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[00:18] The second is really about what to do with these legacy networks and how to cloudify them and how to really harness the power of AI and get a network that looks more innovative and future-ready. And then the last one for us is just we saw a tremendous opportunity to grow.

Announcer: [00:35] This is Telco in 20, a podcast that helps telco execs achieve a competitive advantage with AI and the public cloud. It is hosted by Danielle Rios, also known as DR. Today we're talking to Brian Beutler, the founder and CEO of Alianza.

DR: [00:55] Hi guys, I'm DR. A few weeks ago Alianza announced that it's buying Metaswitch from Microsoft. You guys know Metaswitch. Back in the early 2000s, Metaswitch was well known for its cutting-edge softswitch technology. It played a big role in the telco industry shift to software-defined networking growing to nearly \$200 million in revenue. Microsoft made big news in 2020 when it acquired the company for more than \$270 million with plans to help telco customers move towards a cloud-native future. But things never got off the ground for one reason or another. And news spread that key products like MaX UC were being put to pasture, leaving everyone, most especially Metaswitch customers, wondering what would happen next. Then Alianza stepped up to the plate. You guys know Alianza. Alianza is a startup based in Utah and is a leading cloud communications platform for service providers built directly on the public cloud.

[01:53] This past December, it put in a bid for Metaswitch and walked away with a deal for the entire product portfolio. Alianza plans to help telcos develop their path to cloud modernization, capitalize on NextGen tech like AI, and help operators reclaim their market leadership. Today I am talking with Brian Beutler, Alianza's founder and CEO about this noteworthy acquisition. We're going to dig into why he decided to make this bold move,

how his team plans to transform Metaswitch for modern cloud services, and how he's going to handle the overnight explosion of growth Metaswitch will bring to Alianza. So let's take 20. Brian Beutler is the founder and CEO of Alianza. Hi Brian, welcome to Telco in 20.

Brian Beutler: [02:38] Hi Danielle. I'm so pumped to be back with you.

DR: [02:40] Well, I'm super excited to talk to you because you've been making all sorts of crazy news. In December, Alianza announced the acquisition of Metaswitch from Microsoft. Metaswitch is a company known as one of the original innovators in softswitch technology that helped revolutionize telecommunications in the early 2000s. So I think on the top of everyone's mind, why did you buy Metaswitch?

Brian Beutler: [03:03] Look, number one, it has been a super exciting month. In so many ways Metaswitch is the OG of the legacy softswitch business. It has a stellar reputation for talent, for delivering some of the best software to telcos for the last 20-plus years. And so for us, when we looked out at the market, it feels like when it comes to telco core communications network, there's been a vacuum for a true market leader that has the size, strength, and investment, and customer base as well as the innovation and roadmap to get customers excited again. So for us, it was all about listening to our customers and creating for the first time in almost a decade, a true market leader again. I think there were three areas that get us really excited about this business. Number one is just the reaction from customers. And in some ways this is the outcome of listening to our customers, listening to the market, and fulfilling their request for us to try to create a safe landing zone for so many of them trying to figure out what to do with these legacy networks and how to cloudify them and how to really harness the power of AI and get a network that looks more innovative and future-ready.

[04:07] The second is really about customers' request to pave this path to the cloud to make it easier. I mean, these are big complex networks with so many tentacles into OSS and BSS and billing, taxation, you name it. And they really need a partner that can streamline that process. And there's nothing that does that, like controlling both the legacy donating platform and the go-forward cloud landing zone to be able to curate and smooth

that path. And then the last one for us is just we saw a tremendous opportunity to grow. This acquisition for us is not at all about harvesting synergies and optimizing the workforce, but it's about taking this great talented team of people, integrating them into Alianza and growing as a team together.

DR: [04:48] Yeah, I bet you the team being acquired is super excited with that message. I always want to learn from the acquiring business that you plan to invest in it and you see growth in it. So that's an amazing vision. And so you've built your product at Alianza completely on top of the public cloud. We've talked about this in another podcast and we'll link to that in the show notes. It was a great conversation, but Metaswitch, as you mentioned, is mostly on-premise. So is your plan to move customers off of that Metaswitch technology and over into your Alianza cloud platform?

Brian Beutler: [05:19] Our strategy to start off here is really a multi-phase approach. Phase number one of this is just to create some stability, steady hand on the tiller where we can really go out, work with our customers, listen to them, and allow them to choose their own adventure in a cloudification journey that makes sense for them at a pace and in a way that minimizes disruption optimizes future opportunity. And so I think long story short, we're here to listen and to learn and really help our customers craft a path to the cloud that makes the most sense for them.

DR: [05:51] That's a really good answer, and that's what we've seen at least at Totogi, is different countries and different telcos are adopting the cloud, which is great news, but everyone's going at a different pace, and so they probably love that answer from you.

Brian Beutler: [06:03] Yeah, totally. I mean, I think it's really important to remember that telcos have complex back office systems and in many cases, they do network planning not in quarters but in years. And so to really minimize disruption and create stability on what they have in their network today and remind them that, "Hey, we're here for you. We're going to honor all the outstanding commitments. We're going to try to lengthen some of the notices that have been given out that have caused some turbulence in the market." Really create some stability so that

they can then have a little bit of calm space to make the right strategic decisions for them going forward. And give us a chance to share what we think the optionality looks like as far as what those different paths are to modernize the network.

DR: [06:41] That's awesome. So there was a little bit of news around Microsoft and Metaswitch in June of 2024. Microsoft was winding them down or slowing down the innovation. So what's your plan to get your arms around the customer base, give them big hugs, and really pull them back into the fold before they swap off to another product?

Brian Beutler: [07:01] Yeah, so first off, I think the market over-rotated on the news that came out of Metaswitch late 2023 and then early to mid 2024. Yes, Microsoft made the announcement that said that they were exiting the network functions business in June of 2024. But really I think what got service providers nervous was the news that preceded that about MaX UC end of life and some changes to the perimeter product. Our intention given that turbulence is to come in, hit the pause button on those notices once again, create some safety, some stability for those service providers, remove a sense of urgency and panic, and let them take a big deep breath. And then assess with us together on a go-forward basis what the right path looks like. As I talk with my chief commercial officer, Jonathan Wagner, and our chief Product Officer Dag Peak, what we really want to do right off the bat is launch a customer listening tour.

DR: [07:52] Totally.

Brian Beutler: [07:53] We're going to talk with customers large and small and everything in between and really give them a voice to co-create what the future looks like together. So this isn't Alianza coming in hot with kind of, "Hey, we've got all the answers," but it's very much like, "Hey, we have a lot of tools in the tool shed now that we can go build something together that's better and more exciting than anything you've seen before." And I think this is the message that service providers are getting super excited about. I've had so many service providers reach out to me and say, "Brian, thank you for executing this deal. You've given us hope again for the first time in over a decade. I'm excited about the future of my voice network." And so that energy spreads gets us excited, it gets our team excited, and we think this

transaction can really be kind of a forcing function for the transformation of an entire industry and the emergence of a new market leader.

DR:

[08:41] Yeah, that's so important. I think post-acquisition, not hiding against the immense amount of work there is to do, you know, the integration and the transition of processes and tools and people, but getting out there on the road and talking to real customers. What's worked? What do you love? What do you want to be different? Can really get a lot of great feedback. So I think that's an amazing idea for you guys to go do that. And so you mentioned in the press that this deal will expand Alianza's customer base from 200 operators, which is super impressive to approximately 1000 service providers, including 19 of the top 20 global operators, which is so awesome to say as a startup. Congratulations. That's so impressive. And so how will you guys manage the significant growth to ensure a smooth transition for Metaswitch customers?

Brian Beutler:

[09:28] Yeah, I love this question and I think I'm going to go back a couple years to a point in time when we started to feel the market shifting. Internally, we talk about, it felt like the wind shifted.

[09:38] And instead of tacking against the wind and trying to convince service providers that the cloudification of their network was the right strategic choice, our conversations with service providers started to change, and we started focusing and talking about how and when this transition made sense. And that mind shift and conversation shift from if to when was a big deal for us. And at that point in time, we said, "All right, this is coming. There's a big change in technology that's going to change the entire market. Let's build a team that's capable of leading that change of guiding the market through this transition." And so I added together with our board of directors, a whole new emphasis internally on building out a leadership team capable of taking advantage of this moment. So if you think about the two individuals I just talked about, Dag Peak, Jonathan Wagner, really building out our C-suite, made some changes to our board of directors, getting the right voices in, a diversity of opinion that could really help guide us through this transitory time.

[10:36] It started with people and leadership, but I think today, even on the heels of this announcement, really stoked about the talent that's gravitating towards Alianza. And when it comes to serving these customers, we've added key individuals like Ben Dooley and Jed Pell in Europe that come from Cisco, Jacobo Ramos and Mo Alrubaye from RingCentral to run Latin America and professional services. We've got key folks coming from really every legacy telco and SaaS and cloud player in the market that looks at what we're doing at Alianza and saying, "I want to be a part of that. I built my career doing this." And so I feel really fortunate and blessed that some of the best smartest minds in the industry that understand telco core communications networks are gravitating to Alianza. And I think that's one of the things that gives me a tremendous amount of confidence and excitement is despite the fact that we know this challenge that you described is a big one, we've got a team that's up for the challenge. We've got a really supportive customer base that's leaning in with us and co-creating that outcome together.

DR:

[11:34] Yeah, it's super tough to do this because it's an exponential addition in terms of people and complexity in customers. You're dealing with legacy code that your team doesn't own. And so there's this learning curve of getting your people from Alianza pre-acquisition up to speed on Metaswitch and then getting the Metaswitch employees understanding the speed that you guys work at Alianza. And there's a technology difference between the two groups. And so I totally get it. I've been going through it myself. I recently acquired a business, and so we're balancing those two things every day, and every hour. It's aligning teams and setting the priority. And it's different than a startup, but it's just as exciting. And so it sounds like you guys have a great plan, and I think as you mentioned, building out the team with some experience is super key.

Brian Beutler:

[12:23] Totally.

DR:

[12:23] And so as you look ahead, how do you see AI playing a role in Alianza's expanded portfolio?

Brian Beutler:

[12:28] Yeah, this is a great question. I know that one of the reasons why Microsoft chose Alianza as the eventual home for the Metaswitch business is because they wanted a partner that they felt like they could still stay in the game, deliver value to

customers, and leverage so many great investments they're making in copilot and other AI capabilities. So I'm really excited about what the future looks like as we harness our existing capabilities with our strategic relationship with AWS, but also bringing to bear some of the unique capabilities that Microsoft has to deliver our customers greater optionality and really utilizing the best of two of the world's greatest hyperscaler platforms and AI innovators on the market.

DR: [13:10] That's awesome. So as I mentioned, you and I both recently acquired companies, you with Metaswitch and me with CloudSense, and so you're in the thick of it. So am I. And so what's your number one tip on how to make sure your acquisition gets off on the right foot?

Brian Beutler: [13:25] Yeah, my answer might surprise you, Danielle. I think about things like financials and your financial plan, your product plan and your roadmap, your strategy with your customers, and even the customer listening. All of that's super important for us. But I'm taken back to Alianza and I look at our core values as a company and our number one core value that we look at in moments like this is alignment. And for me, this comes down to aligning the people. I mean, we're taking two very large employee bases, combining them, and then making sure that they're not just combined and mashed together, but we're doing it in a way where we bring together the hearts and minds and we get passion and inspiration again, and we get a team working together. I'm just such a big believer of the power of alignment when you have a team of talented people all moving in the same direction, they can move mountains. And so for me, it's all about the people, the people, the people, the team, bringing them together and making sure we have a common vision, common directives, and really clear on the impact we want to make together.

DR: [14:22] Yeah, I totally agree on the people. I think that a lot of times acquisitions don't get off on the right foot and you can set them off in the wrong way. And the culture is sensitive work. They had a culture before you showed up. You definitely have your culture at Alianza. It doesn't automatically blend and mix. In some cases, you don't want it to be a 50/50 situation. So my big thing with acquisitions is moving really fast and not really trying to be perfect, but trying to get it integrated and set the

tone from the beginning of here's the plan, here's how we're different, here's what we're going to do. But then also having a little bit of a softness approach on the people side to understand that change is happening to this population. And so whenever you're enacting the change, everything's great because you're so excited and go, go, go. But when you're on the other side of it and you're receiving change, sometimes that doesn't feel so awesome. So I always say really focus on your HR stuff at the very beginning and go fast.

Brian Beutler: [15:20] I love it. I'm reminded of the childhood game I used to play called Operation.

DR: [15:24] Oh, totally,

Brian Beutler: [15:24] Where it has the timer, so you kind of have this time crunch. There's a sense of urgency, but you also have to be really careful, really thoughtful, really purposeful. And I think that's the phase we find ourselves in, is we want to move expeditiously. We want to bring these two teams together, integrate them as best we can, not wait, act when we can. Work with a sense of urgency, but also being really thoughtful, really purposeful, and when we need to have a willingness to hit the pause button, slow down and make sure we get some of these key decisions so we don't have to backtrack and rework because that's always super hard.

DR: [15:55] Well, you can't redo it. Once the shot's been fired, you can't put the bullet back in the gun. So, Brian, you're one of the most impressive software leaders in telco. Everyone is so excited and can't wait to see what you do with Metaswitch and wish you Godspeed and the best of luck.

Brian Beutler: [16:10] Oh, Danielle, you're so kind. I feel likewise. Thanks for being a voice to evangelize the cloudification in our community. We need you. We need this conversation. Telcos need this. And I just couldn't be more excited about the future that we're all creating together.

DR: [16:21] Awesome. Stick around. We end each podcast with a Telco in 20 takeaway. I've got two minutes to tell you something you need to know. Brian is right. The question is no longer if telcos will move to the public cloud, but when. Besides Alianza's

plan to modernize Metaswitch with public cloud technology, this past year we saw major operators like Telefonica Germany and Comcast join DISH in moving their networks to the public cloud. The shift to the cloud is well on its way. And now with the rapid advancement of what you can do with AI, the ship has sailed. You're going to need the public cloud to get access to the AI chips, software, foundation models, and frankly, execution capability of the hyperscalers to help you become AI-first. Can you really afford to wait while your competitors race ahead? If you're ready to use the public cloud for AI, I'm your girl.

[17:20] Come find me at MWC25. I'll be giving another one of my must-see talks on Monday, March 3rd at the GenAI Summit where Totogi is a sponsor. You can also find me at the Totogi booth in Hall 2 and in the AWS space. Be sure to stop by for demos of our amazing products and make a plan to attend the best party in Barcelona, compliments of Totogi on Wednesday, March 5th. DM me on LinkedIn and X at TelcoDR so we can make a plan to meet in Barcelona. In the meantime, don't forget to tune into more Telco in 20 episodes, like and follow, and leave us a five-star review. Sign up for my amazing totally free email newsletter on TelcoDR.com and check out our rockstar YouTube channel. Later nerds.