

CSPs offer Network-as-a-Service to deliver on the 5G promise

To provide enterprise customers with 5G telecom services, communication service providers (CSPs) need to support and enable modern network capabilities and business models. As part of these modernization efforts, CSPs are beginning to offer enterprise network services like LAN/WAN, VPN, and network security in the form of a subscription model known as Network-as-a-Service (NaaS).

Nokia and Pulse surveyed 100 CSP leaders to understand their readiness to offer NaaS, the benefits of doing so and what might be preventing them from introducing this business model.

In parallel, Nokia and Pulse also surveyed technology leaders from 100 enterprises to assess demand potential — and discovered many CSPs aren't aligned to what enterprises truly want from NaaS and how they are willing to purchase these solutions.

Data collected from Jan. 22 - Mar. 19, 2021

Respondents: 100 leaders from Communication Service Providers

Offering NaaS is crucial to providing enterprises with 5G service

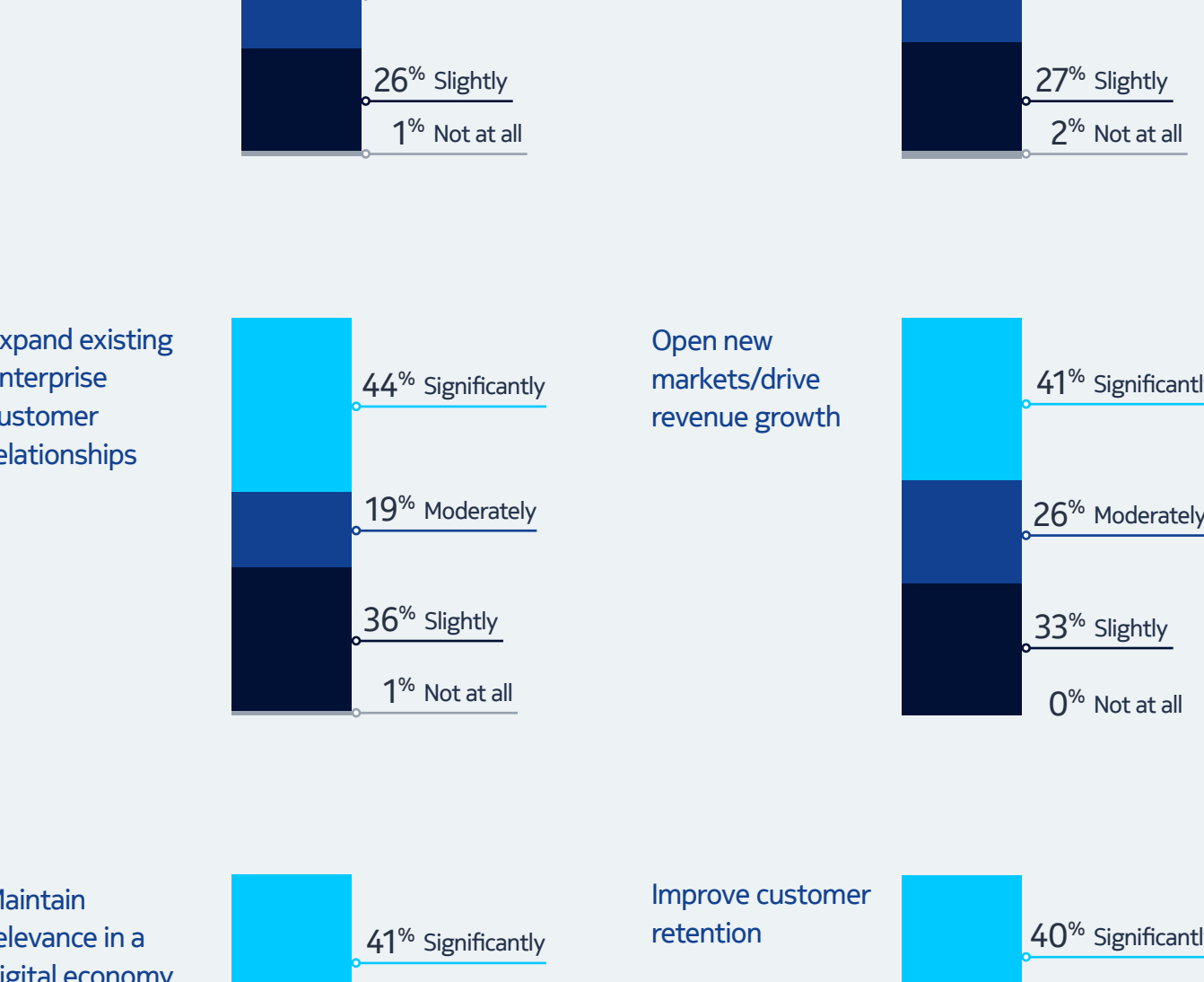
91% of CSP leaders agree that offering NaaS is critical to successfully delivering 5G services to enterprise customers, including more than one-third (36%) who strongly agree with this sentiment.

To what extent do you agree that offering NaaS is vital to your success in delivering Enterprise 5G services?



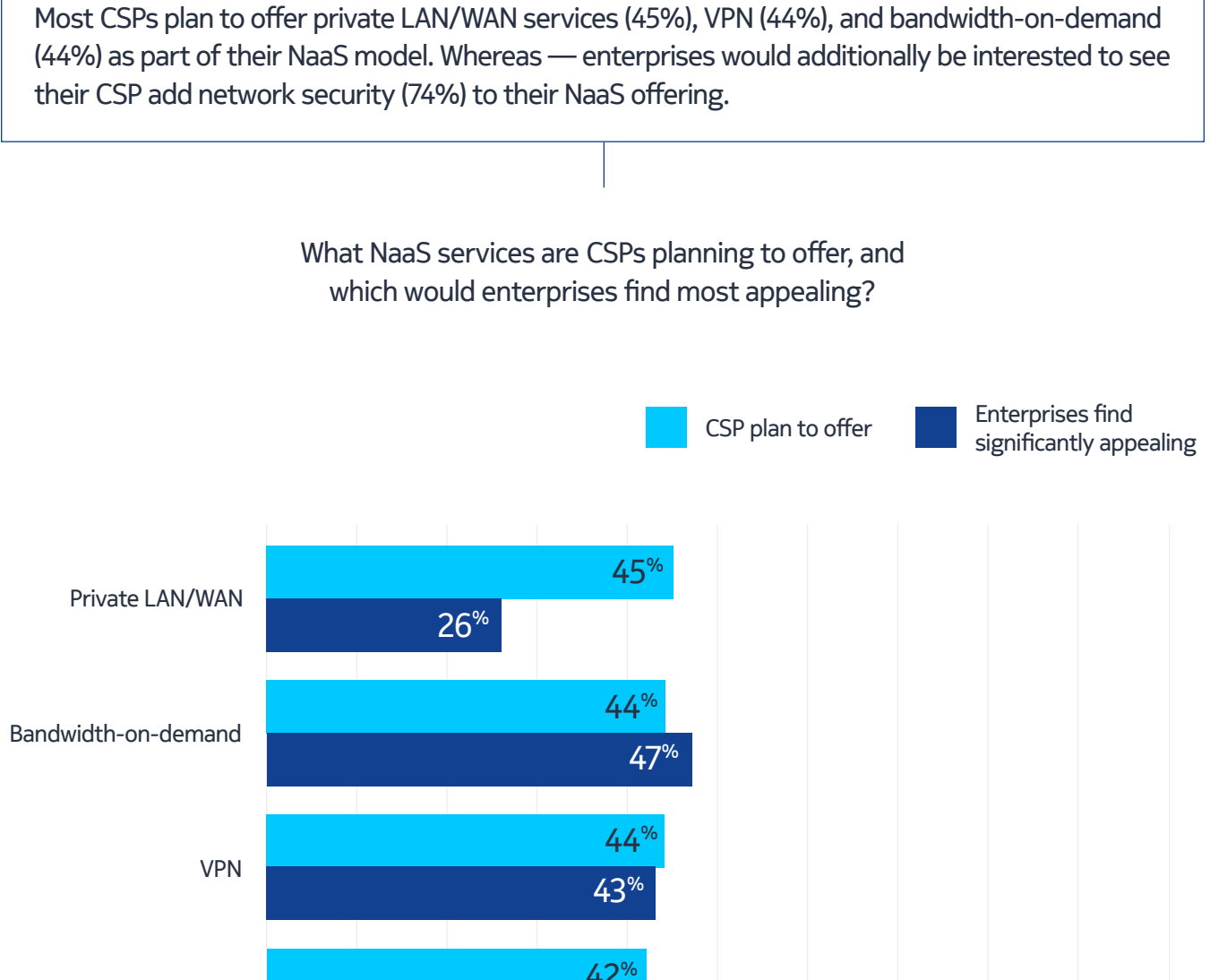
Only 13% of CSPs say they don't plan to offer NaaS services in the future. 49% have a limited offering now and plan to expand, with an additional 29% planning to introduce NaaS in the coming months.

Does your organization currently offer or plan to offer NaaS to new and/or existing customers?



Of the CSPs who either currently offer NaaS or plan to, there are many benefits of similar importance driving that decision.

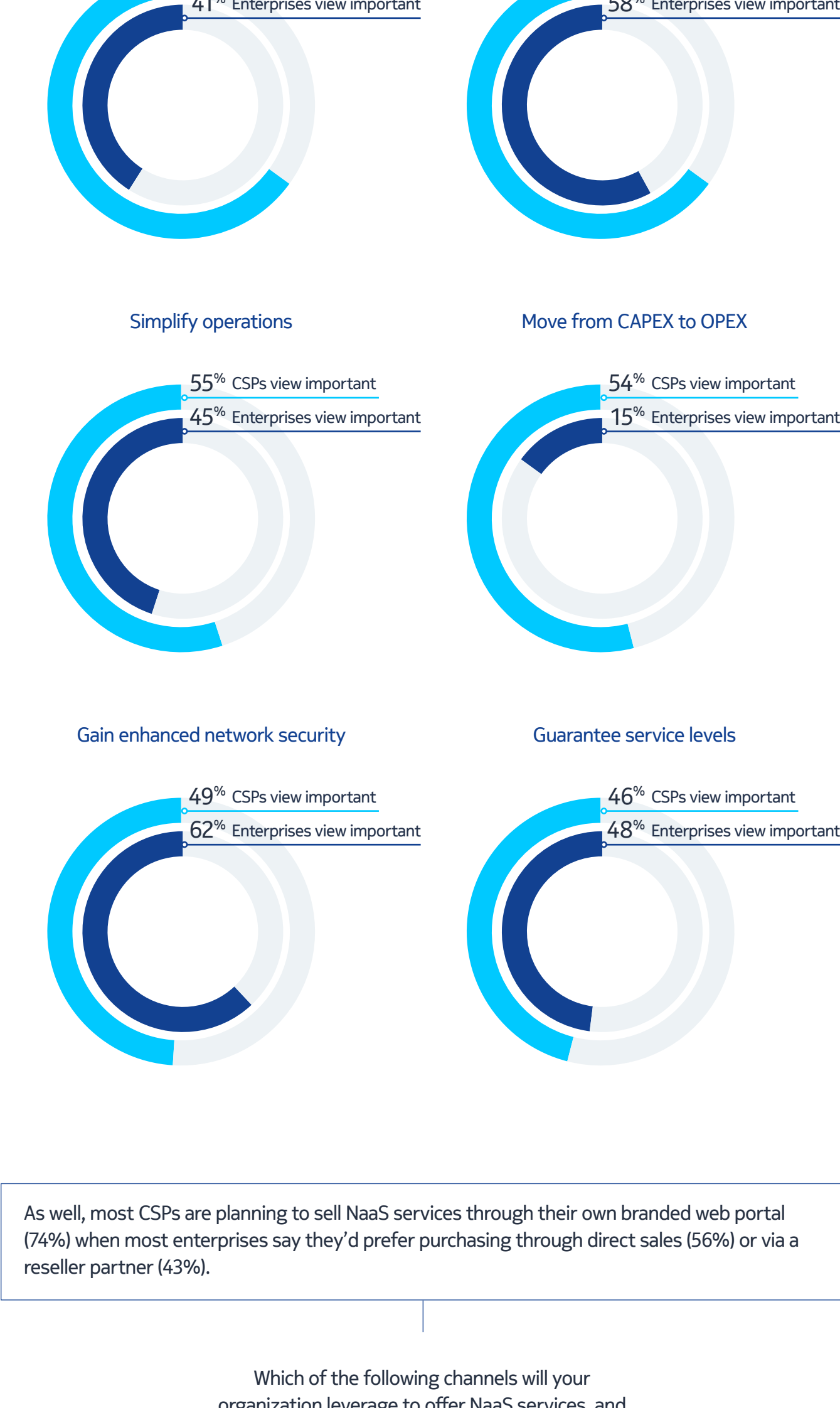
How important are each of the following business drivers to your organization's decision to offer NaaS to enterprise customers?



CSPs need to better align their NaaS offering with what and how enterprise customers actually want to buy

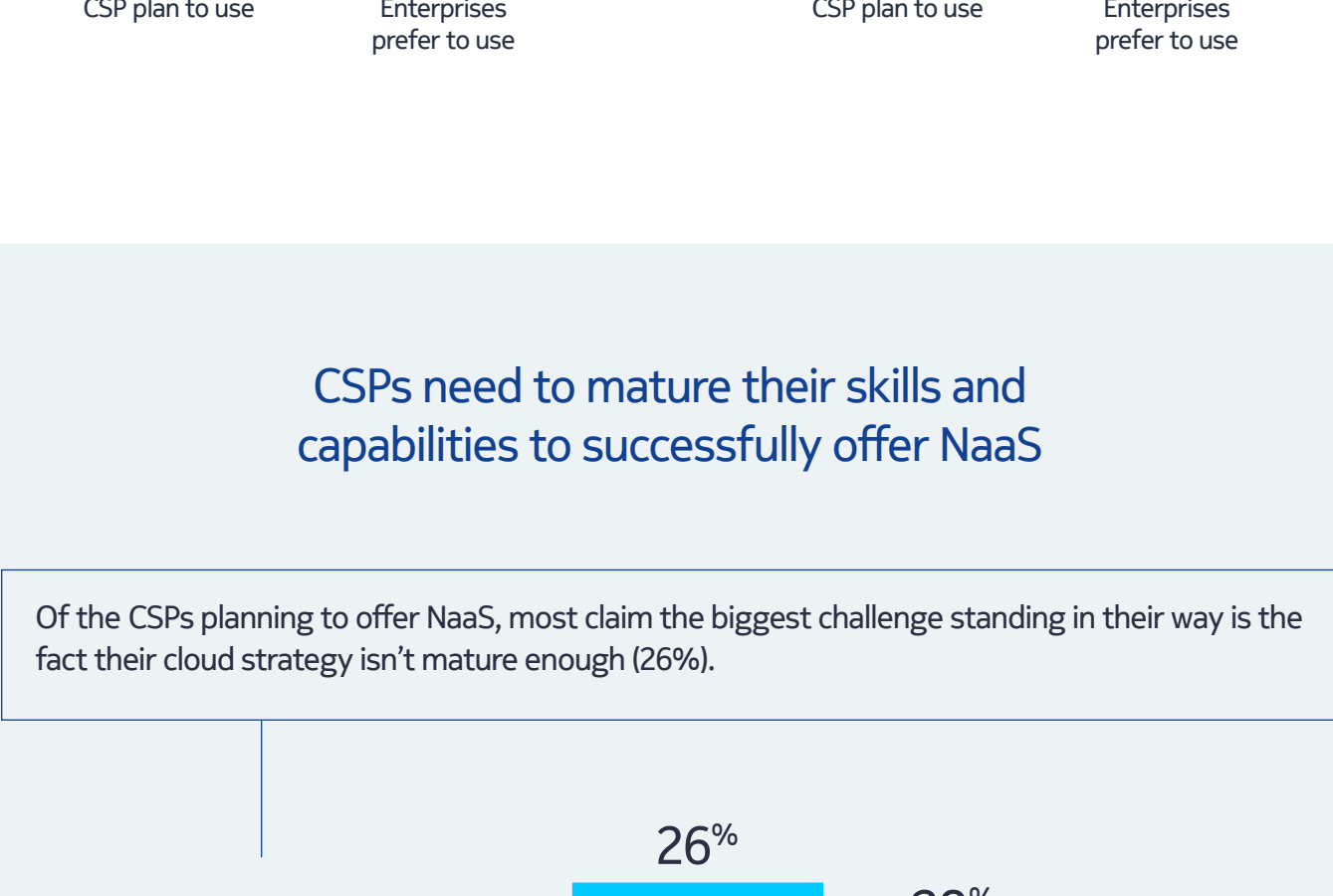
Most CSPs plan to offer private LAN/WAN services (45%), VPN (44%), and bandwidth-on-demand (44%) as part of their NaaS model. Whereas — enterprises would additionally be interested to see their CSP add network security (74%) to their NaaS offering.

What NaaS services are CSPs planning to offer, and which would enterprises find most appealing?



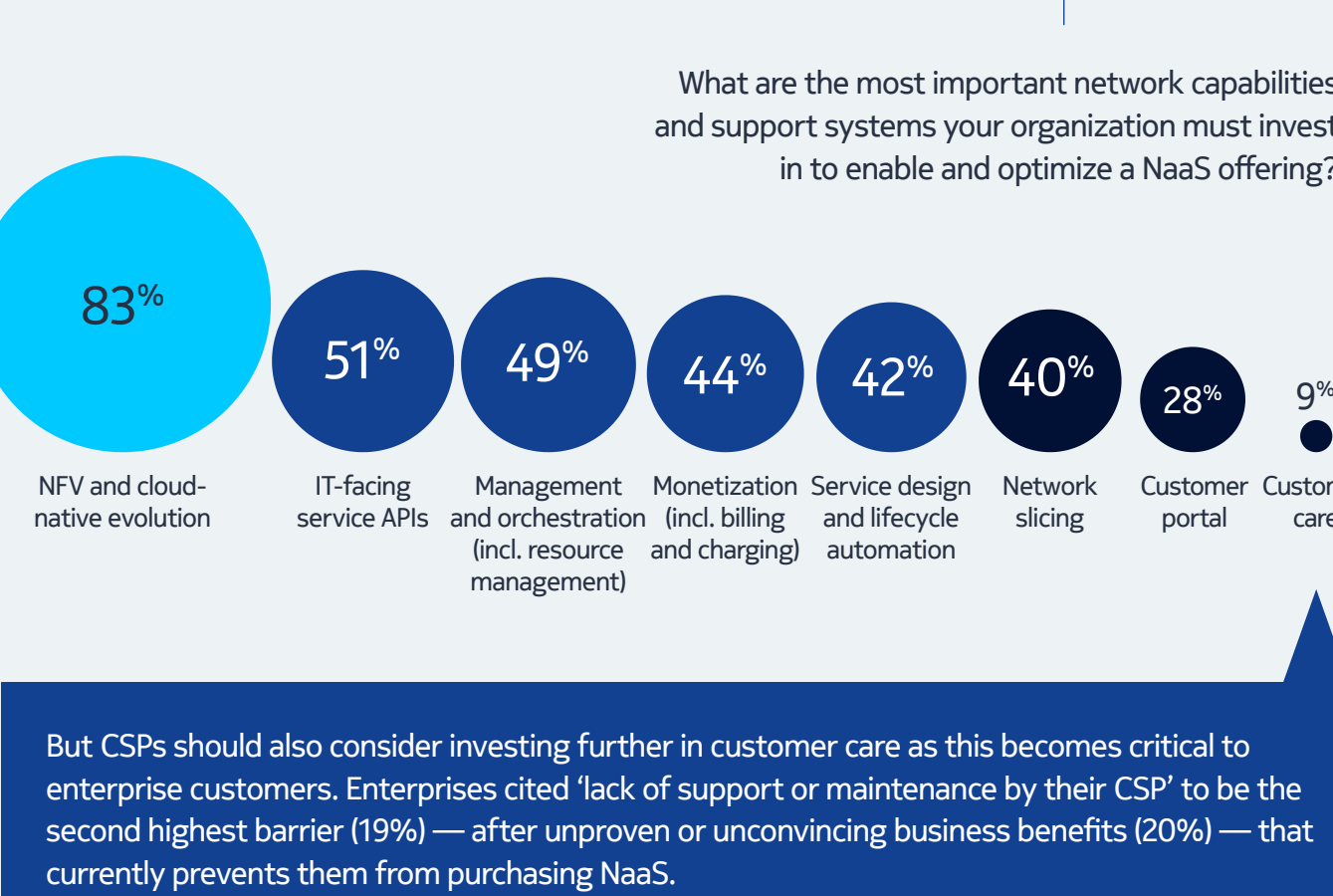
Further, apart from optimized network performance and guaranteed service levels, the benefits CSPs believe enterprises receive from NaaS aren't aligned with the benefits enterprises reported as important to them. Notably, CSPs see moving CAPEX to OPEX (54%) as a top benefit for their enterprise customers, yet this is not significantly important to enterprises, with only 15% citing it as a key benefit influencing their decision to purchase NaaS services.

Based on conversations with your enterprise customers, what are the top benefits they're looking to derive by purchasing NaaS services?



As well, most CSPs are planning to sell NaaS services through their own branded web portal (74%) when most enterprises say they'd prefer purchasing through direct sales (56%) or via a reseller partner (43%).

Which of the following channels will your organization leverage to offer NaaS services, and which do enterprises prefer using to purchase NaaS?



CSPs need to mature their skills and capabilities to successfully offer NaaS

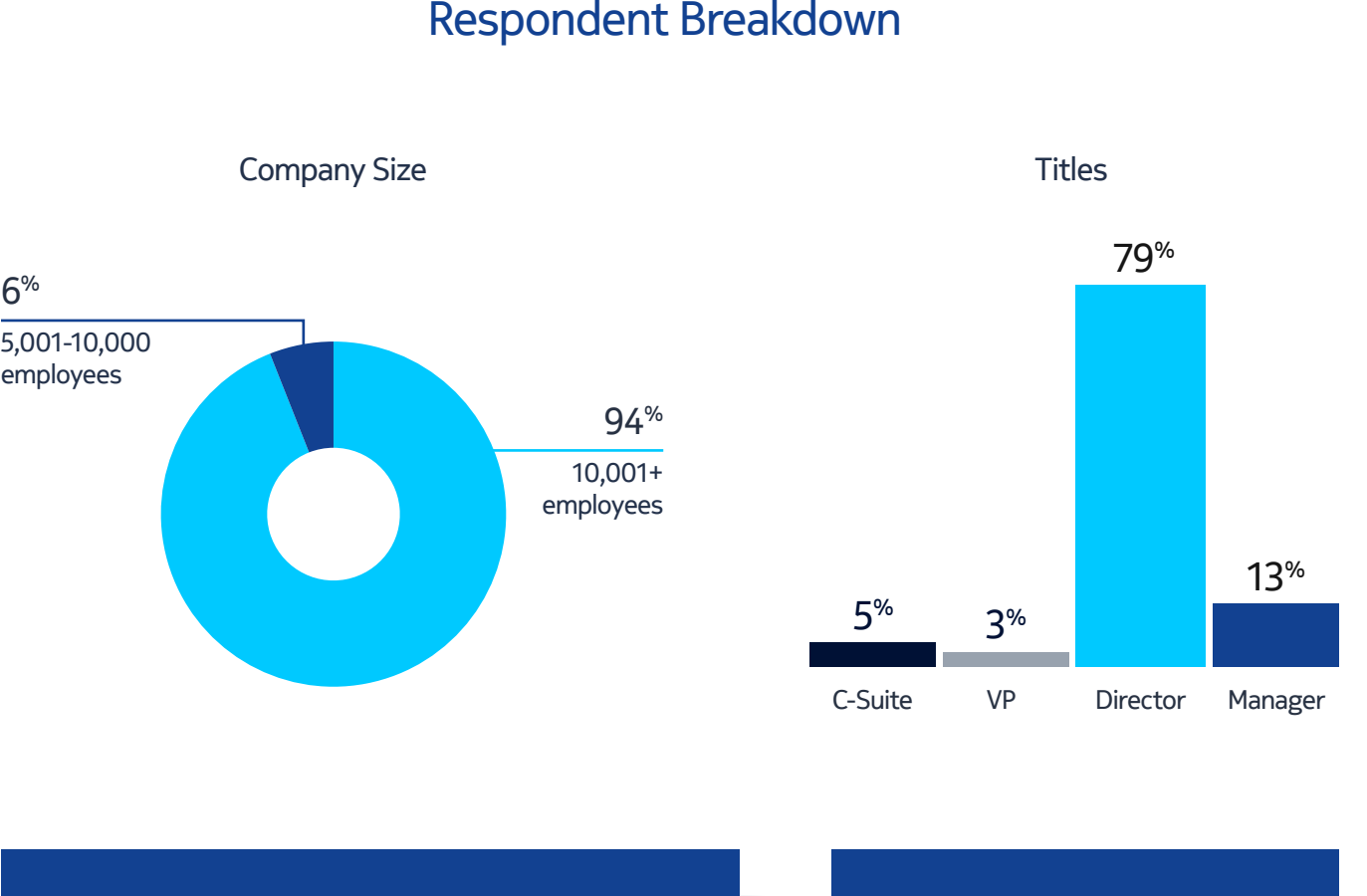
Of the CSPs planning to offer NaaS, most claim the biggest challenge standing in their way is the fact their cloud strategy isn't mature enough (26%).

Which barriers most deter your organization from introducing or delivering NaaS to new and/or existing customers?



As such, many CSPs are planning to enhance their network capabilities to enable their NaaS offering — namely, investing in Network Function Virtualization (NFV) and cloud-native technology (83%).

What are the most important network capabilities and support systems your organization must invest in to enable and optimize a NaaS offering?



But CSPs should also consider investing further in customer care as this becomes critical to enterprise customers. Enterprises cited 'lack of support or maintenance by their CSP' to be the second highest barrier (19%) — after 'unproven or unconvincing business benefits' (20%) — that currently prevents them from purchasing NaaS.

It is important for CSPs to understand their target audiences. CSPs have overestimated the benefits of NaaS for customer support and product management teams. However, they are aligned with enterprises on the fact that IT departments will benefit most from purchasing NaaS.

Which departments at enterprise organizations do you believe will benefit the most from purchasing NaaS services?



Respondent Breakdown



To find out how technology leaders from 100 enterprises feel about adopting NaaS and what might be holding them back, [click here](#).

Read the article to learn how CSPs can profit from the \$15B NaaS opportunity.