



Netcracker Takes its Virtual Services IT/Network Stack to the Cloud to Enable Comms SPs to Offer Enterprise Digital Services Faster

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IDC's Quick Take

Beyond delivering a network connection to consumers, Communications Service Providers (Comms SP) know they need to evolve to a cloud model to better serve their B2B customers. The problem they face is the time it takes them today to get SDN/NFV up and running with core network services; typically, 18-24 months from the decision point for building a telco cloud to commercial launch of virtualized services. The Netcracker Business Cloud reduces this timeline to weeks by making its full SDN/NFV commercial stack available as a service, including all operations and monetization functions.

Product Announcement Highlights

On October 8th, Netcracker [announced](#) it is offering Comms SPs an alternative approach for implementing their telco cloud strategy. The decision-to-commercialization cycle that Comms SPs have typically followed involves several months of lead time tied to CAPEX requirements and funding issues, vendor selection cycles, proof of concept trials, staff retraining needs, systems/processes reengineering and defining operational responsibility after implementation. The Netcracker Business Cloud is intended to help service providers with this transformation, aimed at eliminating this cycle altogether.

The Netcracker Business Cloud enables Comms SPs on two fronts. First, it delivers Comms SPs the means to move to a cloud SDN/NFV environment for providing network services without the time and expense of establishing their own telco cloud and without the headaches of implementing the right operations, orchestration and monetization functionality to manage such services. Second, using a unified portal and marketplace, the Netcracker Business Cloud enables Comms SPs to deliver a differentiating digital experience to business and enterprise customers by offering value-added B2B services. These services include: virtual connectivity such as SD-WAN and vCPE; work services (UCaaS, SECaaS, and app QoS); infrastructure services (cloud security, backup, storage, compute); and enterprise applications (productivity apps, office surveillance, and asset tracking).

The Netcracker Business Cloud can be hosted on Netcracker's private cloud, a Comms SP telco cloud, or on the public cloud, according to the Comms SP's preferences. Providing everything from operations to orchestration and monetization functions, Netcracker Business Cloud can work with any 3rd party vendor to run and manage cloud connectivity and value-added B2B services. This solution places Netcracker into a virtual service enabler (VSE) role for its Comms SP customers.

IDC's Point of View

Digital transformation of Comms SP network capabilities is not progressing evenly on a global scale. The larger operators have been working in the SDN/NFV transformation since its beginnings a few years ago, while all others have been constrained due to budget and critical resources availability. Before virtual network functionality reaches the same level of maturity as the decades old physical network infrastructure, there is still much to be defined, developed and tested.

With maturity of a technology comes widespread adoption. The industry is not there yet when it comes to the telco cloud and virtual network services in general. Operationalizing these services today remains a near bottleneck as Comms SPs move their work from the proof of concept (POC) and small-scale trial stage to full network-wide deployment. Operational challenges relative to: dynamic hybrid physical and virtual network inventory; service-level orchestration from the end-user's perspective; customer-level assurance especially when 5G slicing is involved; real-time charging for virtualized services; partner ecosystem management—the B2B/B2C monetization processes; and providing a holistic customer experience are chief among them.

For those organizations not able to address the timeline, investment, and management challenges that are a major part of any telco cloud transformation strategy, and yet need to get there to remain competitive in the B2B market, the Netcracker Business Cloud offers hope on multiple levels. And this is where we believe Netcracker has started to change the rules of the game.

Through early deployment success with real Comms SP customers, Netcracker has shown that it can reduce the Comms SP "make ready timeline" for telco cloud services, by eliminating the decision-to-commercialization cycle that can often involve months and even years. This is crucial for Comms SPs who need to be more aggressive in B2B as alternative providers continue to enter the market.

Netcracker has also shown that with its B2B partner ecosystem, comprising VNF and cloud/IT suppliers, which is a critical part of its Netcracker Business Cloud offering, Comms SPs can break into the high-growth apps/cloud services market. This is a new revenue opportunity window for the Comms SP industry, which has not been possible before. And, Netcracker solves a key issue for Comms SPs in making their services available with a full digital experience. This makes life easier for the Comms SP and gives more control to the enterprises which they desperately seek. It also helps smaller enterprises with a fully automated marketplace.

With a native cloud-based operations and monetization stack, also known as OSS/BSS for virtual networks, included with the virtual network services the Netcracker Business Cloud delivers, Netcracker has overcome many operational concerns. These pertain to customer-level service orchestration, customer management, revenue management, service assurance, VNF lifecycle management, VNF license management, partner management, and network orchestration. The end-to-end IT stack can then aggressively support new business needs when they arise, because the operations and monetization functions are cloud-native, built with microservices.

Finally, Netcracker has thought through how to bring the Netcracker Business Cloud to even very small network operators with its risk-sharing pay-as-you-grow solution terms.

While it may be too early in the game to think Netcracker will be the only technology provider for solutions that can deliver full virtual network functionality and operations/monetization management in

a single IT/network stack as a service, the Netcracker Business Cloud raises the level of expectation that Comms SPs everywhere can assume is possible from their solution suppliers. IDC anticipates that other suppliers will make a similar play to what Netcracker delivers at some point, while seeking to offer differentiation and value-add of their own. The real question is, how soon, and how extensive? In the meantime, the Netcracker Business Cloud, as defined today, seems to have set the standard that Comms SPs will certainly look to benefit from, which ultimately will benefit their enterprise and consumer stakeholders.

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