

## Section 1

# The enterprise services' opportunity for operators

Operators<sup>1</sup> are in the process of making the transition from owning most of the value chain to being an enabler of services within an agile ecosystem. They are propelled by the rush toward the digitization of products and services, and will need partners to gain reach, scalability, skills, products, flexibility, economies, operational efficiencies, faster times to market, reduced risk, strategic positioning and to deliver better value to customers.

They will also need to be adept at spotting the right opportunities: This *Quick Insights* report is concerned with what network providers can offer to enterprise customers, by which we mean the biggest multi-nationals, down to the top end of medium-sized companies.

To appeal to this group's IT organizations and make sustainable profits, they will have to move away from expensive BSS/OSSs, which are expensive to run and difficult to integrate with new systems. Instead they must look to exploiting commercial-off-the-shelf hardware and software in tandem with technologies such as cloud, virtualization, and automation.

By any measure, in terms of culture,

heritage, and IT, this is a tough metamorphosis. On the other hand, there is everything to play for: The digital services ecosystem provides many new openings that lend themselves to operators' strengths. These include brand, local presence, scale, established channels to market, and billing relationships.

### Huge markets in the cloud

The market for enterprise digital services is huge. Although the business market tends to be overshadowed by the size and rapid changes in consumer digital services, the business sector is arguably growing faster. In July 2013, Gartner Research predicted<sup>2</sup> the worldwide IT outsourcing market alone would be worth \$288 billion in 2013, up 5.1 percent on 2012 (if you take currency fluctuations out of the equation).

Gartner also found bring your own device (BYOD) trend and large organizations' general move towards greater use of smartphones, tablets, and other handheld devices is creating a big market for outsourced support of mobile devices. It predicts this will grow strongly through 2017 and is a great chance for the

*"To appeal to enterprises and larger, medium-sized companies, operators must look to exploiting commercial-off-the-shelf hardware and software in tandem with technologies like cloud, virtualization and automation."*

<sup>1</sup>For this report, we will refer to communications service providers as operators in the interests of brevity and clarity in the context of talking about lots of different types of services providers partnering.

<sup>2</sup><http://www.gartner.com/newsroom/id/2550615>