

# NETWORK!

FOR PEOPLE IN THE NETWORK SYSTEMS BUSINESS OF LUCENT TECHNOLOGIES

## *SUPERCOMM Round-Up*

### Network Systems at SUPERCOMM '97

More than 40,000 telecommunications professionals from around the globe gathered in New Orleans last week for one of the world's largest annual communications exhibits and conferences—the 10th annual SUPERCOMM show.

Network Systems had a significant presence there, unveiling a new advertising campaign with the theme, "We Know Networks. Every Twist. Every Turn," and making several new announcements to the industry and trade press.

The announcements spanned several of our business units with a focus on optical networking, software and data networking.

## SUPERCOMM '97

Gerry Butters, president, North America, Network Systems, hosted a press conference for 34 analysts and reporters explaining the significance of Lucent's announcements to the industry. He spoke about Lucent's leadership role in a new business category.

"For Lucent Technologies, this is the moment when we're defining and lead-

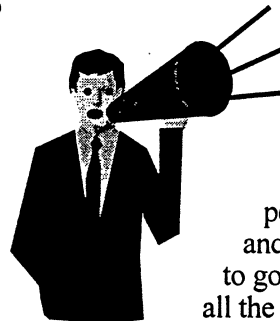
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on the Web  
<http://infoview.lucent.com/pubs/network>

## *Feature*

### When Customers Speak, Lucent Listens

When it comes down to how we're doing in meeting customer needs, our customers speak to us through many channels—report cards, installation reports, surveys and face-to-face sessions, to name a few. Question is, what are we going to do about it? That's the issue behind "Voice of the Customer" (VOC), a recently unveiled effort in Network Systems that's designed to



capture the full scope of identifying and resolving customer issues.

Up until now, Network Systems has basically relied on CVA (Customer Value Added) as the key indicator of how customers perceive Lucent's products and services. VOC is designed to go a step further, by embracing all the ways customers speak to us, and elevating Lucent's "listening skills" to a new level—so that we not only hear our customers, but act on their requests.

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## *Feature*

### Responding to Change

Not a day goes by without our hearing about change. Change in the industry, change in the economy, change in technology. And then comes the call for us to adapt to the changes, yet be ever focused on the bottom line and on meeting the needs of an ever-changing, more demanding customer base. And we're asked to do it all with the speed of a cheetah.

Network Systems' Cheetah initiative allows us to do just that. Its goals across Network Systems—standardized processes, standardized products, speed from quote to cash—are

all to get us to focus on customer needs in the manner of a high-performance company.

According to Bill Ausura, Product Management process director, our roles are indeed changing as we respond to our new mix of customers. "We used to have a base of 100-200 customers and only a dozen or so represented most of our

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## When Customers Speak

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Network Systems officers Joe Colson and Frank D'Amelio are the VOC champions. "The Voice of the Customer is about creating an organizational mindset about the importance of customers, ensuring that we're not just listening to our customers every day, but that we're responding to their feedback—consistently and uniformly across Network Systems," said Colson. Part of Policy Deployment, VOC is being deployed through a series of checkpoints in which Network Systems leaders are asked to capture customer needs and expectations, set up action plans, and regularly determine how effectively the organization executes them.

A VOC team led by Nick DeTura is now talking to Network Systems executives who lead customer-facing teams to find out how they gather customer feedback, and to identify what major issues, or themes, are coming to the surface regarding Lucent's products, services and performance. Network Systems teams are expected to have an action plan to address these issues. The good news, DeTura reports, is that most teams have these action plans in place and also have a process to carry them out. To date, DeTura and his team have reviewed over 90 percent of the action plans at the executive level.

### Common Themes

Carole Spurrier, vice president of the Bell Atlantic region, had lots of customer input to offer the VOC team when it came time for her executive review. But as she explains, the assorted issues and action items that filled her four-inch-thick customer action registry aren't as important as the big picture. "If I could put Bell Atlantic's voice of the customer in a single word, it would be speed," said Spurrier. "What the customer considers timely now is a much shorter interval than what we considered timely a year ago. It's important that we be-

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*"What the customer considers timely now is a much shorter interval than what we considered timely a year ago."*

— *Carole Spurrier, vice president,  
Bell Atlantic Region*

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come more responsive to changes in the marketplace." An issue like that can't be resolved by one single customer team, she reasons.

So how will the VOC initiative add value to Spurrier and her team? By ensuring that the collective voices of the customers are heard within Lucent, and acted on more strategically. "I think most of the teams individually have effective mechanisms to hear the voice of their customer and act on them tactically," said Spurrier. "If a VOC process allows us to have a more unified voice among our customer teams and emphasize things that any one team may not be able to accomplish alone, that will go a long way in changing the way we do business in Lucent."

### From Analysis to Action

Greg Hughes, vice president, International Services-Program Management, sees it another way. He observes that the move to customer business units enables customers to drive the business, and shifts the emphasis from gathering their feedback to acting on it.

"In order to resolve customer concerns, we have to have a process that effectively distributes actions across sales, service, development and global provisioning centers. Through VOC we have a forum and discipline for living our obsession with serving customers," Hughes said.

Having various parts of the business involved also widens the scope of the issues and lets you see dependencies across teams, according to Mike Holmes, switching customer technical support vice president. "If a cus-

tomers says we have a pricing problem, it could be something associated with the customer team, the cost, or how it's delivered. Having a representative from each of those areas helps us figure out where the problem lies across the organization. In the end, we can bring full closure to an issue by having a more complete answer for our customers."

As for next steps in the VOC process, the VOC team will communicate findings from the executive reviews in July. It will focus on sharing role-model work by those Network Systems organizations that are promptly responding to customer issues. The team also will identify process gaps and help drive behaviors we need to become a more customer-driven business. □

—Loren Talley

## Responding to Change

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revenues. Our product delivery strategy was to customize products for each customer. Today, we have a larger, more disparate customer group. We cannot continue to customize products for each of them and get products out quickly and at a profit."

As we evolve to focus on clarity, speed and the bottom line, the new Product Marketing and Management organization is keeping pace. Ausura said, "We used to have five business units and each ran its own business using its own processes. Now we have more than a dozen Business

Leadership Groups (BLGs), each with many unique processes. This not only results in confusing customers, it confounds our own sales force. So we are putting together a standardized, general approach to product management that complements our move to developing and selling more standardized product families."

At the same time, we're bringing discipline to the process. Traditionally often part of the development community, product management has now become a business function of its own. As part of the approach, product managers lead multifunctional teams for

product planning, development and deployment. Made up of people from product marketing, market development, development, finance and other organizations, each team works closely to get products to market—quickly. The new model—and its "go/no go" decision-making using the Network Systems Gate Process\*—ensures that the products we are developing fit the marketplace and are good for our overall business. It makes product managers accountable and—like Cheetah—concentrated on optimizing the business's bottom line.

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## Network Systems at SUPERCOMM

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ing a new, broader category in the market—not voice networking, not data networking—but something broader. Call it communications technology, said Butters. "This is where we manage the convergence of technology, systems, software and support so customers get the communications they want—when, where and how they want it."

Analysts predict the global telecommunications market will continue to expand rapidly, increasing from a market size of \$288 billion in 1996 to \$425 billion by the year 2000. Growth predictions for the optical networking market vary from 40 to 80 percent over the next few years with Lucent currently holding about a 50 percent market share.

On the showroom floor, the theater presentation in the Network Systems booth, dubbed "White Knuckle Networking," tied in with the advertising campaign. The film focused on Lucent's integrated solutions, taking viewers on a roller-coaster ride through the networks of

the past, present and future. The new ad campaign extends the use of the Lucent business card, our signature in all our ads to date and on our website.

Each of the "business card" ads will feature a different question and answer that supports our customer business imperatives: unsurpassed networking competency, maximizing

The logo for SUPERCOMM '97 is displayed in a bold, black, stylized font. The letters are thick and blocky, with a slight shadow effect. The year '97 is smaller and positioned to the right of the word 'SUPERCOMM'. The entire logo is set against a white background within a black rectangular border.

customers' existing networks, retaining and acquiring customers and managing cash flow and capital. The new ads appeared on a high-profile billboard adjacent to the airport, several trade publications, The Wall Street Journal, the show dailies distributed on the convention floor, and the shuttle buses for the trade show. The latest ad in our "People" campaign also made its debut at SUPERCOMM and highlighted our Internet Tele-

phony and Directory Server solutions. The ad featured four Network Systems managers: John Swenson, Carletta Glaspy, Ed Szurkowski, and Vikram Karmarkar.

The reporters and analysts also had an opportunity to meet with subject-matter experts in each major technology area—optical networking, software and data networking. On Wednesday morning, Butters participated in a SUPERCOMM panel session entitled "Turning Points in Information Technology," while Investor Relations hosted a briefing for securities analysts on optical and data networking. Lucent also sponsored four Bell Labs symposia at the Network Systems booth to overflow crowds. Other subject-matter experts from Lucent took part in the various educational panels sponsored throughout the week at the convention center. □

—Steve Hudik

The product manager owns the profit and loss accountability for a BLG product line. That translates to full accountability from the beginning to the end of a product's life, including initial product planning in the product team, business case development, oversight of development activities to manage any feature/function/cost tradeoffs, initial pricing, deployment, and later life cycle enhancements and cost reduction activities. And, to help manage a product from concept to delivery, product managers and product marketers help implement policy deployment initiatives—like Cheetah—that set goals they can follow to the high-performance fast lane.

“Recently, we clearly redefined the product manager and product marketing manager jobs so that everyone knows exactly what they are responsible for, whom they work with and what is expected of them. If people know what they have responsibility for, what they must deliver and to whom—and that knowledge is cascaded throughout the organization—they will be more effective at what they do,” Ausura said.

To help Network Systems product managers keep up with their changing roles, Ausura's Product Management Process organization recently developed a new Professional Development program for that function. It will ensure that product managers

have competencies in the field. Now in the pilot phase, the program offers a series of experiences and standardized Network Systems courses in product management. Full rollout is expected in the last quarter of this year. Training for the C and D levels of product management will also be required so that the coaches understand the new roles. This will help them offer clear advice and counsel as we change the way we work.

For more on the new roles of product management in Network Systems, see the web page at <http://pm.web.lucent.com>. □

—Marie Panzera

*[\*The Network Systems Gate Process provides a disciplined framework for process improvement across the business by using checkpoints or gates to ensure compliance with process standards. For example, it provides financial discipline for making business decisions based on profitability; links the product management process with Network Systems' strategy; speeds products to market with its clear definitions and measurement of intervals for faster decisions and process improvements, and systematically evaluates customer needs to ensure they are addressed timely and efficiently. The process requires adhering to set schedules, defining success criteria, and ensuring that all needs are met before a gate is passed. Many best-in-class companies adhere to a disciplined gate process to avoid late new-product introductions, quality problems and high introduction costs. —Ed.]*

## In the News

### Lucent a Favorite in Telecom Equipment

Joe Battapaglia, chief investment officer of Gruntal & Company: “Telecommunications equipment companies have great visibility domestically [and] internationally. They will have a high growth rate. It's the service side that's going to be problematic, because there's heavy investment there but a lot of competition. Lucent is my favorite among the telecom equipment companies. The target for it is at least another 25 percent over the next 12 months.” (CNBC, June 9)

### Lucent Rolls Out Products at Supercomm

Lucent Technologies kicked off its week at SUPERCOMM '97 by an-

nouncing that Teleport Communications Group has become the first competitive local exchange carrier to deploy Lucent's Optical Line System, a dense wavelength division multiplexing (WDM) product. While the focal point of Lucent's announcement was fiber developments, the company also announced new copper transmission and software development. Lucent announced that Westell Technologies will develop DSL cards that will fill existing slots in Lucent's SLC®-2000 access system and SLC Series 5 carrier system digital loop carrier products. Westell also recently entered a similar deal with DSC Communications. Lucent also announced its new AnyMedia® soft-

ware for its 5ESS® switch. The new release offers long-distance enhancements, wireless enhancements for CDMA and TDMA, Internet support and ISDN improvements, including making ISDN a “plug-and-play” technology. (*Internet Telephony, June 3*)



### Nortel, Lucent Make Digital Subscriber Line Deals

Lucent Technologies and Northern Telecom, two telecom giants that have stuck largely to the sidelines of the Digital Subscriber Line market, have each moved aggressively to incorporate this fast copper access technology into their

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# Lightning Strikes

In February, Network Systems announced an initiative to dramatically improve the speed with which we develop new products. Called Project Lightning, its chief aim is to speed up the New Product Introduction (NPI) cycle, from customer need through initial concept, to research and development, to product availability. A cross-functional team effort, the project's overall goals hinge on realizing breakthrough improvements in new product introduction processes to measurably cut concept to general availability intervals, while improving our ability to meet customer commitments.

Lightning is proceeding along two tracks: quick improvements and breakthrough improvements. Quick improvements are successful practices found within NS that can be uniformly deployed across all Business Leadership Groups (BLGs) to reduce cycle time. A quick improve-

ment already underway is the initiative to improve BLG responsiveness to customer requests for product modification. To facilitate faster decision making, this initiative proposes to implement a standardized process for managing proposed product modifications from the sales teams to the BLGs. Breakthrough improvements are those that will result in dramatic change in NS NPI processes. To identify specific areas for improvement, Lightning teams are examining the way we and our competitors develop products and benchmarking best practices in the field.

The bottom-line Lightning approach is to accelerate NPI by implementing quick and breakthrough improvements while

leveraging the knowledge gained about our competitors and from our NS employees. And employees have been very responsive. Nancy Dreicer, Lightning team leader, said, "We recently sent out a random survey to 2000 employees on the web and in the first three days we received more than 500 responses on how we can dramatically improve our processes. The response was terrific—our employees made it clear that speed is important to our business and that they are up to the challenge of routinely beating the competition to market."

For more information, visit the Project Lightning web site at <http://infoview.lucent.com/lightning>. □



## In the News Continued from previous page



current network access equipment. Lucent announced it will incorporate Westell Technologies's Asymmetric DSL, or ADSL, gear into its network access gear.

The irony here is that Westell already has a marketing agreement with Nortel—a deal overshadowed by the latest announcements. Lucent will integrate Westell's ADSL technology into its SLC®-2000. (*Inter@ctive Week, June 3*)

A Lucent spokeswoman said the pact [between Lucent and Westell] would allow the company to have digital subscriber line products available by the second quarter of 1998 that are capable of transmitting data at

speeds of up to 6 megabits per second to customers. That is 100 to 200 times faster than the technology now typically used by home computer users to connect to the Internet over standard phone lines. Lucent said such high-speed data services can be added incrementally by local phone carriers based on customer demand. Service providers simply plug the new product into their existing digital local service phone systems. More than 25 million customers receive their local phone connections via Lucent digital loop carrier systems. (*Reuters, June 4*)

### In Search of a Soft Landing

The industry's first all-optical cross-connect system has been announced, and Lucent is practically off the ground with excitement. "Photonic cross-connects mean you'll be able

to change lanes automatically on the [fiber] superhighway," said Kathy Szelag, director of product planning for Lucent's Optical Networking Group. "If you think about fiber being 'cement' for networks," she continues, "then dense wave division multiplexing (DWDM) allows you to add more lanes without adding cement. There are multiple advantages to optical cross-connects," Szelag explains. "They're more reliable than electrical conversions. Conversions of any sort tend to introduce unreliability. With optical networking, you can get higher throughputs. What's more, the optical cross-connect doesn't care about bandwidth; it handles as much bandwidth as you need to handle. You also get fast restoration. When you do lose a fiber, you're talking about 10 milliseconds of switch time." (*America's Network, June 1*)

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## In the News

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### Lucent Announces Wireless Research Lab

One of Northern Telecom's biggest rivals—AT&T spinoff Lucent Technologies—wrapped itself in the Canadian flag by announcing the launch of a wireless research lab in the Toronto area. The lab's initial mandate is to support product development for Lucent's wireless platforms, starting with Clearnet Communications, one of a handful of Canadian digital wireless communications companies and Lucent's first Canadian wireless customer. (The Vancouver Sun, May 28) □

## Industry Watch

### AT&T Eyes Merger

AT&T is deeply involved in merger discussions with Bell giant SBC Communications, a transaction that would be valued at more than \$50 billion. Such a combination would let AT&T forego offering local service in the two big regions SBC covers and bolster its bankroll for pushing into local service in the other five Bell territories. AT&T planners now realize it could take as much as \$30 billion to crack the nation's local markets by building networks across the country—a sum so daunting that even the nation's premiere telecom company can't do it alone. (Wall Street Journal, June 11)

### Letters to the editor



**NETWORK!** will publish signed letters as space permits—reserving the right to edit for clarity. Please include your name, work location, and a contact number where we can reach you. Opinions expressed in the Letters section do not necessarily reflect the views of Network Systems management. See our contact information at right.

### Cisco Buys Network Equipment Company



Cisco Systems agreed to buy Skystone Systems for \$89.1 million of stock and cash, the latest in a string of acquisitions designed to broaden Cisco's franchise in computer networking. Skystone specializes in equipment used for high-capacity, long-distance networks by telephone companies and large Internet service carriers. (Wall Street Journal, New York Times, Globe and Mail [Toronto], June 10)

### Microsoft and Comcast Ink a Deal

[Comcast President Brian Roberts hopes] Microsoft's \$1 billion investment in Comcast will spur the cable industry to finally complete the construction on infrastructure that can bring broadband networks to homes across the country. [Cable companies] have been busy holding on to their markets and fighting off direct satellite broadcast. Now, with the Microsoft deal, analysts said that at least one cable company [Comcast]

may be positioned to finally merge the PC and television industries. But [Roberts and Microsoft CEO Bill Gates] discussed both a connected PC and a connected TV. Both would be hooked up to cable modems for fat connections. The connected PC would offer users better management capabilities and richer support. On the television side, Gates wants to meld his company's WebTV technology with cable, to provide faster and richer access. (ZDNet News, June 10)

### Dense WDM Drives High-Speed Networks

Long-distance companies MCI and Sprint are deploying both Wave Division Multiplexing (WDM) and Synchronous Optical Network (SONET) systems operating at 10 gigabits per second. New player Qwest Communications is building the first national all OC-192 network. It will use Dense WDM, or DWDM, to put up to 16 different wavelengths on each of 96 fibers. The company uses OC-192 systems from Northern Telecom. (Inter@ctive Week, June 11) □

## NETWORK!

**NETWORK!** is published every Thursday, or more frequently in the event of breaking news. It can be accessed on the Web at <http://infoview.lucent.com/pubs/network>. You also can receive an e-mail, fax, or Unison printer subscription through the Library Network at 908-582-4840 (option 2); the URL <http://infoview.lucent.com/pubs/network>; or by sending an e-mail request to [alert@library.mt.lucent.com](mailto:alert@library.mt.lucent.com). Include your name, social security or badge number, and e-mail address, fax number or printer name.

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June 13, 1997 Vol. 6 / Issue 25

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