

The business end of NFV

By Robin Mersh, Chief Executive Officer of the Broadband Forum



Robin Mersh, CEO, Broadband Forum

Robin Mersh joined the Broadband Forum as Chief Operating Officer in July 2006, and was promoted to Chief Executive Officer in July 2010. Robin has authored many articles and has spoken at and chaired many broadband industry conferences and exhibitions. He has worked in the telecommunications industry for over 20 years, starting at Cable & Wireless and then moving on to BT before meeting his wife and moving to the US in 1999. Robin has worked in business development and alliance management for various OSS software companies in the United States, mainly in network and service provisioning and activation, where he negotiated and managed several large OEM agreements. He is originally from Cambridge in the United Kingdom. He received a Bachelor of Arts degree with honors from Queen Mary and Westfield College, University of London in 1992.

With any kind of technological development that requires standards work, there is always the risk that it can become a science experiment of sorts, with the business case and the true value that these innovations can bring to the industry getting lost.

The case of Software Defined Networking (SDN) and Network Functions Virtualization (NFV) is a classic example of this. The industry has the potential to be revolutionized by software and virtualization approaches are being deployed today with the aim of creating a global market for applications and services through the adoption of SDN and NFV technologies similar to mobile application stores, which would bring with it new value.

However, the use of open source approaches to achieve fast implementation, the lack of carrier quality software and the inability of proprietary solutions to interoperate are viewed as barriers to this evolution. This situation is exacerbated for the several thousand regional and local providers who do not have the deep pockets required to embark on the virtualization journey to SDN and NFV, while many commentators have bemoaned the lack of a “killer app” that really harnesses their undoubted potential. With all of this in the mix, the picture for the business case for these technologies becomes increasingly murky.

Building a framework

The benefits that the implementation of SDN and NFV will bring – improved service agility, faster time to revenue and cross-domain automation – are at risk of being diluted by the many different platforms and approaches that are being delivered by various organizations. To deliver on the promise that virtualization brings, a unified approach is needed to create a more generic, framework-based view of how SDN and NFV are going to work in a business sense.

This will require operators to come together and drive the market through collaboration. This has happened before

in the wireless space, where roaming brought the operators together and it needs to happen again for them to take full advantage of NFV.

Today, even though NFV is being implemented, there is no concept of it being a truly international engagement due to operators' unique footprints, but SDN and cloud technologies have the power to change that. The whole point of virtualization should be to create a global market for new applications and services and the work we are seeing at the moment with SDN and the cloud has the potential to enable that.

In this sense, the deliverables for all are very different than what has come before, and there needs to be a level of collaboration and consensus. Operators are well aware of the need to reskill and take advantage of this new environment, while standards bodies are already working on making sure that they hold up their end of the bargain with regards to the new breed of technologies.

A standards-based approach

The Broadband Forum takes the view that there are a number of specific applications of SDN and NFV that are very attractive to broadband users, and as such sees its role as being three-fold - bringing new, high-quality software deliverables, fostering unified approaches that keep focus on the business case for the technology and helping to migrate to these technologies in a complex environment.

SDN and NFV form a big part of the Forum's Broadband 20/20 initiative, which focuses on specific new broadband home and business opportunities that leverage SDN,

NFV, the Internet of Things and ultra-fast technologies. An essential part of the Forum's current work focuses on developing projects that form the frameworks that enable the new applications and services needed to drive new revenue opportunities for broadband service providers.

Delivering an open platform is a critical enabler but so is developing a larger addressable market for software developers as it is much more attractive to innovators if operators can cooperate and 'on-board' new services as a larger community.

Work to be done

There is, of course, still plenty of work to be done on these technologies particularly in the area of migration, which is why the Forum is evolving to ensure the full potential of them is unlocked but we cannot do it alone. Operators across the world have to look closely at their networks and how these technologies can be implemented to create ubiquitous coverage, because if it isn't global, it won't be as efficient and it won't enable the same kind of innovation.

As with most technological innovations, the business case will make or break SDN and NFV. With average revenue per user decreasing under traditional models, operators need to find new ways to deliver revenues and create value. If these operators can collaborate and co-exist to formulate a coherent migration strategy, the benefits of NFV automated by SDN can create the new revenue streams necessary to sustain a successful future.

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