Q&A With Itzik Weinstein, Telco Systems

Providers can benefit by adopting a more service-oriented approach, says Telco Systems' new CEO.

Telco Systems has been a pioneer of Ethernet as carrier technology since the early 1980s and was an early supplier of active Ethernet technology for fiber to the home. For the last several years, it has focused on Metro Ethernet and mobile backhaul solutions for business and wireless applications, which the company believes present the greatest opportunities for the telcos, cable providers, municipalities and utilities it serves. Today, Telco Systems is working on reintegrating residential services back into the mix so its customers can operate converged networks that offer a complete range of access services.

The company's emphasis on business services is evident from its recent product announcements. Since fall 2010 alone, Telco Systems introduced a service management platform and a related support program for simplifying service deployment in Carrier Ethernet and MPLS edge networks; launched a 40G switch blade that enables Metro Ethernet, 4G mobile and other applications; certified its Ethernet demarcation device to work with CableLabs' DPoE specifications; and upgraded its mobile backhaul solution with IEEE 1588v2 technology, which ensures highly precise timing and synchronization over packet-based networks.

In spring 2011, to extend both its product line and its customer base, the company bought the assets of ANDA Networks, a vendor of primarily copper-based Metro Ethernet solutions.

Recently, BROADBAND COMMUNITIES had the opportunity to speak with Itzik Weinstein, who was named CEO of Telco Systems in May. Though Weinstein is new to the company, he has more than 20 years' experience in the telecom and high-tech industries, most recently

Itzik Weinstein, CEO, Telco Systems

as president and CEO of ECtel, a provider of revenue management solutions to the telecommunications industry.

Broadband Communities: You've held senior positions with technology companies as varied as VocalTec, which made magicJack a household name, and Intel. What attracted you to Telco Systems?

Itzik Weinstein: The main reason I joined the company was its focus on growth. There's a lot of room to grow in two directions – growing the portfolio of offerings on one side and the installed base of customers on the other side. Growing our portfolio involves providing a full, managed solution from the core to the end user – giving the customer an option to manage services all the way. The other side involves penetrating new areas, such as the utility market – growing into new niches.

BBC: Are you looking at supporting smart-grid applications in the utility market?

IW: No, we're not targeting the smart grid [applications for managing the utility's own infrastructure] but rather utilities that are building separate communications infrastructures to provide business services and mobile backhaul. These utilities already have the fiber, power and real estate they need to offer these services. In the case of mobile backhaul, mobile providers pay for the infrastructure, and in some cases the utilities actually actually rent space to mobile providers on the existing microwave towers they use for utility communications. In this way, mobile backhaul basically becomes a cash cow for the utilities.

K-PowerNet [a subsidiary of electric utility KAMO Power] is using our demarcation solution to provide mobile backhaul in Oklahoma and Missouri. And we already have multiple utility customers and service providers across the U.S. that are offering services to schools, hospitals, firefighters and other organizations.

BBC: What kinds of utilities are getting into this business?

IW: Mostly cooperatives and municipal utilities but also some larger companies. For example, we have a solution with a subsidiary of Duke Energy. We see this as a growth area because they are getting stimulus money, so it's a good target for us. They are leasing towers to the incumbents and getting quite good money out of that. We definitely see them as one of our growth areas in the U.S. – and not just in the U.S. but in other countries as well.

BBC: What new types of customers do you hope to reach with your acquisition of ANDA?

IW: The acquisition of ANDA will let us grow into serving tier-one customers in the U.S. We'll continue to ride on ANDA's relationships with these customers and try to offer our [fiber-based] products to these customers as well. In general, before we acquired ANDA, our main focus was on tier-two and tier-three carriers, and we'll continue to pursue those also. There was also a lot of synergy between our product lines – ANDA focused on Ethernet over copper, which we didn't have at Telco Systems.

BBC: Are you still operating in the active Ethernet market?

IW: We haven't done much investment in new residential products recently, but now we're starting to look at the access market as multiservice: business services, mobile backhaul and also residential. We paid a lot of attention to business services, and then to mobile

A multiservice approach is needed because residential services, business services and mobile backhaul will all run on the same infrastructure.

backhaul; now we're building a strategy for approaching FTTH on the active side and integrating it into the solution.

We actually see more opportunities on the fiber-to-the-home side now that Google is pushing gigabit networks. And in the Middle East and Europe, we see utilities building strategies to provide services to residential markets. In the past, we invested in active Ethernet customer-premises equipment, but now we're approaching the market as a solution provider, not just a provider of customer-premises equipment. With [the technology we've added in the last few years], we now have a solution to approach the market in this way.

BBC: What differentiates service-oriented solutions from network devices?

IW: A service-based approach gives customers the ability to configure services and sell services and focus on what they sell in a simple manner. You have to look at the network as a managed service; you have to be able to configure end-to-end services and define and provision quality of service. Again, we see this as a multiservice approach to residential services, business services and mobile backhaul because all those applications are going to run on the same infrastructure. We have the management tools to support this approach – and that's really an advantage for us. ❖