



## EXPERT OPINION:

## Leveraging service performance assurance to gain from existing and future market transitions

In his recent research, *Service Assurance Systems: Worldwide Forecast 2010-2014*, Patrick Kelly of Analysys Mason states, "The capital investment headwinds of 2008 and 2009 are shifting as we enter a technology upgrade cycle. 4G upgrades and convergence in the core network will generate greater demand and push forward investments that improve the customer experience." Here, Cyril Doussau de Bazignan explains why service and performance assurance spending are increasing among CSPs, and what to look for in a performance assurance platform.



The author, Cyril Doussau de Bazignan, is Product Marketing Director, InfoVista. [cdoussau@infovista.com](mailto:cdoussau@infovista.com)

The need for service assurance is growing, as this category of solutions empowers service providers to assess the health of their networks and the quality of the customer experience en route to delivering unquestionable service quality. InfoVista sees this increase in the importance of service assurance solutions extending across three major market transformations:

### **The move by business service providers from basic VPN services to application-aware VPN services**

Because enterprises need to satisfy their business users' requirements for new collaborative solutions that provide a competitive edge, while also ensuring high quality on existing business-critical applications, demand for visibility at the application and end-user levels continues to grow significantly. In this context, the performance visibility offered by a conventional VPN service is no longer enough.

Whether you're enterprise IT or a managed service provider (MSP), it is now critical to offer real-time insight into the end user quality of experience (QoE). As such, MSPs are launching value-added VPN reporting services that entail visibility into business applications and unified communications performance by leveraging performance analytics based on DPI, packet flow, or xDR data sources. These new services allow large enterprises to assure

that the expected QoE is offered to their lines of business customers and is in line with contracted SLAs – a successful example being the application monitoring service recently launched by Telstra.

### **The move by mobile operators from flat-rate to usage-based billing**

Aggressive pricing to fight competition and capture market share have been pushing down the average revenue per user (ARPU). At the same time, revenue is shifting from voice to data while mobile data services are experiencing some traffic explosion, mainly due to the increased use of video. Also, mobile service providers are required to deliver on the stringent performance objectives of their private APN SLAs demanded by business customers.

To secure profitability, there is little choice but to evolve data plans from a flat-rate approach to usage-based billing. This requires a better understanding of how subscribers and business customers consume data services – such as what applications they use, how much, and when. Without this insight it is difficult, if not impossible, to strategically upgrade network capacity or to participate in policy-shaping discussions. This shift also comes with a requisite transformation in OSS capabilities, which some service assurance providers are poised to address for their mobile service provider customers.



In addition, mobile service providers are investigating ways to enable subscribers to delay their usage of the service in exchange for a bandwidth credit. This is similar to an airline offering an incentive to passengers on an overbooked flight to take a later one. This practice will allow mobile service providers to provide an acceptable choice to customers in situations where there is some data service saturation, and will lead to an increase in customer satisfaction without having to invest in all silos of the mobile infrastructure. But, once again, this requires visibility at the subscriber level and the ability to communicate with customers concerning their specific usage through customer portals.

**The data centre migration to private clouds**

As enterprises are building their private cloud or outsourcing their data centres to MSPs, they will need to ensure application service QoE to their internal business users. Performance, security, and SLA warranties are some of the most important concerns raised by enterprises considering whether to adopt service provider cloud offerings to speed up the delivery of critical business operations and reduce their OpEx and CapEx. Service providers are therefore leveraging their existing service performance assurance platform or partnering with an eco-system of providers in order to secure their cloud service levels and differentiate from their competition.

**How service performance assurance enables the profitable capture of market transitions**

In a competitive market, price erosion makes it difficult to get an acceptable return on investment and targeting the late adopters is not the optimal way to generate profits. To maximise company profitability it's not enough to follow the herd. Instead, it is critical to launch services ahead of the curve. The real challenge for every product manager has become launching a unique service, ahead of their competition, so it can be charged with a premium and result in comfortable margins.

Recently, InfoVista conducted a survey with

business services executives. Participants included product marketing, product management, and OSS executives from tier one and tier two service providers worldwide. The results demonstrated that time to market is their main concern, and when selecting a performance assurance solution for a new service, solution tailoring and scalability are their main criteria.

We all know that operating a new service is a complex exercise. Our industry is evolving towards offering performance-based SLAs, sometimes tailored per customer, which increases the challenge to quickly productise those services. As such, to accelerate the adoption of innovative technologies, it is even more critical to be equipped with a flexible OSS platform that provides the ability to easily and quickly provision services, and measure and report on today's performance-based SLAs.

To profitably capitalise on new market transitions, service providers should ensure they are equipped with a performance assurance platform that offers:

- QoE and QoS assurance
- The ability to differentiate from their competition with innovative customer portals
- Carrier-grade scalability at low cost
- Multi-service and multi-tenant support to lower OSS TCO
- Real-time performance data access and alarming for fast troubleshooting
- Automation mechanism enabling the solution to be resilient to configuration and provisioning changes
- Support for virtualisation

Such a platform will make it possible for the creative thinking of the service provider's product marketing and product management teams to launch timely and successful products offered at premium pricing. 💰

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**- Cyril Doussau de Bazignan, InfoVista**

**VanillaPlus Jargon Buster**

**APN:** Adaptive Private Networking

**CSP:** Communication Service Provider

**DPI:** Deep Packet Inspection

**OSS:** Operations Support System

**SLA:** Service Level Agreement

**TCO:** Total Cost of Ownership

**VPN:** Virtual Private Network

**xDR:** Call/Event Data Records