

# Enterprise Network Pricing and WAN Sourcing Strategies

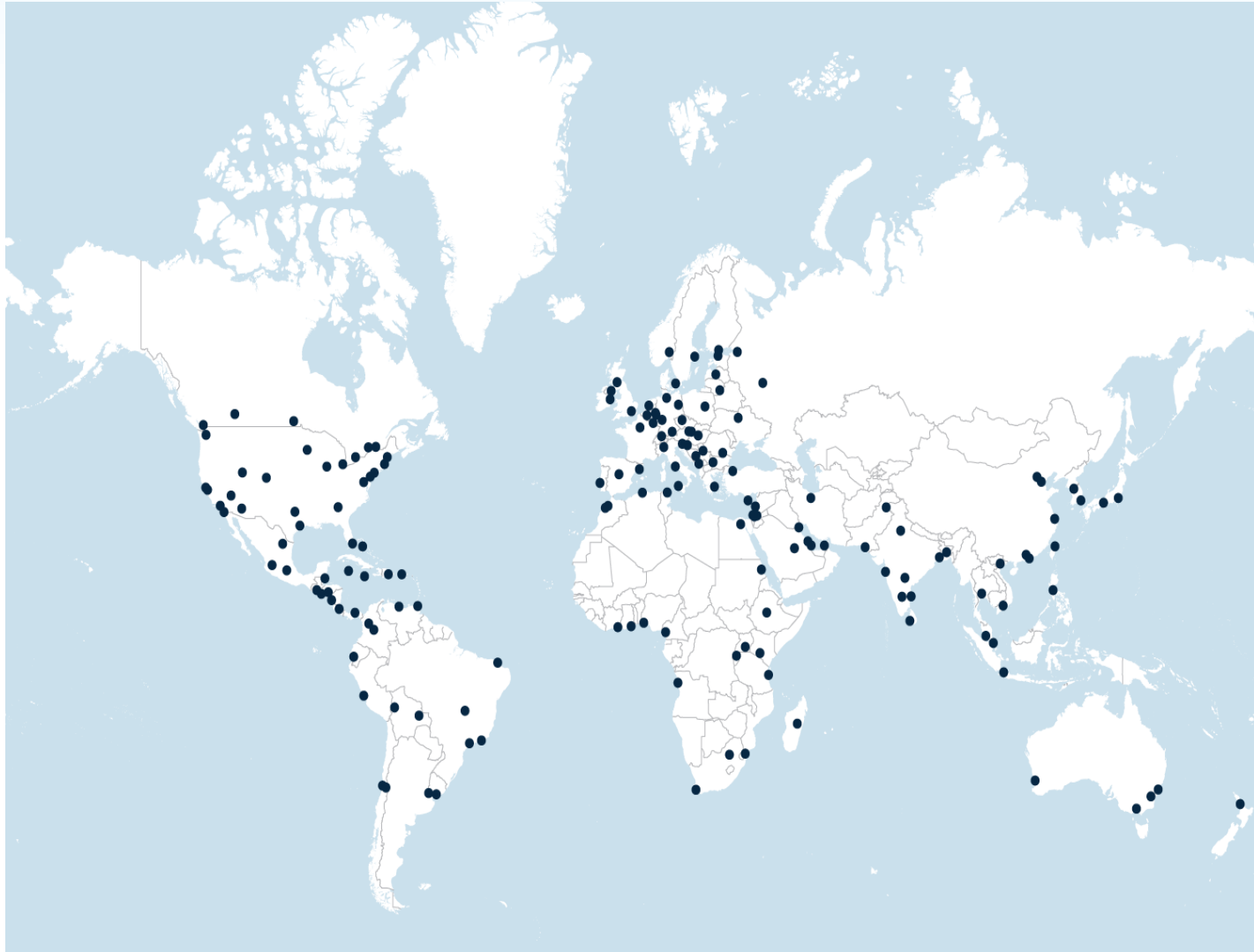
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TeleGeography

# Basic WAN Sourcing Questions

- What services are available, and where?
- How much do they cost, and how are these rates changing over time?
- How can I optimize my WAN sourcing to get the best network for my needs at the lowest cost?

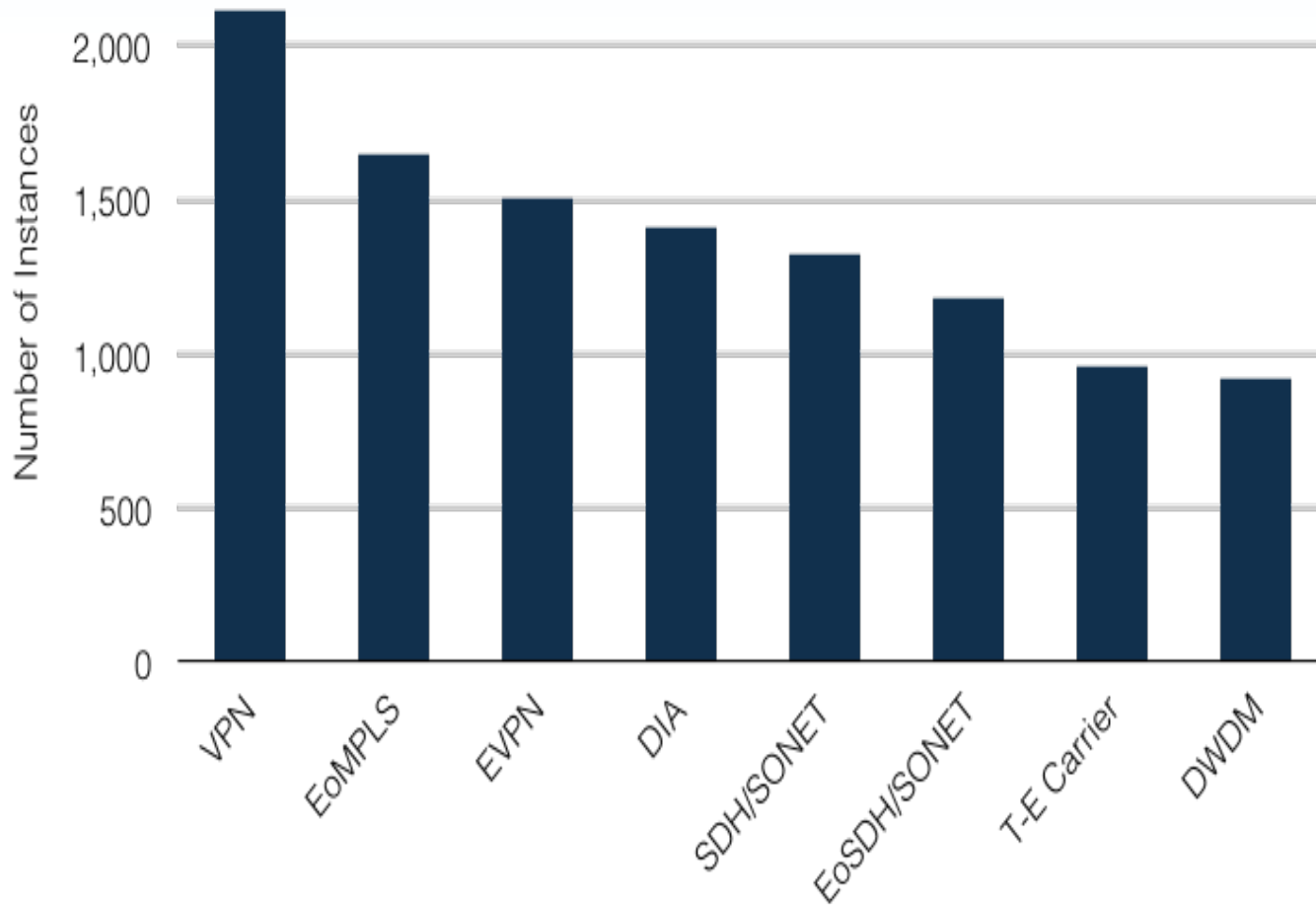


# Global Enterprise Networks



# VPN is still the most prevalent network product

Global availability of Enterprise Network Products, 2015



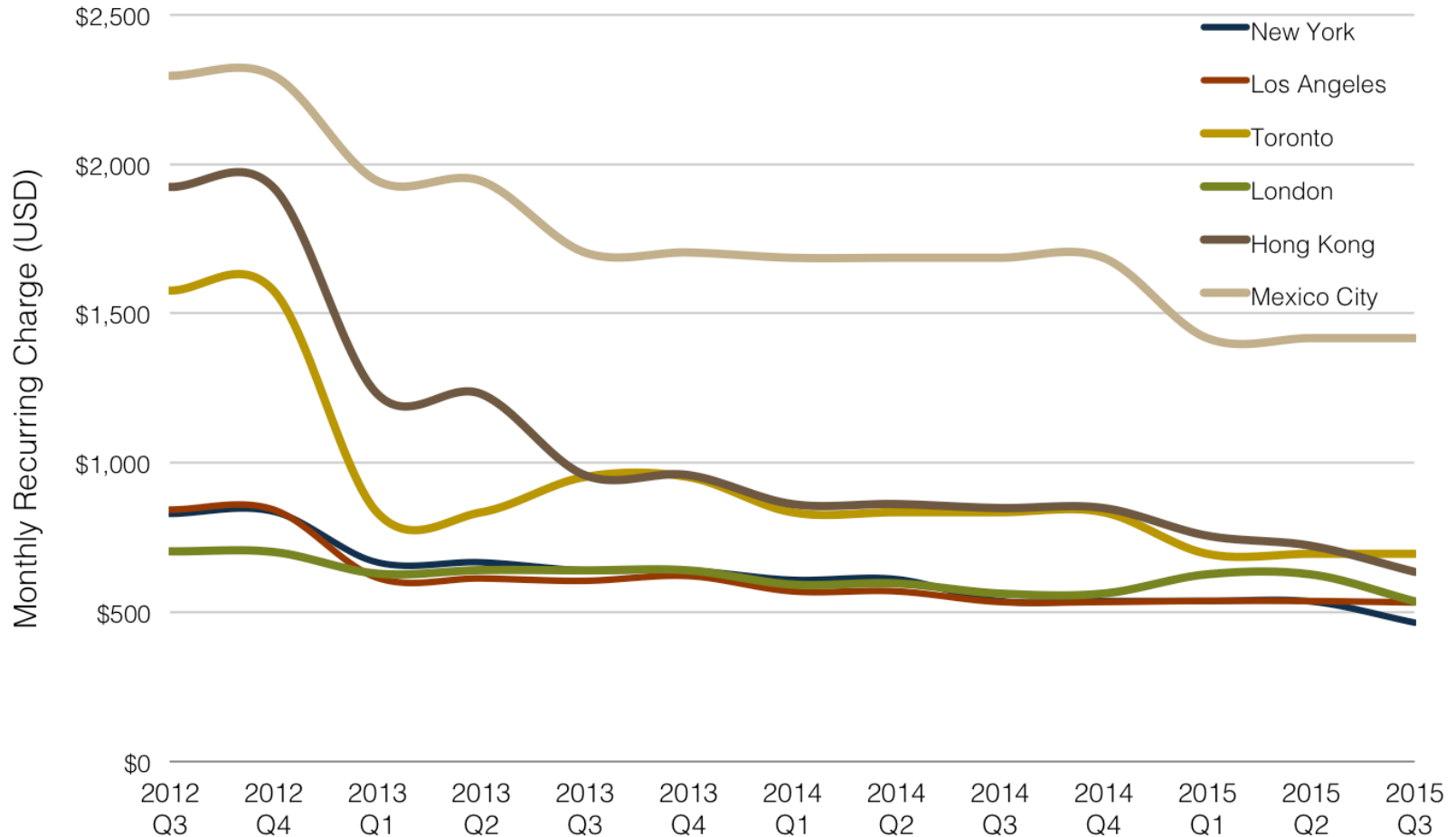
Source: *Global Enterprise Networks*

# What do these things cost?



# Prices decline, but at varying rates

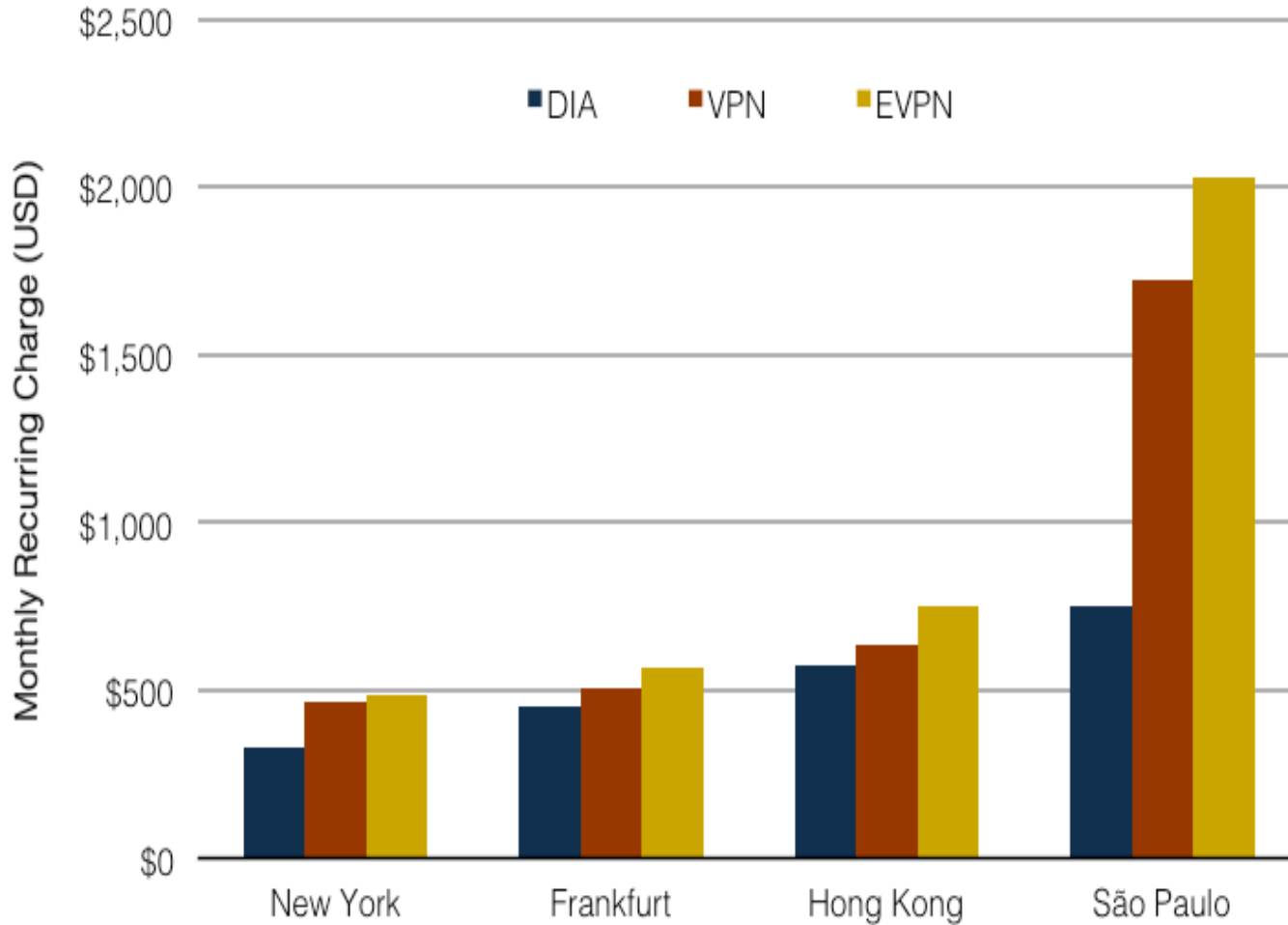
10 Mbps, Best Efforts VPN Port Pricing, Q3 2012 – Q3 2015



Source: *Enterprise Pricing Service*

# Choose your network product wisely!

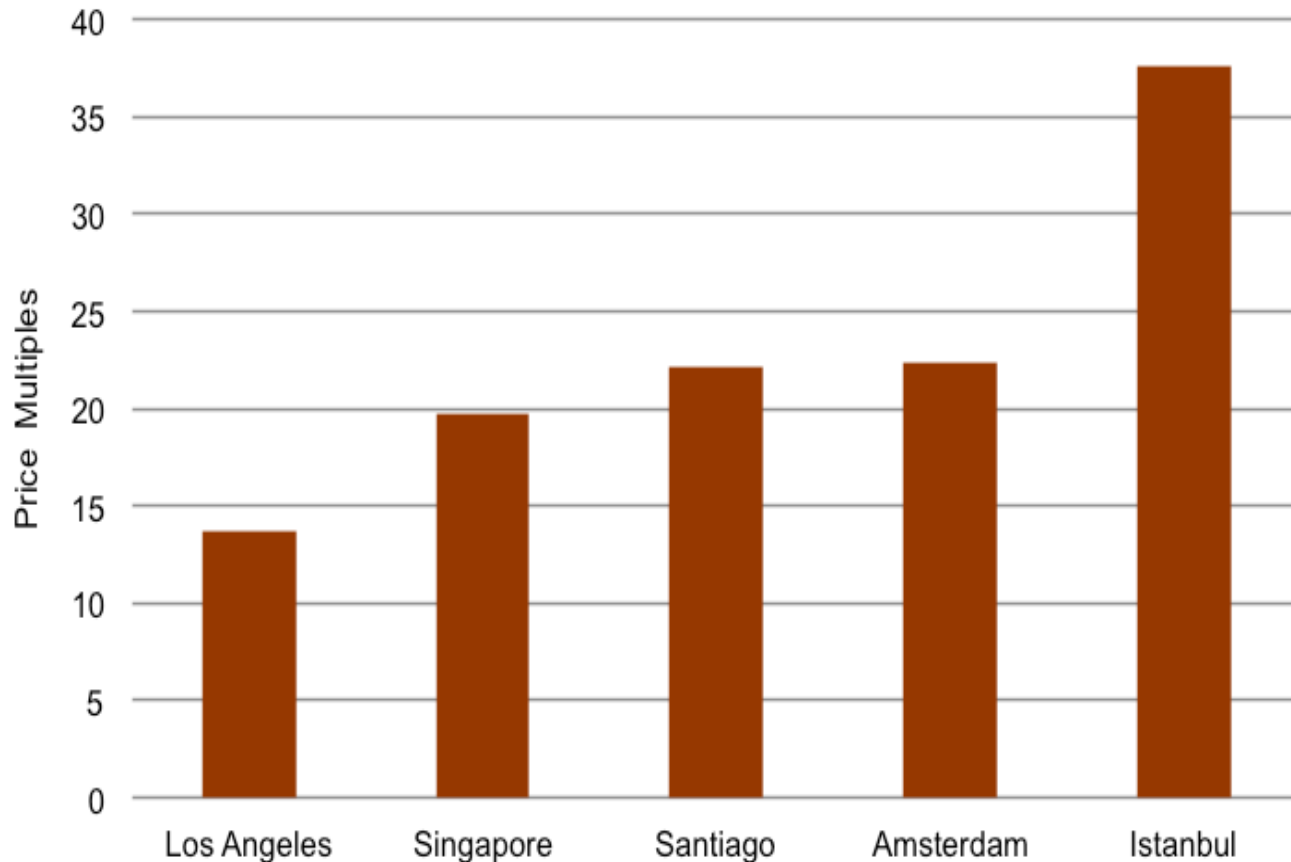
10 Mbps Network Port Prices by Product, Q3 2015



Source: *Enterprise Pricing Service*

# Business Broadband saves big money (where appropriate)

Price Multiple between 10 Mbps Business Broadband and DIA Solution, Q3 2015

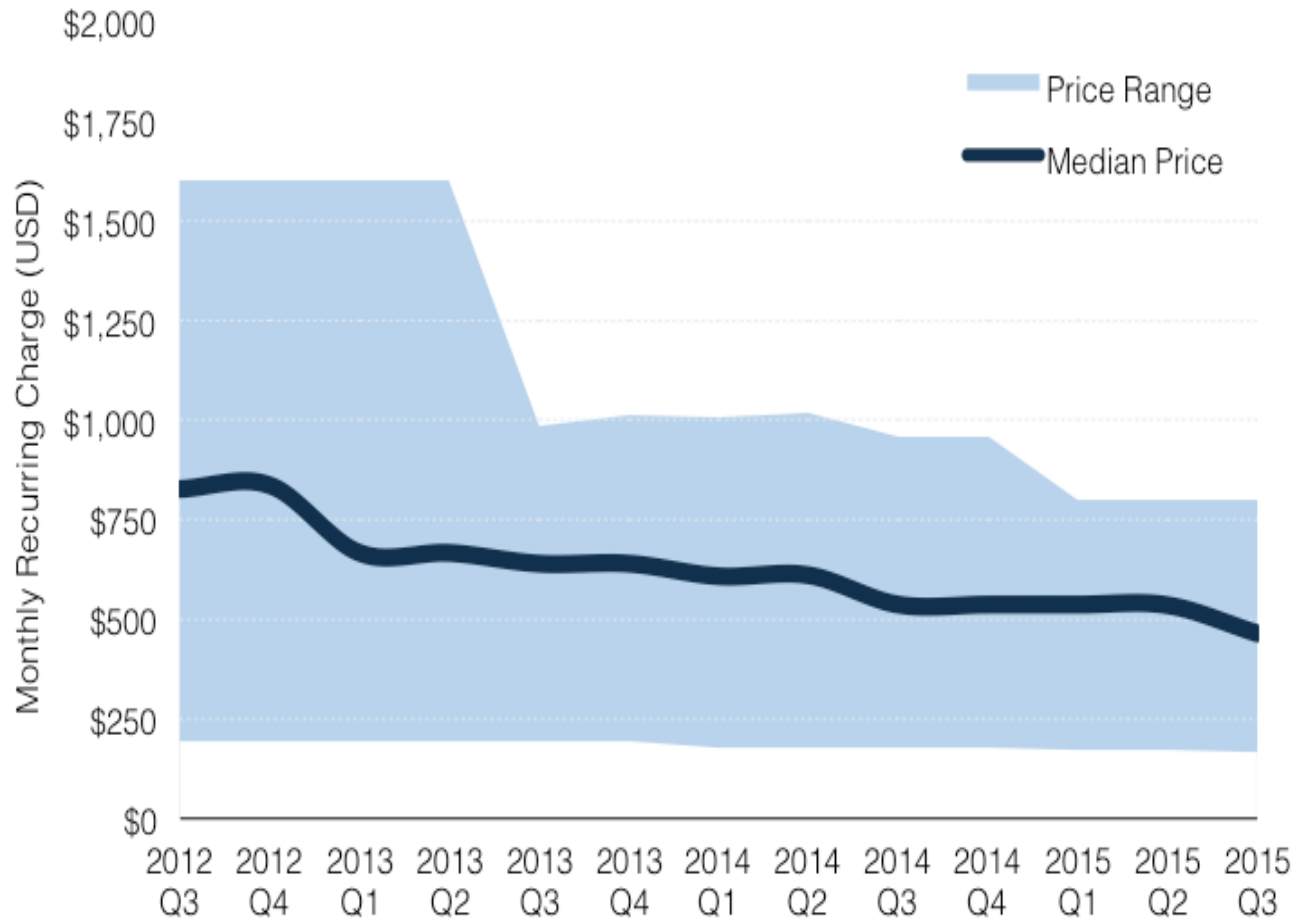


Source: *Business Broadband Research Service*



# Prices range, so provider choice matters

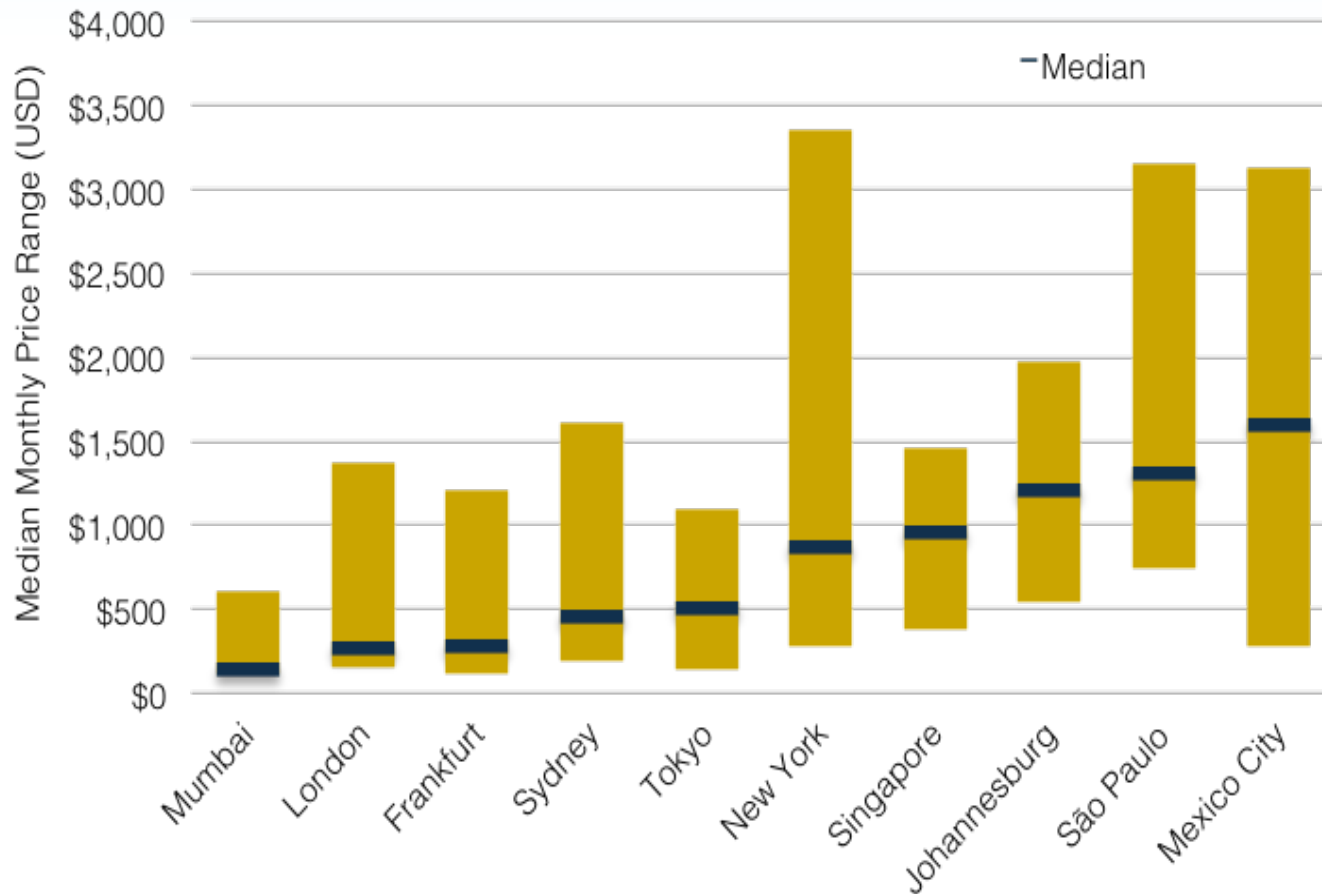
New York City 10 Mbps, Best Efforts VPN Port Pricing, Q3 2012 – Q3 2015



Source: *Enterprise Pricing Service*

# Local access can be messy and expensive

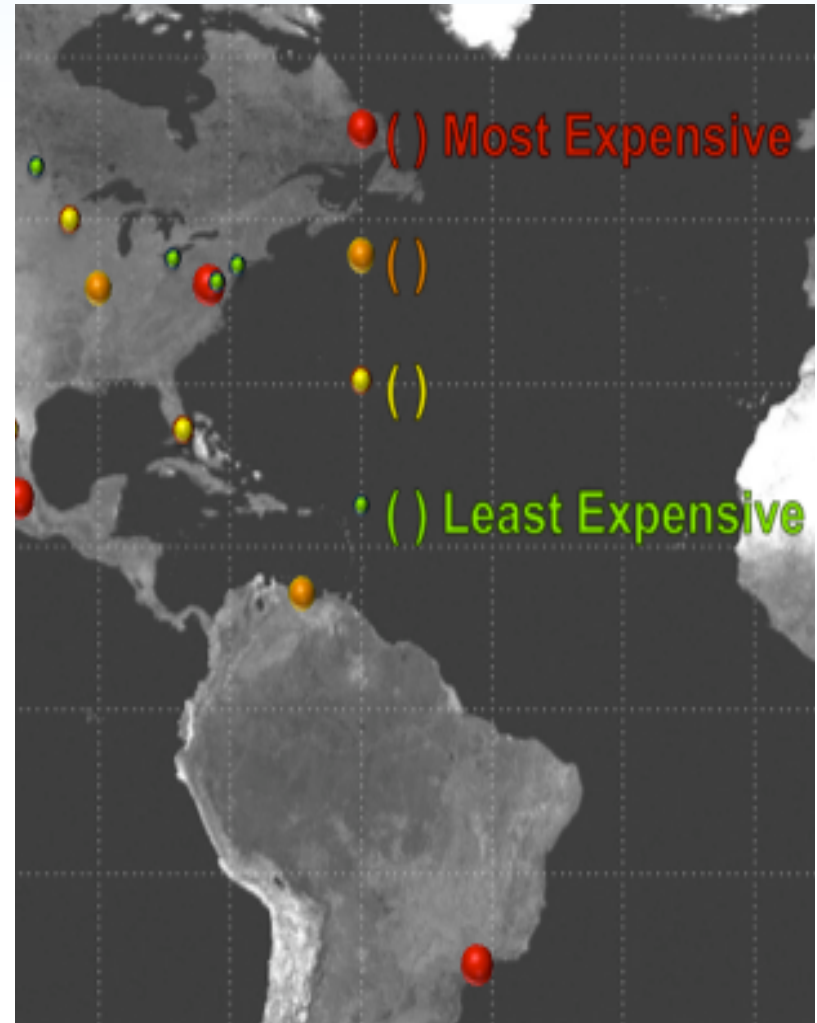
10 Mbps Metro Access Pricing in Select Cities, H2 2015



Source: *Local Access Pricing Service*

# WAN Benchmarking Scenario Analysis

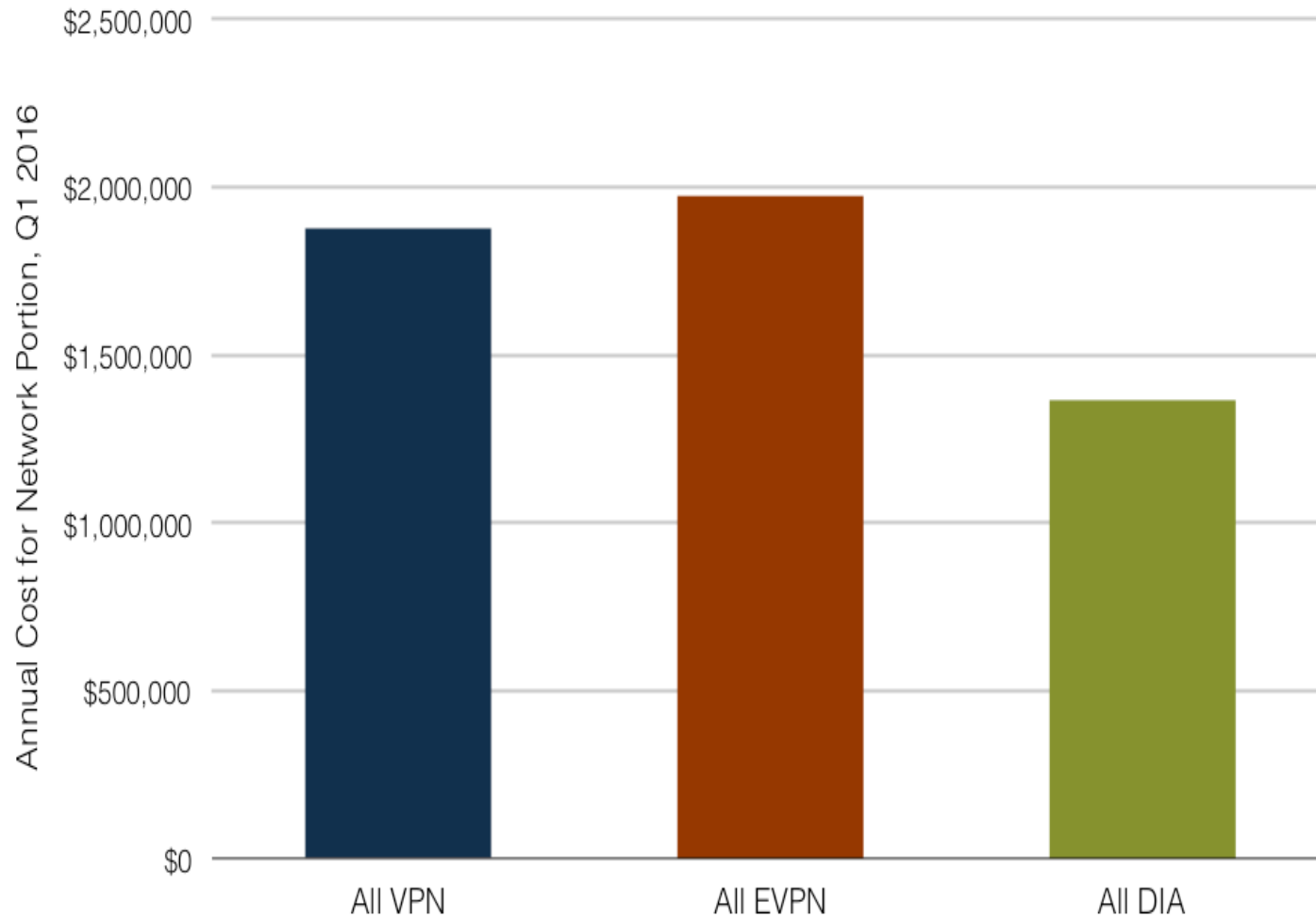
- What do different WAN configurations cost?
- How does my provider choice affect my WAN TCO?
- What product choices will save me the most money?
- What balance do I strike between cost and performance?



# Baseline WAN Configuration

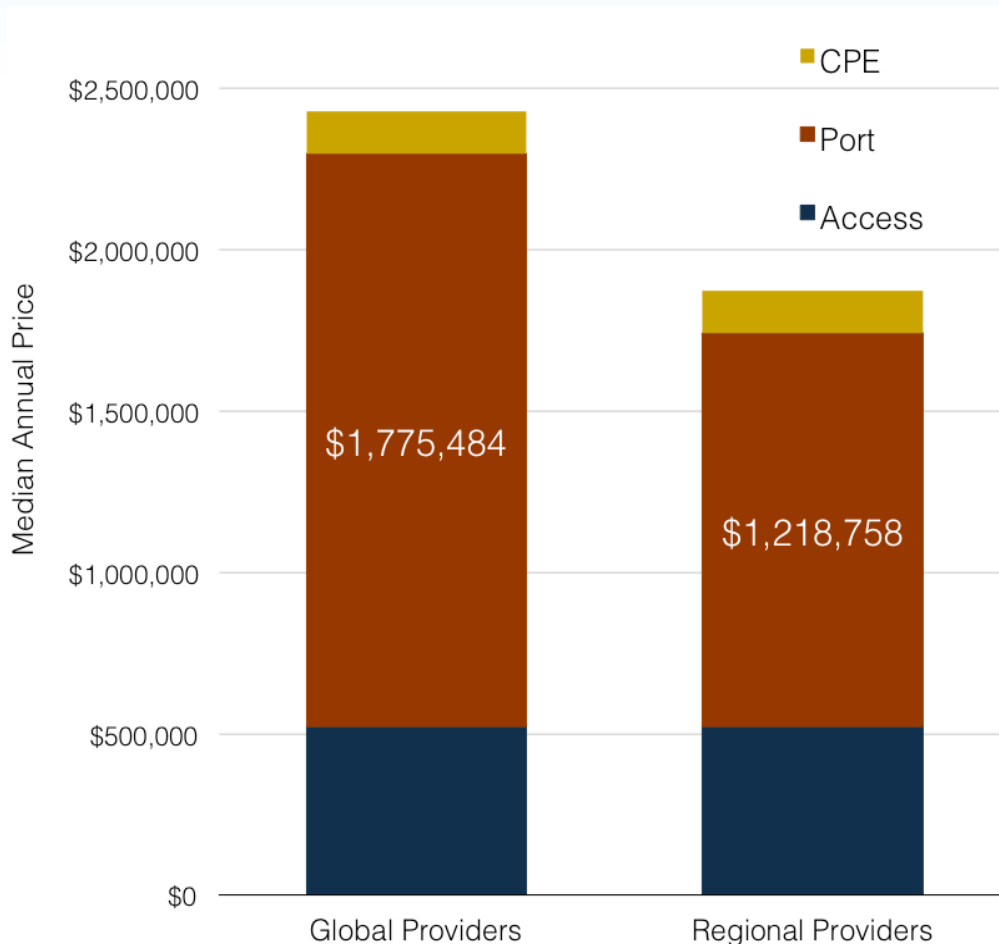
- Scenario analysis based on hypothetical global network
- 36 sites – 10 in Asia, 10 in Europe, 6 in LatAm, 10 in the US
- Capacities range from 2-1000 Mbps
  - most common are 2 Mbps and 100 Mbps
- Class of Service mix: 10% Voice/Video, 20% Business Critical, 70% Best Efforts
- Ethernet access preferred over leased line, except at low capacities

# Single Product Strategies



Source: *Enterprise Price Benchmarking Service*

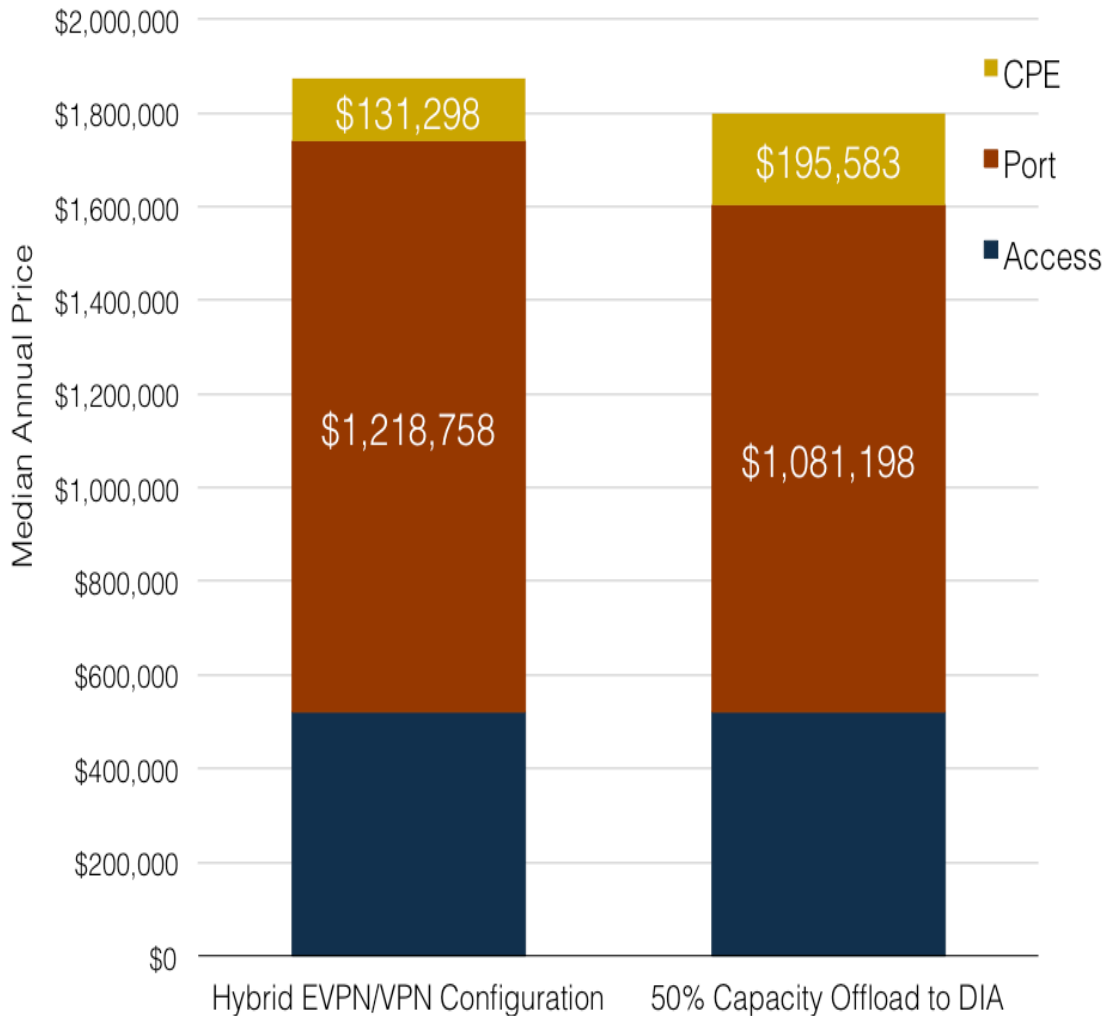
# Global vs Regional Provider Choice



- A single provider strategy often comes with a price premium
- Regional providers may be cheaper, but require more vendor management
- Access as a wildcard – Global providers may have access procurement advantages, but are savings passed on to consumer?

Source: *Enterprise Price Benchmarking Service*

# Internet Offload to DIA

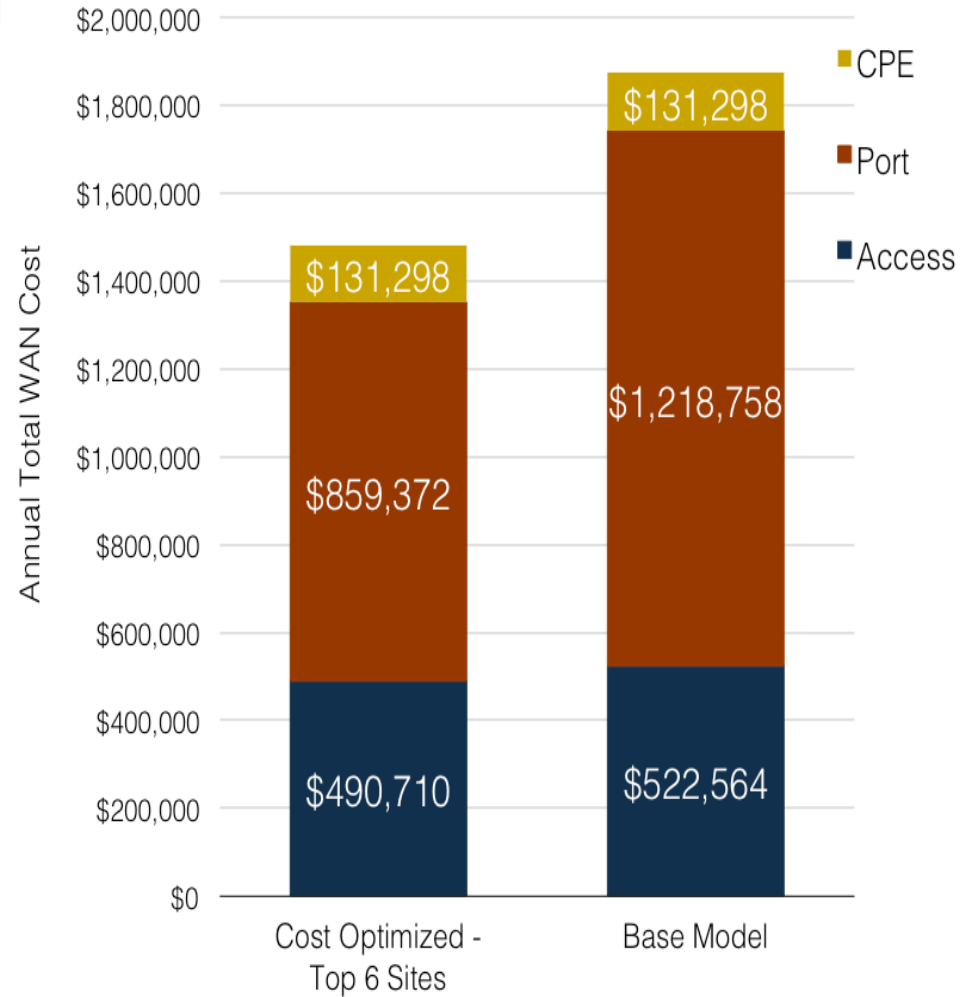
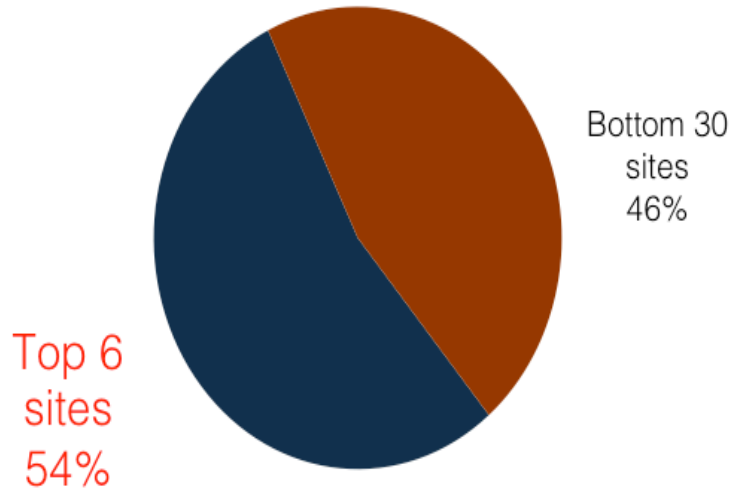


- Shifting some MPLS capacity to the Internet can further optimize WAN spend
- Decreased port prices somewhat offset by additional hardware costs
- For lowest priority Internet traffic, broadband service can magnify these savings

Source: *Enterprise Price Benchmarking Service*

# Site Optimization – Most Expensive

Share of WAN Spend by Site - Hybrid VPN/EVPN Configuration

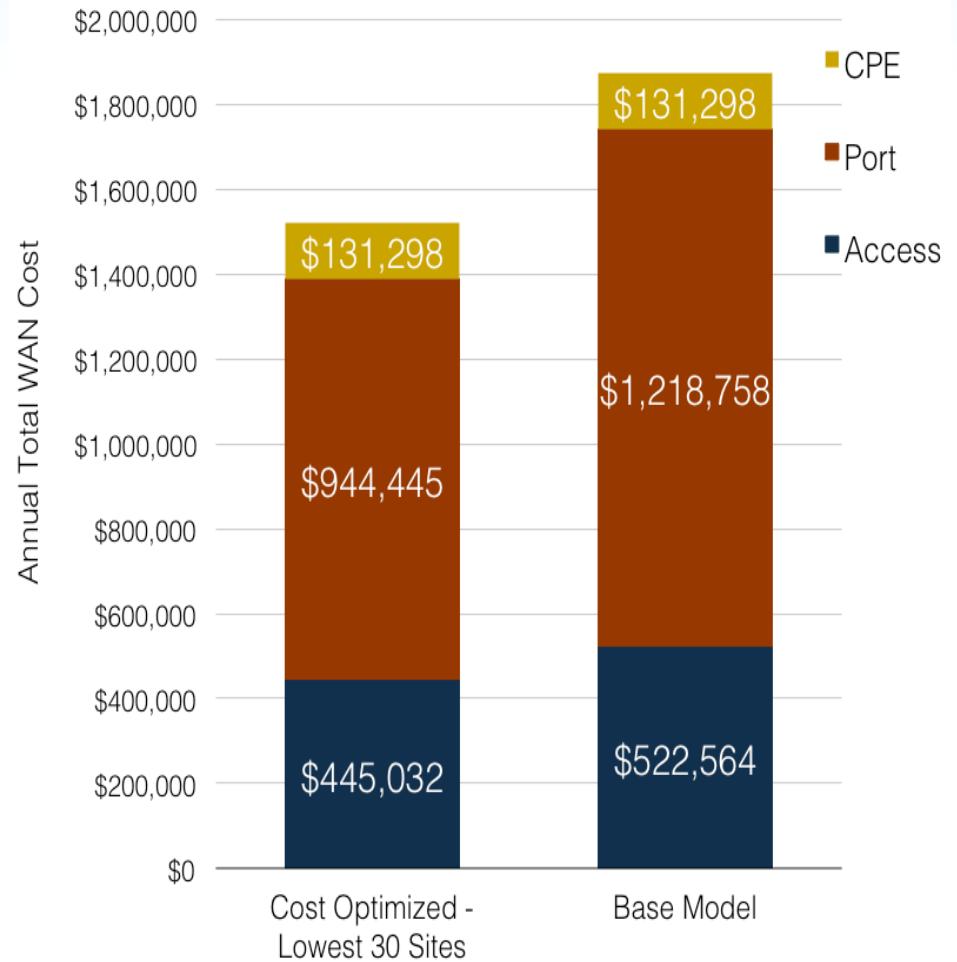
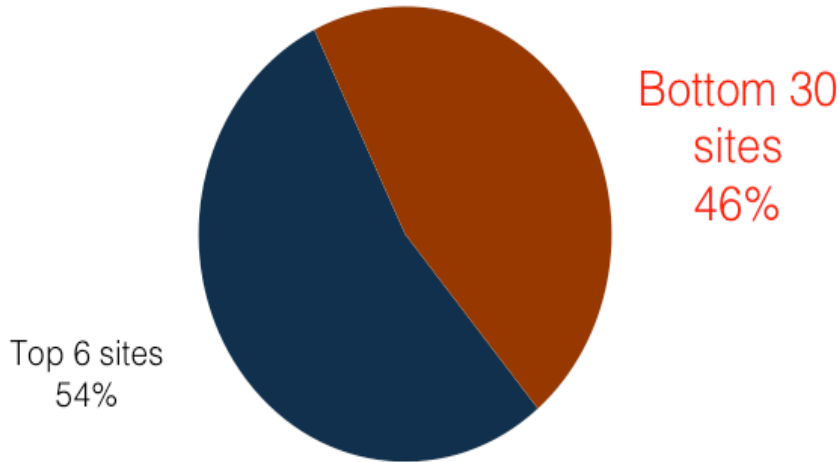


Source: Enterprise Price Benchmarking Service



# Site Optimization – Majority of Sites

Share of WAN Spend by Site - Hybrid VPN/EVPN Configuration



Source: Enterprise Price Benchmarking Service

# Thank you!

For questions, please contact me at:

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