

# One Marketplace Gives Competitive Advantage to Top Cable MSOs

## *The Landscape*

Cable multiple systems operators (MSOs) have a long history of providing television services and triple-play bundles for consumers, but over the course of the last decade, cable MSOs have been making a name for themselves in the business services sector, providing a combination of voice and higher speed data services, including Ethernet.

Cable MSOs initially entered this market with a specific model catering largely to local small to medium enterprise (SME) customers that overlapped their network footprint. While they have cultivated and benefitted from that model, they have increasingly started diversifying up-market in the direction of large-scale corporate customers. This trend toward serving larger enterprise customers that are looking for complete solutions is driving the need for MSOs to augment their networks.



## *Network Expansion*

With the growing demand for increased quality and reach of voice services; decreased margins for voice customers, as well as the need for additional services to be delivered over increased bandwidth circuits, cable MSOs are challenged with expanding their networks more cost-effectively and efficiently across a wider geographic footprint. Cable MSOs are making large investments to expand and modernize their backbone networks. Furthermore, according to most recent reports from Vertical Systems Group, MSOs have continued expanding as a major portion of the U.S. Ethernet market, growing from currently more than a quarter of the market to soon approach a third of the market in the next couple of years.

However, build-outs alone are not the answer to this problem; the Return on Investment (ROI) on these types of outside plant investments is not always favorable, and the

regional focus of the cable MSO network footprint does not enable the ubiquitous delivery of services needed to achieve continued growth of business services revenue. Cable MSOs must think about building a compatible “network of networks” in order to scale economically.

Compounding this issue is the fragmented nature of the marketplace serviced by a broad range of technologies, architectures and operators that have evolved through competitive access, regulation and deregulation. The challenge of today’s cable MSOs is extending their network reach beyond their traditional footprint not just to the broadest range of locations, but to do so cost-effectively, reliably and quickly in order to remain competitive in the market.

## Cable MSOs Challenges

*Timely qualification, design and pricing of solutions:* The majority of cable MSOs, like other service providers, still maintain a manual process for qualifying the right service provider, designing the best route and pricing out off-net solutions for delivering a service. A range of one-off portals, Application Programming Interfaces (APIs) and spreadsheets are used to track pricing, building lists and Service Level Agreements (SLAs), leading to what could be weeks to turn around customer quotes. Such a delay directly impacts cable MSOs' ability to win enterprise business.

*Reducing interconnection complexity:* Today, cable MSOs often build out their network with point-to-point circuits, or "spokes", to multiple network operators' central offices (COs) and Points of Presence (PoPs) from their headend, or "hub". This 'hub and spoke' architecture provides connectivity and terminates voice services to as many locations as the cable MSO thinks they will need for the greatest coverage. The challenge is that this architecture delivers one-to-one connectivity that requires multiple cross-connects, technical interconnection details, commercial service obligations and SLAs that could still leave stranded capacity or not deliver connectivity to the locations needed to win new enterprise business.

*Meeting service level expectations:* Customer experience remains a critical element in the success of the cable MSO commercial services business. MSOs' efforts to extend their network in order to scale their commercial business depend on interconnection and related services provided by certain third-party networks. The challenge is that cable MSOs must also meet the stricter commercial business SLA while managing multiple transport network access solutions to provide their extensive array of services.

These challenges drive the cable MSOs to identify new, more efficient solutions to extend the reach of their networks.

## The Right Solution

The solution is two-fold. First, cable MSOs are advised to automate the qualification and procurement of network services. Automation will serve to speed up the process for qualifying addresses, pricing service options, assuring competitive rates, and managing and scaling a greater volume of quotes. Second, it is in the best interest of MSOs to migrate to an interconnect strategy that delivers access to multiple services and locations over the same physical interconnection. By aggregating access services, MSOs will see improved pricing per bandwidth, better capacity utilization, and reduced complexity in service delivery and management. This interconnection option will provide access to greater amounts of capacity and a larger geographic reach in order to extend voice and data services and meet customer service expectations.

Global Capacity's One Marketplace platform offers such a solution. By reducing the costs of operating off-net extension services, cable MSOs can increase their revenue opportunities substantially by ensuring quick turnaround of competitive quotes for services. Cable MSOs can also streamline the procurement process through one vendor that can price, order, provision, and provide network management assurance on all off-net services.

Rather than a complex, multi-network interconnect solution with disparate pricing and ordering processes, One Marketplace enables cable MSOs to extend their reach, taking advantage of near-ubiquitous access to networks without a requirement to design, contract and manage interconnections with each of them. Global Capacity delivers extended network reach through a uniform, standardized interconnect with a One Marketplace PoP, further enabled by a cloud-based, automated quotation and ordering system that provides real-time access to competitive market rates - all governed by a single Master Service Agreement (MSA) with uniform terms, conditions and SLAs. Through One Marketplace, cable MSOs can implement multi-network access solutions more efficiently, saving money, increasing productivity and gaining a competitive advantage.

## Proven Solutions

MSOs, shaped by the varying circumstances of their location, geography, economic condition, and management, have moved at different speeds and in somewhat different patterns in expanding their business services. Today, Global Capacity works with three of the top ten cable MSOs in the United States.

### Cable MSO B

Cable MSO B is one of the nation's top three cable companies, offering high-speed, high quality video, Internet and phone services to a number of large enterprises with over 145,000 miles of fiber optic network in 39 states. Business services are the MSO B's fastest growing segment over the last few years.

Cable MSO B looked to expand its business services off-network by establishing regional aggregation points that would reduce the number of potential fail points and increase its ability to leverage high bandwidth handoffs for scale and price.

Cable MSO B leverages One Marketplace's powerful, cloud-based application and interconnected network platform to save time and simplify network procurement, enabling it to deliver voice services to its customer base across an extensive geographic footprint.

- Interconnects at multiple U.S. hubs including Los Angeles, San Jose, Seattle, Chicago, Pittsburgh and Atlanta allow Cable MSO B to order, provision, track and monitor off-net access network circuits, decreasing the cost model to deliver quality services to customers across the entire U.S. market.
- The cloud-based application automates the pricing process for TDM and Ethernet services, increasing Cable MSO B's business win ratio by providing quick, market-competitive quotes.

### Cable MSO A

Cable MSO A, a customer since 1999, offers data, video and voice services to businesses of all sizes, and enterprise-class, cloud-enabled hosting, managed applications and services. Its business services revenue growth is primarily due to increases in high-speed data and voice subscribers, with business voice revenue growing nearly 40% in 2013.

Cable MSO A needed cost-effective voice network expansion to tier 2 and 3 markets combined with support of ongoing optimization of voice network in target geographic regions such as the Northeast. They typically buy local, point-to-point Ethernet and TDM access services to deliver their services to off-network locations. Key to their decision making is competitive price, time to market, flexible designs and diverse routes.

Cable MSO A leverages Global Capacity's marketplace of networks to receive competitive prices, reliable delivery and turn-up, flexible designs and the diverse routes required.

- The state of interconnectedness offered the broadest options in locations and diverse route alternatives as well as the ability for Cable MSO A to gain access to competitive coverage in often hard to connect geographies.
- The cloud-based application offers flexibility in design, speed in pricing and efficient ordering, effectively reducing qualification cycles for Cable MSO A.
- The single MSA and streamlined delivery and management processes simplify the network delivery and turn-up for Cable MSO A across multiple geographies and allow for a consistent, high quality experience.

## The Results

The results are simple. With the One Marketplace platform, cable MSOs are able to design and implement their network delivery solutions more effectively. One contract and access to multiple regional locations through a single interconnect delivers a streamlined, automated solution that ensures a competitive advantage.

With a network interconnection to One Marketplace, cable MSOs:

- increase their service delivery area and revenue growth potential;
- reduce time to design and quote customer proposals;
- reduce the number of interconnections required to deliver services off-net, including often hard to reach tier 2 and 3 markets;
- reduce costs and service complexity associated with multiple cross-connects, interconnections, MSAs and Network Operations Center (NOCs) from multiple networks; and
- reduce delivery intervals, therefore shortening time to market and time to revenue.

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## About One Marketplace

With an interconnection to Global Capacity's One Marketplace, cable MSOs gain the flexibility and reach to become more competitive service providers. One Marketplace provides cable MSOs with a comprehensive, single-source solution to extend their service coverage area for voice, high-speed data and video to over three million commercial addresses in the U.S. One Marketplace continues to prove its value as the single, most advantageous relationship for extending network reach more efficiently, reliably and cost-effectively.

## About Global Capacity

Global Capacity is the marketplace of networks, delivering ubiquitous network connectivity solutions via its award-winning One Marketplace platform. One Marketplace eliminates the complexity and inefficiency of a fragmented network market by combining an aggregated, interconnected physical network with a unique cloud-based application that automates the design, pricing, ordering, delivery, and maintenance of network solutions. One Marketplace provides cost-effective, high-performance network solutions that support the exploding bandwidth requirements driven by the cloud, mobility and globalization for wholesale and enterprise customers.

For more information about Global Capacity's cable MSOs solutions, visit [www.globalcapacity.com/solutions/cable-mso](http://www.globalcapacity.com/solutions/cable-mso).