

# Matrixx upgrades digital platform with focus on cloud scaling

FEBRUARY 23 2017  
BY RICH KARPINSKI

To kick off 2017, Matrixx Software released the latest version of its digital commerce platform for mobile operators (internally dubbed Release 5000), an upgrade the vendor calls its biggest to date. In keeping with its expanding operator customer base – and those operators' growing focus on giving subscribers a better digital experience – the release focuses on improving cloud scalability and performance of the platform and enabling more rapid integration with other systems and partners.

The Matrixx platform enables mobile operators to create a more real-time, 'offer-driven' relationship with their subscribers across the customer lifecycle, including providing more digital-ready on-boarding, service delivery and purchase experiences. Operators use the platform to support a variety of new digital service approaches such as customizable service plans, data plan sharing, loyalty and reward programs and more.

## The 451 Take

As Matrixx's customer base has grown – counting among them Vodafone, Telstra, Swisscom, and its latest wins at CK Hutchison's Three Group operators in the United Kingdom, Denmark and Sweden – the need for it to support large-scale deployments in a standard way has grown substantially. A small handful of initial customers/investors can merit – and demand – hand-holding and custom deployments. But that won't scale. Delivering the Matrixx platform as a cloud-optimized platform, with

new features available simultaneously to all customers, is a major step forward for the company. This new Matrixx release won't make big news, but it represents the maturation of Matrixx as a trusted provider of the types of digital-enablement capabilities transforming mobile operators require.

## Context

At the center of the upgrade is a focus on making its very transaction-heavy and strongly telco-scale – i.e., five-nines of availability – system function within a cloud delivery environment. Matrixx has always run its software on off-the-shelf hardware, albeit hardware optimized and fine-tuned to run 'close-to-bare-metal' to achieve the deterministic and high-performance levels required for a transactional telco service environment.

By principle, the cloud is a looser, less deterministic environment. The need to further virtualize and 'cloudify' its platform is a testament to just how quickly mobile operators are adopting cloud strategies, Matrixx executives said. While mobile operators would ultimately be interested in consuming the Matrixx platform as a SaaS service running on a public cloud (and the vendor and its customer are doing some pre-testing in such environments already), the current preference is to run the platform in a more controlled private or hybrid cloud environment.

To that end, the new release tunes the platform to cut hardware costs per transaction served – essentially doubling the system's price performance – while delivering a new virtualization architecture pre-built to support common deployment scenarios, making it easier for operators to scale up to support more users. Just as many enterprises are discovering, Matrixx found that bigger isn't better – resulting in a focus on micro-services and smaller, geographically dispersed system nodes serving 10-15 million subscribers. For customers supporting larger customer bases, orchestration tools and dynamic traffic routing agents allow operators to connect eight to 10 Matrixx instances supporting deployments as high as 200 million subscribers.

A second major focus for the platform release is a new JSON-based business gateway API and services-based development framework to speed integration of the Matrixx platform with internal telco systems – things like policy or billing systems, as well as third-party platforms – to do things such as supporting over-the-top content delivery. As part of the new API, Matrixx is exposing some of its core digital commerce platform functionality; for instance, access to 'paynow' and subscriber notification workflow triggers as a

single set of data and functions that can be accessed and used by other applications.

Much of this API development was guided by work building the white-label mobile app it distributes to telco customers, as well as the creation of its GoDigital platform, which integrates Matrixx's back-office transaction platform with front-end CRM capabilities from joint development partner Vlocity.

The addition of this new service API – along with the Vlocity GoDigital partnership – positions Matrixx as more of an end-to-end platform provider, with operator customers looking to deliver unique digital experiences needing only to configure ready-to-go features, rather than requiring custom development and deep systems integration work.

## Competition

Matrixx is facing stiffer competition as major vendors – including the industry's largest end-to-end infrastructure players Nokia, Ericsson and Huawei – turn their attention to helping operators enable more digital experiences. Nokia, for instance, recently acquired Comptel, whose emphasis on digital-commerce platforms is in line with Matrixx's focus.

Traditional back-office policy and billing vendors like Amdocs and Netcracker are well onto a similar network function virtualization path, with an eye toward making it easier for operators to deploy best-of-breed digital-enablement apps in emerging telco cloud environments.

Not to be outdone, more typically customer-facing system providers – perhaps most notably Salesforce – are aggressively pursuing the telco vertical as recognition sets in that mobile operators own some of the most digitally capable (if not yet digital-ready) of all customer relationships.

## SWOT Analysis

### Strengths

Matrixx leads with how it can support new digital-ready operator business models, but its technical chops are just as important. CEO Dave Labuda has deep technical roots to oversee its transition to the cloud.

## Weaknesses

Matrixx must carefully balance growth vs. customer support as it scales its platform to bigger operator customers with larger customer bases. That's always a challenge for a still relatively small vendor.

## Opportunities

We continue to be impressed with Matrixx's ability to land big-name customers and help them deliver new, un-telco-like digital experiences. At this point, its biggest opportunity is to turn reference wins into new business.

## Threats

If digital enablement hadn't caught the attention of larger players before, it has now. With 4G deployments reaching saturation and large-scale 5G implementations still years away, former radio/core vendors are increasingly turning to software – with a major focus on customer experience and digital enablement.

---

## Rich Karpinski

Principal Analyst, Mobile Operator Strategies

---

M&A ACTIVITY BY SECTOR  
M&A ACTIVITY BY ACQUIRER  
FIGURES SHOWN INDICATE NUMBER OF TRANSACTIONS

COMPANY MENTIONS (PRIMARY)

MATRIXX Software

COMPANY MENTIONS (OTHER)

Amdocs Comptel Ericsson Huawei Netcracker Technology Nokia Salesforce Swisscom Telstra Hutchison 3G Vlocity

Vodafone Group

CHANNELS

Mobile Telecom Networking

SECTORS

All / Carrier infrastructure / Carrier software/OSS / Service delivery

All / Communications services / Wireless access

All / Telecom Services and Packaging / Consumer Mobile Services