	4500	Release date	February 2014
Industries covered	Telcos	Geographies covered	Europe, Asia Pacific, North America and Latin America

Relevant company sizes	Tier 1, Tier 2 and Tier 3	Licensing options	Non-perpetual license (3-5 years)
URL	www.matrixx.com	Routes to market	Direct and through partnerships
Company headquarters	California, USA	Number of employees	75

Source: Ovum

Appendix

On the Radar

On the Radar is a series of research notes about vendors bringing innovative ideas, products, or business models to their markets. Although On the Radar vendors may not be ready for prime time, they bear watching for their potential impact on markets and could be suitable for certain enterprise and public sector IT organizations.

Further reading

OSS/BSS Market Update, 1Q14, IT0024-000082, (June 2014)

On the Radar: NetBoss, TE0008-001478, (June 2014)

BSS/OSS Database, PT0012-000003, (May 2014)

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