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Opening Up the IP Network for Dynamic Control



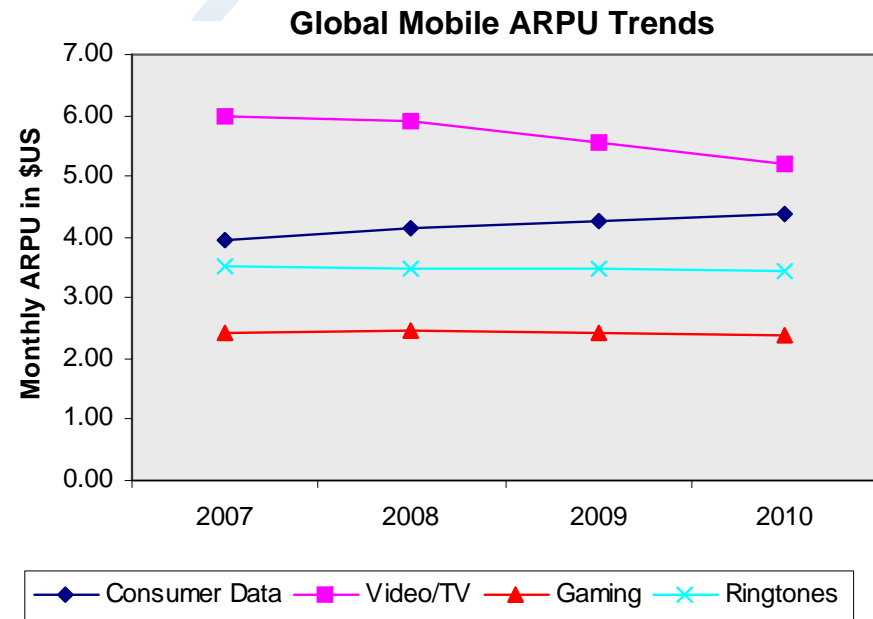
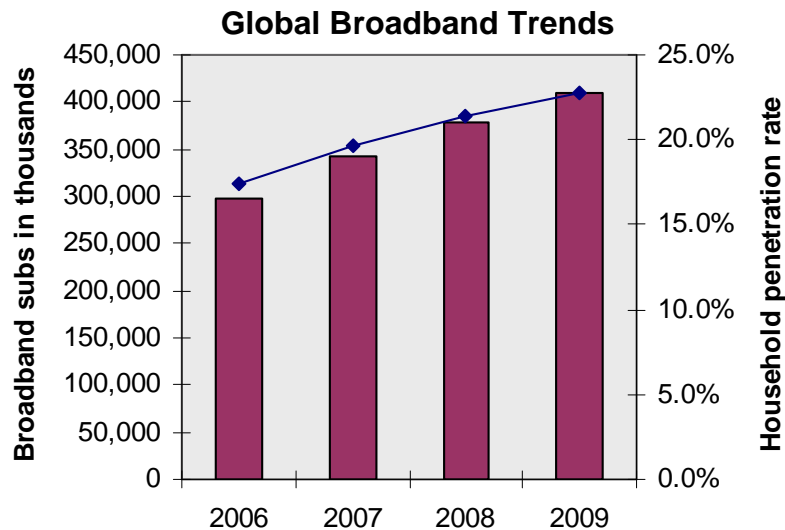
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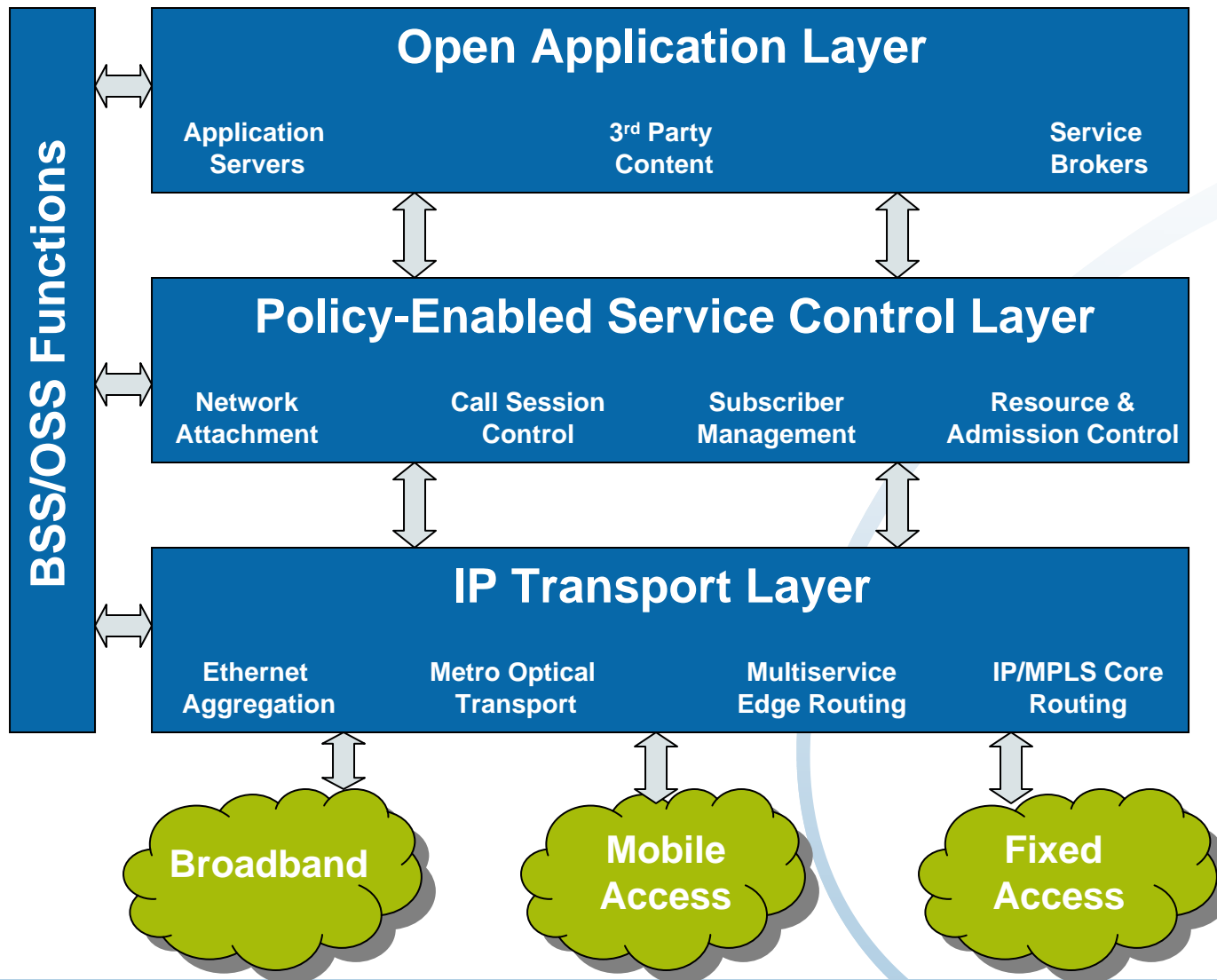
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Business Fundamentals Drive Requirement for New Revenue Sources, Network Transformation

- **ARPU trends in fixed and mobile services markets trend flat-to-down**
 - Drives service providers to generate new revenue streams
- **Subscriber growth and bandwidth usage rates are rising steadily**
 - Drives service providers to manage bandwidth more efficiently, minimize capex outlays
- **Adoption rates of new services remain highly unpredictable**
 - Drives service providers to introduce and discontinue services with minimal risk



Policy-Driven Service Control and IP Networking Emerges as a Strategic Function of Next-Gen Network Architectures

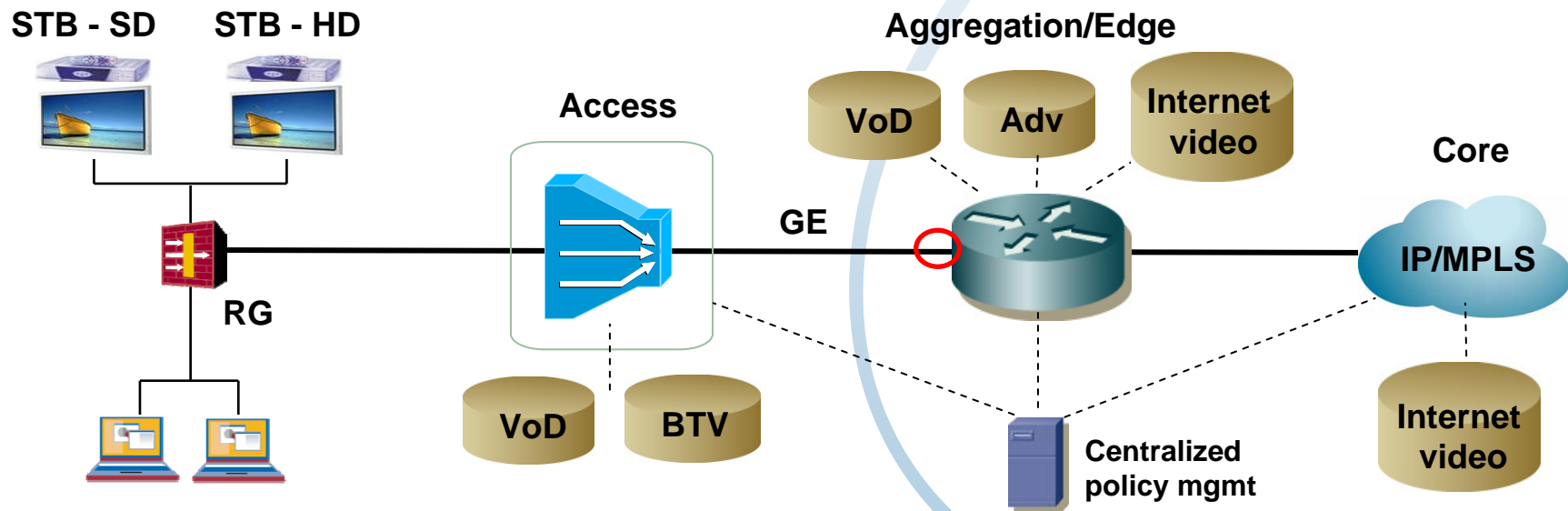


Key Goals:

- Open environment
- Access-agnostic
- End-to-end control
- Real-time CAC
- Secure transactions
- Context-aware

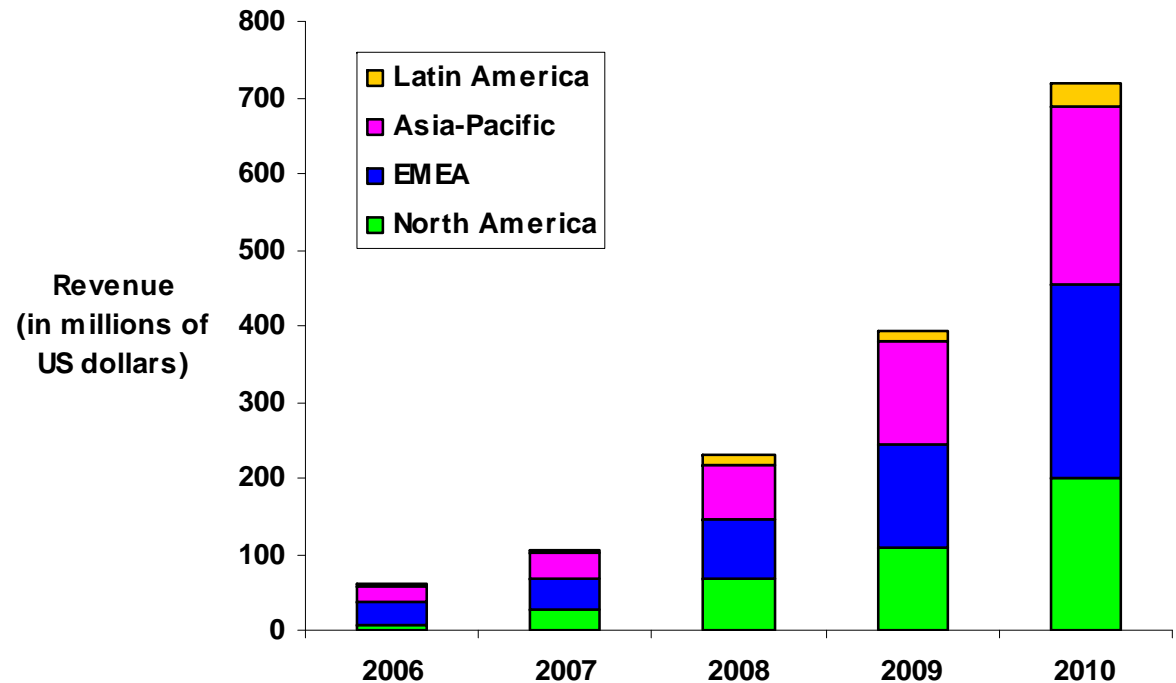
IPTV, Internet Video Drive the Need for Dynamic Service Control

- One GE port on an aggregation switch or router typically supports between 10K and 15K subscribers (sometimes more), yielding 66 – 100 Kbps of available bandwidth per subscriber (assuming all are active)
 - This network design rule won't work for IPTV, internet video
 - Provisioning more bandwidth alone will prove too costly and ineffective
 - Robust policy control is required for consistent QoS, subscriber management across IPTV, internet video environments



Yankee Group Global Policy Management Forecast

- Overall market to eclipse \$100M this year; poised to nearly double in size year-over-year 'til 2010
- EMEA, APAC driving short-term growth; NAM to catch up steadily from 2009 to 2010
- Inclusion in key standards frameworks helps drive investment in policy management among fixed, mobile, cable operators



Source: Yankee Group Policy Management Market Forecast, December 2006