Open Source Profoundly Impacting the Communication Service Provider Ecosystem

Open Source Content to Increase by 5-10x in Established Portfolio Companies in 5 Years

GILBERT, ARIZONA, USA, March 27, 2018 /EINPresswire.com/ -- ACG Research today announced the availability of its new report on the impacts of open source technology adoption in communication service provider networks (CSPs). The report focuses on open source adoption in three network areas of CSP network infrastructures that collectively represent over $40 billion in revenue for vendors in 2023: service/network orchestration, network control/SDN and packet transport infrastructures which include both transport routing and data center switching.

> *CSPs' service/network orchestration, network control/SDN & packet transport infrastructures will collectively represent over $40 billion in revenue for vendors in 2023."*
>
> *Paul Parker-Johnson*

In "Succeeding on an Open Field: The Impact of Open Source Technologies on the Communication Service Provider Ecosystem," ACG explores changes in revenue, product content and research and development structures in the upcoming five-year timeframe. Paul Parker-Johnson, Principal Analyst, Cloud and Data Center Infrastructures, and Tim Doiron, Principal Analyst, Intelligent Networking, conducted extensive interviews with executives from leading CSP and vendor companies. Interviewees included business and strategy leaders from diversified portfolio companies (DPCs) with multiple vertically integrated products and evolving business models as well as open source portfolio companies (OSPCs) with products and business plans born in the era of open source with enhanced services, tools and skills to achieve their business objectives.

"Over $11 billion of revenue is in play for vendors in the areas in focus in this report," states Paul Parker-Johnson. "OSPCs and leading CSPs view open source strategically and increasingly to expand markets and unlock new high-growth use-cases like multi-access edge computing where the compound annual growth rate is expected to exceed 80% over five-years," he adds.

Although DPC vendors perceive open source more tactically, expect DPCs to continue to evolve their solutions and business models. ACG anticipates DPC orchestration, SDN/network control and data center switching to increase the percentage of total revenue derived from services by 50% in five years. The percentage of open source content in DPC solutions is also expected to increase by 5–10X during this timeframe.

"The good news for vendors is that 100% of the CSPs that we interviewed expressed a strong desire to continue to work closely with vendors that can help them achieve their flexibility, efficiency and innovation goals," says Tim Doiron. "For CSPs, this isn't about immediate financial gains. It is about competing in a rapidly changing, global information and communication marketplace, unifying approaches and investments to solve common challenges and transforming the network to create services faster."

The vendors that can adapt their solution and business models most deftly and demonstrate an ability to align with CSP priorities are also the ones most likely to earn a larger share of the CSP networking market in the future. Go to www.acgcc.com to access the report and find information about PJ and Tim and their research.

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