

MARKET NOTE

Amdocs Beefs Up GenAI/amAIz Story with NVIDIA Partnership

John Byrne

EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: Amdocs-NVIDIA Partnership

Amdocs announced a collaboration with NVIDIA in November 2023 focused on accelerating the adoption of LLM-fueled GenAI applications and services for comms service providers (SPs) and media companies. Amdocs will take advantage of NVIDIA's clear leadership in AI and GenAI GPUs, supercomputers, and multicloud support to advance network- and customer-focused applications across Amdocs' expansive portfolio. The NVIDIA affiliation should provide a boost to Amdocs' amAIz framework announced in June 2023.

Key Takeaways

- Amdocs and NVIDIA announced an alliance November 7 designed to accelerate the adoption of GenAI across Amdocs' expansive portfolio of network- and customer-facing applications.
- The affiliation enables Amdocs to align itself with NVIDIA, which has established itself as the clear leader in the burgeoning market for AI and GenAI across telecommunications and a host of other industries.
- Amdocs will benefit from NVIDIA's telco-focused value proposition centered on DGX "BasePOD" reference architecture focused on comms SP environments and use cases.
- The NVIDIA affiliation provides a strong complement to the joint customer engagement platform announced by Amdocs and Microsoft in February 2023.

Source: IDC, 2023

IN THIS MARKET NOTE

This IDC Market Note provides details on the joint Amdocs and Nvidia November 2023 announcement that the two companies are entering into a strategic alliance to optimize large language models (LLMs) to speed the adoption of generative AI (GenAI) applications and services within the telecommunications and media industries. The alliance, in conjunction with Amdocs' expanded strategic alliance with Microsoft announced at MWC23, provides comms service providers (SPs) with the ability to deploy advanced GenAI applications in support of cross-telco domains, from network deployment to customer-facing applications.

IDC'S POINT OF VIEW

Amdocs and NVIDIA announced an alliance November 7 designed to accelerate the adoption of large language models and GenAI applications across Amdocs' expansive portfolio and beyond, supporting customer-facing apps focused on customer journey management and monetization as well as network deployment, optimization, and service and network automation products. Amdocs will utilize NVIDIA's AI foundry service for Amdocs' amAlz GenAI framework to enable customization of enterprise-grade LLMs to comms SP ecosystems.

Amdocs amAlz is a telco-specific generative AI SaaS framework designed to benefit comms SPs in two ways – by leveraging the Amdocs "Copilot" capabilities that embed GenAI functionality into Amdocs CES products and with a robust library of telco-oriented use cases, either out of the box or custom built. This expanding collection of use cases spans consumer and business domains utilizing GenAI through the comms SP's ecosystem and enables functionality such as Bill Explainer and Conversational Selling.

Amdocs Leverages NVIDIA's Clear AI Hegemony

Amdocs will rely on NVIDIA AI foundry service (NVIDIA AI Foundation models, NeMo framework, and DGX Cloud) to create custom telco-oriented LLMs. The NVIDIA AI foundry service brings scalable compute power, preinstalled and managed by NVIDIA. This service serves as a modern AI factory, empowering every company to manufacture its own intelligence. It enables software providers like Amdocs and comms SPs to build custom GenAI models trained on their proprietary data for their specific use cases. With the mad rush underway in 2023 as enterprises in a host of industries look to embed GenAI in a host of internal and customer-facing applications, NVIDIA launched the NVIDIA DGX Cloud in March, hosted by cloud service providers including Google Cloud Platform, AWS, Microsoft Azure, and Oracle Cloud Infrastructure, "democratizing" access to AI and making it much more cost effective for companies in telecommunications, entertainment, and healthcare and a number of other industries that rely heavily on managing and manipulating vast data stores. DGX Cloud is a serverless training-as-a-service platform targeted at developers and data scientists building customized large, complex LLMs and GenAI models. DGX Cloud is architected for high-performance, multinode training and includes a single-pane view for users to manage model development workflow and team collaboration. It also includes direct access to NVIDIA's AI solution. NVIDIA counts 8 out of the top 10 global telcos among the thousands of customers using the DGX platform.

NVIDIA has emerged thus far as the clear winner in the push toward advancing LLMs that was ushered in by the public introduction of ChatGPT in November 2022 and has taken off in 2023. NVIDIA has dominated the market for AI-focused silicon for the past 10 years and has sharpened this focus on GenAI to prepare for the introduction of a host of models in development, including not just

ChatGPT/GPT-4 but others supported by Meta (LLaMA), Google (Bard and PaLM), Cohere, Hugging Face, and many others. As a result, NVIDIA has seen its revenue increase 206% year to year through the first 3 quarters of 2023, its shares have skyrocketed 236% since the start of the year, and its CEO, Jensen Huang, has seemingly appeared at the customer conferences of every vendor in the tech space, all eager to burnish their GenAI credentials by affiliating with the clear GenAI leader.

In the case of AI infrastructure solutions for the telecommunications industry, NVIDIA offers prescriptive solutions that reduce the design complexity, deployment time frame, and cost associated with scaling AI workloads. NVIDIA DGX "BasePOD" reference architecture specifically addresses use cases that require on-premises environments. It leverages established design principles alongside DGX systems purpose built and optimized for deep learning and integrated with NVIDIA networking, certified partner storage solutions, and system management components. This foundation is designed to help comms SPs build an AI development platform that can expand as AI workloads grow, incorporating a portfolio of ecosystem partners including DDN, Dell, IBM Storage, NetApp, Pure Storage, VAST Data, and WEKA. DGX BasePOD also includes the NVIDIA AI Enterprise software suite, which includes open source containers and frameworks certified to run both on premises and in the cloud in support of demanding telecommunications workloads such as LLMs, conversational AI, routing optimization, and video analytics.

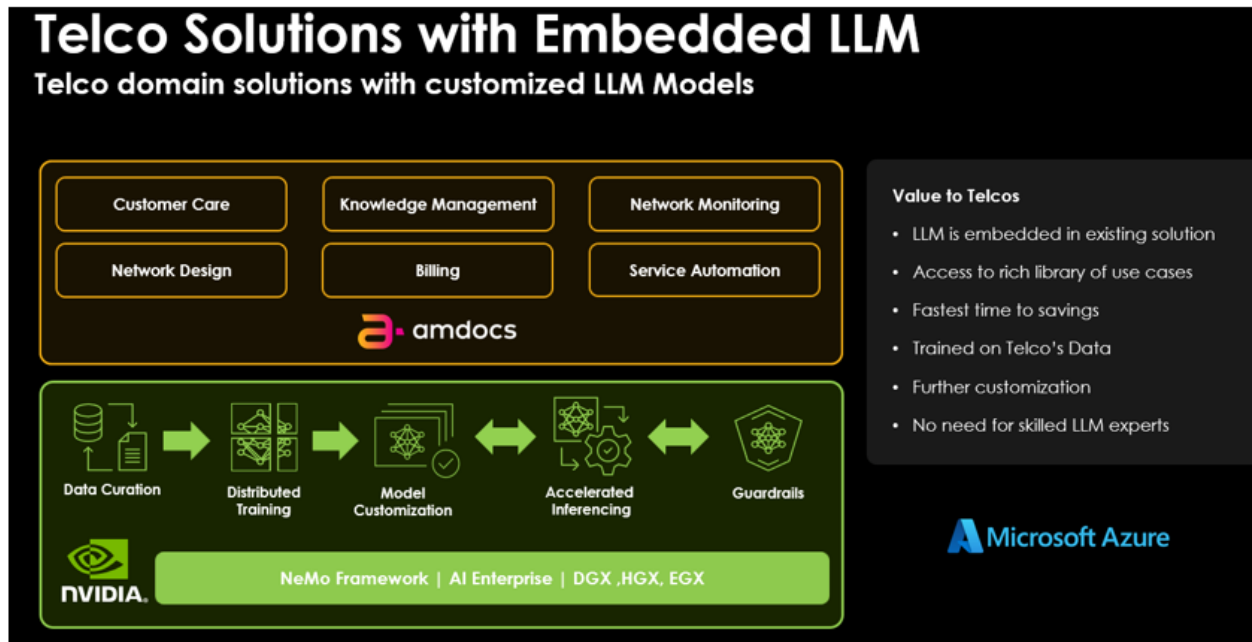
Amdocs customers will also gain access to the NVIDIA NeMo, part of NVIDIA AI foundry service, an end-to-end framework that helps companies customize state-of-the-art foundation models and then deploy them in production. These custom models can then be used for a variety of GenAI tasks applicable to the particular requirements of the customer. NeMo framework also features "Guardrails," a service that helps ensure that GenAI-fueled conversations with customers stay on track and with relevant context.

NVIDIA Provides Boost to Amdocs-Microsoft Partnership

The NVIDIA partnership is Amdocs' latest expansion of the company's focus on GenAI that began in earnest with the introduction of the amAlz framework in June. At Digital Transformation World in September, Amdocs was showcasing the benefits of GenAI within its Cloud Management Platform, bringing a comprehensive approach to hyper-automation in cloud operations. Existing capabilities now leverage GenAI to converse with monitoring systems and solve problems even faster and more accurately. Amdocs and NVIDIA will augment this approach with early use cases focused on proactive resolution of configuration, coverage, or performance issues as (and eventually before) they arise, as well as faster resolution of customer inquiries using inference data from multiple internal data sources (see Figure 2).

FIGURE 2

NVIDIA-Amdocs-Microsoft Solution Summary



Source: Amdocs, November 2023

The NVIDIA partnership should also provide a vital complement to Amdocs' expanded customer engagement partnership with Microsoft that was announced at MWC23 in February. The combined platform integrates Amdocs' Commerce & Care Suite with pre-integrated Microsoft Cloud solutions and leveraging Microsoft's popular Dynamics 365 enterprise resource planning capabilities.

The NVIDIA partnership should provide additional horsepower that should help Amdocs and Microsoft achieve the goal of enabling more immersive customer engagements for their comms SP customers, powered by natural language processing and backstopped by NVIDIA's industry-leading GPU processing capabilities.

LEARN MORE

Related Research

- *Addressing 5G Visibility and Observability Challenges Is Vital to 5G Monetization* (IDC #US50801723, September 2023)
- *Netcracker GenAI Telco Solution Offers Path to Faster GenAI Adoption Across Customer Engagement and Operations* (IDC #ICUS51241523, September 2023)
- *Aria-Salesforce Partnership Boosts Aria's GenAI Credibility and Sharpens Salesforce's Focus on Communication Business Imperatives* (IDC #ICUS51237223, September 2023)
- *Market Analysis Perspective: Worldwide Communications Service Provider Operations and Monetization, 2022* (IDC #US49603722, August 2022)

- *Ecosystem Orchestration Platform Vendor Reference Guide: Telecom/Communications Service Provider Edition* (IDC #US51039123, July 2023)
- *Amdocs' amAlz Framework Targets Generative AI Opportunities in Network Operations and Customer Engagement* (IDC #lcUS50834023, June 2023)

Synopsis

This IDC Market Note provides an analysis of the alliance between Amdocs and NVIDIA announced in November 2023. The two companies will collaborate on initiatives designed to speed the adoption of generative AI (GenAI) applications and services within the telecommunications and media industries.

"Since introducing Amdocs' amAlz platform in June, Amdocs has taken major steps to flesh out its vision with a solid road map of real-world GenAI use cases in both network operations and customer-facing applications," says John Byrne, research VP, Comms SP Operations and Monetization at IDC. "Partnering with the clear leader in AI and GenAI will provide a significant boost to Amdocs' amAlz platform and will provide a nice complement to the customer engagement partnership Amdocs announced with Microsoft earlier in 2023."

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Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com

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