



Vendor View: Hosted Networks Offer Rural Operators Advantages as They Migrate to 4G/LTE

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Hosted network strategies are a sensible option for resource-conscious operators that want to successfully migrate to 4G/LTE while managing day-to-day business. Hosted networks can bring more than the network, providing additional engineering talent, improved economics on equipment and reduction of the effort relating to vendor and technology management. Rural operators, which typically don't have excess human and cash resources to take on a major migration, can benefit from hosted approaches through the 4G/LTE transition period and in the long term.

Accelerate, De-Risk and Expand

The shift from 3G to 4G/LTE is significant for any operator, and particularly for rural operators that must scrutinize factors like expense, risk and business disruption. The move to 4G signals a transition into a more robust set of services, placing new demands on operators' front offices and requiring greater focus on customer engagement. Operators need to focus on caring for customers while introducing them to the new services 4G/LTE enables. But 4G network complexity can distract from those priorities.

As rural operators set their 4G/LTE migration strategy, hosted services should be considered as a means to accelerate, de-risk and expand access to critical resources. Hosted networks offer advantages in time to market; phased deployment; cost certainty; simplified migration both up the 'G' levels and from GSM to CDMA; and improved economics relating to equipment and software licenses.

A hosted provider can represent a buying collective, creating economies of scale across its customer base that have more leverage than an operator may generate on its own. The effort involved in acquiring new network equipment and software licenses can become the hosted providers' responsibility, so internal teams aren't bogged down with RFPs, managing bidding processes or negotiating one-off contracts.

Operators can preserve capital as a result of not having to purchase and license all their new 4G services and equipment. Existing towers, which an operator likely owns, can remain in use, but leased equipment—owned and operated by the hosting provider—can be installed on them. Thus, the operator can minimize its risks and perform a limited or phased rollout, measuring at each step to ensure that actual customer uptake matches projections.

Plan for a Phased Rollout

A phased approach is critical to success. A hosted provider should be able plan and execute a phased 4G/LTE rollout. An effective plan shows that a hosted provider can be a true business partner and an expert asset, not just a network services vendor.

For example, a twist with 4G/LTE rollouts is that they often necessitate a transition from GSM to CDMA. Chances are an operator will have to run GSM, CDMA and LTE concurrently for an extended period of time, particularly as the subscriber base migrates across the technology path. Having access to domain-specific expertise, and a fully functional NOC, can provide an operator with a leg up throughout this period of increased network and technology management. Deeper OSS capabilities can provide the operator with greater intelligence regarding network and service performance. This is particularly important as new technologies and services come online and customers begin to interact with them.

Focus on Customers, Not Complexity

Ultimately rural operators must address the fact that 4G/LTE migration will be capital- and risk-intensive. A hosted strategy can free operators from being so focused on digesting 4G/LTE complexity that it disrupts their ability to devise new services, interact with customers and continue to generate revenue from existing lines of business.