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Three reasons to switch to
Network as a Service

An increasing number of companies are switching over to an Everything-as-a-Service model (XaaS) for their IT environment. In a study carried out by Deloitte, those managers questioned (of which 40 percent are members of the MT) not only stated cost benefits as a reason, but also an increase in agility.[1] These aspects reinforce each other and bring IT managers and board members closer together. Network as a Service is an example of this.

It is expected that the Network-as-a-Service market is going to experience accelerated growth in the coming years. From 4.3 billion dollars in 2018 to 21.7 billion dollars by 2023: a compound annual growth of 38.3%.[2]

Based on various research reports, this infographic gives three reasons to outsource your connectivity requirements by switching to Network as a Service:

[1] Deloitte (2018), Accelerating agility with XaaS
[2] MarketsandMarkets (2018), Network as a Service Market Global Forecast to 2023

1. Lower management costs, more innovation

IT management is a time-consuming task. The average IT manager and their team often never get around to the innovation that they would like to implement. With Network as a Service:

- Axians performs the management and the associated administration for you. This provides you and your team with more time to support the business.
- We start with the further automation of your processes, which will free up valuable time.

69% of CIOs indicate that 'process automation and transformation' is the most important focal point in their digital agendas.
Source: Deloitte (2018), Global CIO survey: Manifesting legacy

It is currently more difficult than ever to attract and retain qualified IT employees. This despite the fact that nowadays some of their tasks can be better outsourced, if only for cost benefit purposes.

56% of the CIOs who were questioned indicated that they intend purchasing IT services on the basis of use, to fill knowledge gaps, support innovation and improve service delivery.
Source: Deloitte (2018), Follow the money: 2018 global CIO survey

The consequence of this is that Network as a Service is increasingly becoming the standard. The benefits from 'as a Service' are recognized by both the board of directors and the IT staff, with the result that organizations are following up on this and outsourcing their network. The network has almost become a 'product'.

Only a quarter (**25%**) of the companies indicated that they prefer a traditional, self-purchased IT infrastructure. Almost one-third (32%) preferred an as-a-service model and around a similar number (31%) have no particular preference.
Source: Deloitte (2018), Flexible Consumption Models Study

In addition, software-defined networking is preferred above MPLS by many organizations, among other things due to being able to remotely manage switches.

60% of the organizations questioned indicate that towards the end of 2019 the largest part of their IT operations are running outside their data centre.
- This involves a large increase in investments in IT solutions that are delivered as-a-service, to the detriment of the traditional on-site model.
- For 25% of the organizations, software-defined networking is a 'top IT priority'
Source: 451 Research (2018), Voice of the Enterprise: Digital Pulse, Budgets and Outlook

2. Higher ROI and scalability

Business agility is considered by IT managers to be almost as important as efficiency:

- **38%** of those questioned opted for an as-a-service model because of 'cost reduction', 37% stated 'accelerated innovation'.
- Flexibility - quickly increasing and decreasing capacity was given as the reason by no less than 43%.
Source: Deloitte (2018), Flexible Consumption Models Study

Being able to quickly increase and decrease hardware capacity and software licences provides a cost benefit: it avoids unnecessary resources.

Another important benefit has not yet been mentioned: since your organization does not need to invest in hardware itself, the costs can be spread over a longer period. This means that the available financial resources can be used for activities and business units with a higher ROI.

These days, organizations have to be agile and react faster to the market. IT organizations and infrastructures must be able to adapt. The possibility to increase and decrease capacity is crucial for this.

3. More time and budget for security

The increasing digitalization also increases the risk and impact of cyber criminality and/or data breaches. Such incidents increasingly hit the headlines, resulting in reputational damage for the organization in question.

The average costs of a data breach are 3.86 million dollars. This is 148 dollars for each lost or stolen record.
Source: IBM (2018), Cost of a Data Breach Study: Global Overview

For this reason organizations increasingly free up budget to prevent data breaches and theft.

16% of organizations indicate that the budget for information security is increasing the most within the overall IT budget.
Source: 451 Research (2018), Voice of the Enterprise: Digital Pulse, Budgets and Outlook

By means of Network-as-a-Service, where updates and bug fixes are quickly implemented, technical specialists ensure that your network is secure and up-to-date 24/7. Knowledge and time that otherwise would be difficult to free up within the IT department.

71% of the companies indicate that an as-a-service model ensures time savings for IT maintenance activities and upgrades. This enables them to deploy IT staff on more important tasks.
Source: Deloitte (2018), Accelerating agility with XaaS

With Network as a Service, Axians takes responsibility for the daily network management tasks, the ownership of the

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Fulfil your ambitions, make acquaintance with Network as a Service

Outsourcing your network is a major strategic step, because this is the beating heart of your ICT infrastructure. Would you like to brainstorm about your network with one of our experts? Contact us for more information.

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