

Getting In The Game



Betting on Business Services

At ICT Intuition, we've spent a lot of energy this past year talking about business services and delivering complex digital services to business customers, which we believe will ultimately be a larger source of revenue than consumer services.

And we are starting to see increased interest from the providers that have the expertise and reach to make things like IoT, M2M and virtualization work regardless of location, infrastructure and application. Interestingly, these new DSPs aren't necessarily converted CSPs.

Ericsson + Cisco = Enterprise!

Ericsson and Cisco announced a "next generation strategic partnership" that enables each company to go to market with an end-to-end solution for IoT and M2M services. Given that all access both indoors and out will ultimately be wireless; that makes all communications infrastructure essentially backhaul. The broadband link to the home, the fiber to the premise, LTE or any of the G's - backhaul. The access network is wireless and the access device resides in the thing whether that's a smartphone, stop light or vehicle.

Not that backhaul isn't a lucrative business proposition for a DSP, but the bulk of future business services revenue will come from the integration of devices, applications and data that often resides in an enterprise cloud. So where do enterprises get their network infrastructure? Cisco. What company builds the routers that enable a majority of all backhaul communications? Cisco.

Connecting wireless to backhaul is a challenge for operators and a bigger challenge for enterprises. What company builds global wireless networks? Ericsson. What company maintains infrastructure, management and maintenance agreements with the largest network operators in the world? Ericsson. With this agreement, the formidable Ericsson managed services group now has access to thousands of business customers that they could never have dreamed of approaching on their own and now Cisco can deliver a managed end-to-end solution to all of them.

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Hmmm?

Although Verizon has denied the rumor that it is looking to divest some of its data centers and enterprise assets; that might not be a bad idea.

Taking a page out of the OTT playbook, it could be easier to deliver complex digital services if the data center responsibility and expense went to someone else.

Why own when you can lease?