Telefónica Chile Cuts Time-to-Market of applications by 15% with CA Service Virtualization

CLIENT PROFILE
Industry: Telecommunications
Company: Telefónica Chile (Telefónica Group)

BUSINESS
Part of the Telefónica Group, Telefónica Chile provides landline and mobile telephony, Internet, data access and pay TV services, in addition to IT services for companies under the Movistar brand.

CHALLENGE
To maintain market leadership through new digital business, Telefónica Chile needed to adopt the necessary efficient practices to develop applications with the time-to-market and quality demanded by its business.

SOLUTION
Telefónica Chile chose CA Service Virtualization as a platform to support application development and testing processes and to optimize costs and software development life cycle (SDLC).

BENEFIT
Among other benefits, Telefónica Chile achieved a 20% reduction in the cost of infrastructure requirements for testing, in addition to advancing the SOA practices.
Business
Chilean leader in telecommunications

Telefónica is one of the world’s largest telecommunications companies by market capitalization. Its activities are centered mainly in landline and mobile telephony business, with broadband as the key tool for the development of both businesses. Globally, it is present in 25 countries and has a base of approximately 295 million customers, including landline telephony access, Internet and data access, mobile access, and pay TV.

A part of the Spanish group, Telefónica Chile is now the largest operator in Chile, where it sells its products through the Movistar brand. The company is present across the country, including in Antarctica and Easter Island, with products and services covering all segments.

Each month, Telefónica Chile serves over 150,000 new applications from its customers, carries out 128 million calls, and receives over 2.8 million hits on its website.

Currently, it has more than 13.6 million subscribers in the country, with a growth that is leveraged by TV and postpaid mobile telephony – Movistar has a 70% market share for postpaid mobile telephony in Chile.

In addition to telecommunications services, Movistar provides Information Technology services to its customers. With the aim of maintaining the continued growth of its business, the company has recently structured a number

Challenge
IT quality and efficiency to maintain market leadership

“We had been adopting inefficient practices to develop applications with the time-to-market demanded by the business.”

Eliacim Manriquez
Planning, Government and Architecture Manager, Telefónica Chile

For the next three to five years, Telefónica Chile has the challenge of maintaining market leadership through the development of new digital businesses while leveraging on the growth of TV Ultra Broadband in landline and mobile telephony. To do this, it is focusing efforts on three key capabilities:

- Deliver – the ability to deliver quality service in an efficient and timely manner
- Discover – to know the customer and meet their needs instantly
- Disrupt – to innovate by pursuing new opportunities and partnerships.

The IT area is recognized as a lever for business and, as such, leads the company’s transformation in an initiative to change systems and processes over the next three years. On the other hand, and through innovation initiatives, the IT area begins to turn into a business unit – leaving its role as optimizer of business processes towards a central role in generating additional revenue.

This way, applications and software development – which were already essential to ensuring that the needs of customers, business, customer management, accounts and networks, and market demand for new and increasingly efficient services – have gained more importance. For Telefónica Chile, issues such as time-to-market, development costs and application quality control were an obstacle to be overcome. “The inherent complexity of application development and testing made the work of testing and development teams more difficult”, said Eliacim Manriquez, Planning,
Government and Architecture Manager of Telefónica Chile.

Telefónica Chile then decided to search for a technological solution that could allow it to optimize and shorten the development cycle and reduce infrastructure costs involved in the process of creating and testing software. “We had been adopting largely inefficient practices to develop applications with the time-to-market and quality demanded by the business”, said Manriquez.

In the tool selection process, Telefónica Chile compared how available solutions solved virtualization in special cases of integration in the company and evaluated other factors such as simplicity of use, variety of protocols and platforms supported, as well as the infrastructure requirements inherent in the solution. Telefónica Chile chose CA Service Virtualization as a technology platform to support its software application development and testing processes and to optimize costs and software development life cycle (SDLC). “CA Service Virtualization has exceeded expectations with special cases of Telefónica Chile without any sort of inconvenience or delay”, said Manriquez.

With the aid of TDI, a local partner of CA Technologies, Telefónica Chile has implemented the tool and developed the virtualization of the first 30 services in a record time of three months. “CA Technologies is the technological partner of Telefónica Chile in all aspects related to making the most of our applications and capabilities to create them”, said Manriquez. “We have received constant support directly from sales specialists of CA Technologies, as well as its growing network of partners.”

Currently, the company uses the CA Technologies solution to simulate systems, scenarios and services on which it can try and test new applications. In addition, instead of implementing related applications in the phases of development, certification and testing, with CA Service Virtualization, Telefónica Chile provides virtualized services to ensure that tests are conducted based on real-life scenarios.

Telefónica Chile also uses CA Service Virtualization to advance in the SOA (Service-Oriented Architecture) practice, through which it can now leverage these developments in new, different services.

The focus of the virtualization with CA Service Virtualization is the processes of Customer Additions for different products through channels of interactive voice response (IVR), web, and branches throughout the process.

Currently, Telefónica Chile has three levels of virtualization services based on CA Service Virtualization:

- 40 services with case studies prepared on an ad hoc basis
- 110 virtualized services through proxy capture
- 150 simple services based on WSDL definitions (web service description language).
All projects started since July, when the solution became operational, operated with managed service virtualization, which involves all development units (480 staff) and the testing and quality assurance areas (30 staff).

Telefónica Chile identified a number of benefits since its adoption of CA Service Virtualization. The company highlights the following:

- 15% reduction in the time-to-market of new applications and services
- 10% reduction in the total construction time for applications
- 5% decrease in development costs
- 20% reduction in infrastructure requirement costs for testing and trials
- Progress in the maturity of the SOA practice
- Improved software quality with testing started at earlier stages.

In addition, with the adoption of CA Service Virtualization, the company has achieved indirect benefits such as:

- Identifying services not present in the catalog
- Identifying the need for technology upgrades for development teams to ensure alignment with the architecture.

Prior to adopting CA Service Virtualization, the company had to provide services and environments for testing, including the allocation of a design infrastructure. This caused high costs to Telefónica Chile and delayed the time-to-market of new applications and services. Now, with the CA Technologies solution, the company virtualizes services and the testing scenarios so that new applications can be tested and their quality can be assured without the need to invest in trial environments.

Also, the CA Service Virtualization solution eliminated the need for the use of mocks in application testing. Manriquez explains that the development of mocks is not able to capture a wide variety of business cases. In addition, work with mocks has high integration costs and implies a practice that is driven solely by the tests and is not developed in the company. “With CA Service Virtualization, applications are tested in an integrated and real environment. Tests are only conducted in isolation”, said Manriquez. “Today, we can ensure the quality and smooth performance of applications with testing scenarios that perfectly simulate the operating environment”, said Manriquez.

In summary, the benefits obtained with CA Service Virtualization allow Telefónica Chile to compete with the best service, operate with efficiency and streamlined processes, and achieve business transformation.
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