

*IP Migration is the Key to Network Success for Carriers*

GENBAND recently held a large gathering of industry analysts and financial analysts in New York to review the GENBAND marketplace. "If GENBAND was not a private company, we wouldn't be able to give this perspective," said GENBAND President and CEO Charlie Vogt

GENBAND sees the worldwide market opportunity over the next decade for TDM switch replacement as a very large opportunity. The company currently has about 8,500 TDM switches in the field, plus over 12,000 IP switches, with roughly 10 to 15 percent of the world's market share.

"Three hundred million dollars of network transformation happens every year with GENBAND," Vogt told the audience. GENBAND does provide the hardware switching platform but also provides the professional services and software functionality to enable their customers to truly focus on their business. The professional services helps customer on the front end with network design, and also offers transitional services for central offices to consolidate legacy gear before rolling in a switchover to an IP architecture. This coupled with their forward looking IP software make for a winning combination for carriers.

GENBAND's GENiUS platform uses industry standard ATCA hardware that is simply customized by loading in software. Customers can mix and match applications by loading multiple software modules to do things such as application server, access and media gateway control, and session border control (SBC).

In the long term, GENBAND expects growth in the SBC market, where it currently has about 5 percent market share and is number four overall. In addition, deep packet inspection (DPI) is also expected to payoff in a big way as carriers start mining usage information to offer customized broadband packages and more service-based revenue generating products to customers. Customer analytics is becoming a much bigger and broader market for carriers around the world.

GENBAND covers and manages 8500 TDM switches and 12,000 IP switches. In today's world

the average age of a TDM switch is 30 years old. Legacy switches were designed to operate for 25 years. If the retirement of existing TDM switches continued at current rates, by 2020 63% of TDM lines and 80% of TDM switches would still be in operations, with the average switch age rising to 36 years. Those numbers are what drives GENBAND's network transformation strategy, said Mark Pugerude, GENBAND's chief strategy officer. As carriers look to make next-generation platform decisions, he said, five key points drive their purchases:

1. The need to leverage capex investments across multiple parts of the network;
2. A standards-based, open architecture to future-proof the network
3. Lower total cost of ownership that accounts for operational variations
4. Interoperability with multiple platforms, including those not under its control
5. Investment protection to avoid blind alleys out of which it can be difficult to back out.

GENBAND is also ready to help service providers take advantage of the bigger opportunity of participating in the IP network/applications ecosystem, which requires more flexible networks and IP functionality. According to GENBAND's Executive Vice President/CTO Fred Kemmerer, operators now are in a period of overall disruption. He added, "Service providers are changing in a big way. Are they the operators or is it Facebook and Google?"

From a sheer-numbers standpoint, more people are reached on a day-to-day basis regarding products and services by Facebook. "You have to be able to compete with Facebook and Google for messaging and chat," Kemmerer said. "And it isn't just a consumer thing; more than 700,000 local businesses are on Facebook." These kinds of services open the door to more carrier opportunity. Kemmerer discussed a better user experience with simplified control, pointing out that Google TV is not about TV but about the ease of posting and finding content. "By 2014, all traffic will be video, and people don't want to use 'search' to get at it." He also recommended that operators start paying attention to such music services as Pandora and SiriusXM, especially in light of the advent of Long Term Evolution (LTE) 4G wireless technology in vehicles. "Music and podcasts will become more important in the car," he said. "This will drive more growth of IP networks."

Participating in the IP network/applications ecosystem requires flexible networks and IP functionality, and GENBAND appears to be ready today, and is anticipating future demands for tomorrow.