Business Transformation: More than Skin Deep

There's little doubt that to succeed in today's marketplace, network operators must be agile and responsive to changes in technology, competition, and, most important, the demands of their customers. Basic connectivity has become a commodity that provides little ability for network operators to differentiate themselves from the competition – except on price – which can impact profitability in the race for customers.

There are plenty of opportunities for organizations who can transform themselves to meet this challenge, such as offering differentiated services or helping customers implement new capabilities brought on by innovations such as big data, the Internet of Things or 5G. Transforming the way a business operates, however, is no easy task. Years of tradition, bureaucracy and ego amongst key decision makers may get in the way.

Take, for example, the task of introducing new technology into a business. Research by the University of Oxford showed that IT projects usually take more time and resources than initially planned – only 16% hit their targets. Projects in the study were over budget by 18% while only delivering 93% of the original specifications. What's more, 31% of projects were abandoned and 54% failed to deliver on the initially planned functionality.[1]

Don't be afraid of deep analysis

Real business transformation for network operators, of course, involves more than just switching out a few racks of equipment. It requires transforming people and skillsets, as well as processes and technology. And to be truly effective, it can include transforming business models as new ways are found to solve customer problems. It may even go as far as transforming an organization's brand in its entirety – and making sure everyone understands the value, including customers, employees, partners, and other stakeholders.

Meaningful transformation requires a focus on value creation and helping to quantify real outcomes. It often requires engaging with a team of experts – true partners – with the experience to translate mounds of analytics and data into an actionable and achievable plan.

So how can you help your customers to transform their businesses to achieve positive results, both today and that can be sustained over the long term?

---

[1] http://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/delivering-large-scale-it-projects-on-time-on-budget-and-on-value

Take it from someone who's been there

In the past three years, Ciena has created an entire practice around business transformation, in which we help our customers map their way through uncharted waters in a climate of change. In our experience, suboptimal performance is often the result of having multiple operational procedures, complex layered architectures, and attempts to interoperate equipment from many vendors, all of which have been added incrementally year over year, or inherited through acquisition. At the same time, video, cloud computing, and mobile Internet are increasing demand for data, placing more demands on the network and making the ability to analyze and optimize network architecture a top priority.

We focus on the two broad challenges operators face: network modernization and network monetization. Modernization involves preparing the network for tomorrow and reducing the costs of implementation. Monetization focuses on unlocking network value and increasing revenue in new ways.

Along the way, we've developed some best practices that you can also use as you help your customers transform their business to meet their challenges.

It all starts with listening. This means staying attentive to large-scale trends as well as the unique opportunities that could translate to substantial profit down the road. It means insights, analytics, processes.

Follow a proven methodology

We have found a Discovery > Solution > Execution approach, works best, one that examines every facet of the business, including the services portfolio, engineering, business modeling, and network design. This allows us to deliver optimal recommendations that balance both technical and business requirements.

The first phase, Discovery, can help uncover, quantify, and prioritize key issues to determine both business and operational requirements. Depending on customer needs, this phase may begin with either a technical network audit or a business analysis. The objective of the Discovery phase is to uncover and investigate issues and pain points, while tracking optimization opportunities.

The Solution phase focuses on transformational scenario planning—including network consolidation and simplification—that typically results in the introduction of new technologies, fewer network elements, and reduced OPEX and equipment redeployment. We collaborate with our customers to analyze these modeled scenarios and ensure a sound business recommendation and justification.

After specific targeted improvements are adopted, the Execution phase focuses on timely and accurate implementation of these recommendations. This phase may involve aspects of customer-focused business process re-engineering, architectural and detailed network design, and more typical installation, migration, test, and verification services.

Prepare to reap the rewards

Combined, the features and benefits of such an approach include:

- A business-driven approach to capacity deployment
- Optimal architectural solution designs to meet future service and bandwidth requirements
- Maximized use of existing infrastructure and new technology introduction
- Detailed data and financial modeling to enable informed executive decision making
- Alignment of investments with business revenues
- Advanced technology solutions uniquely tailored to customer goals, objectives, constraints, and limitations for an efficient and future-proof solution for anticipated markets

Customers who have successfully completed the transformation process have reduced the number of network elements from thousands to tens, lowered CAPEX and OPEX and provided space for new equipment and services. What's more, a properly executed transformation strategy can improve network operator credibility with end-users due to reduced network failures and associated downtime, traffic loss, and lost revenue.

Of course, each customer is unique and every network has its own subtle differences. There is a complex art in these transformations. But in our experience, network operators who embrace transformation emerge much stronger and better able to compete in this rapidly changing business environment. And by helping your customers to undertake these initiatives, you can foster healthy, long-lasting, and mutually beneficial relationships.

To learn more about Ciena's Transformation program, which you can also engage to help your customers, please visit http://www1.ciena.com/solutions/transformation/ or talk to your Ciena representative.