Edge computing: the opportunities for operators

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RESEARCH

Agenda

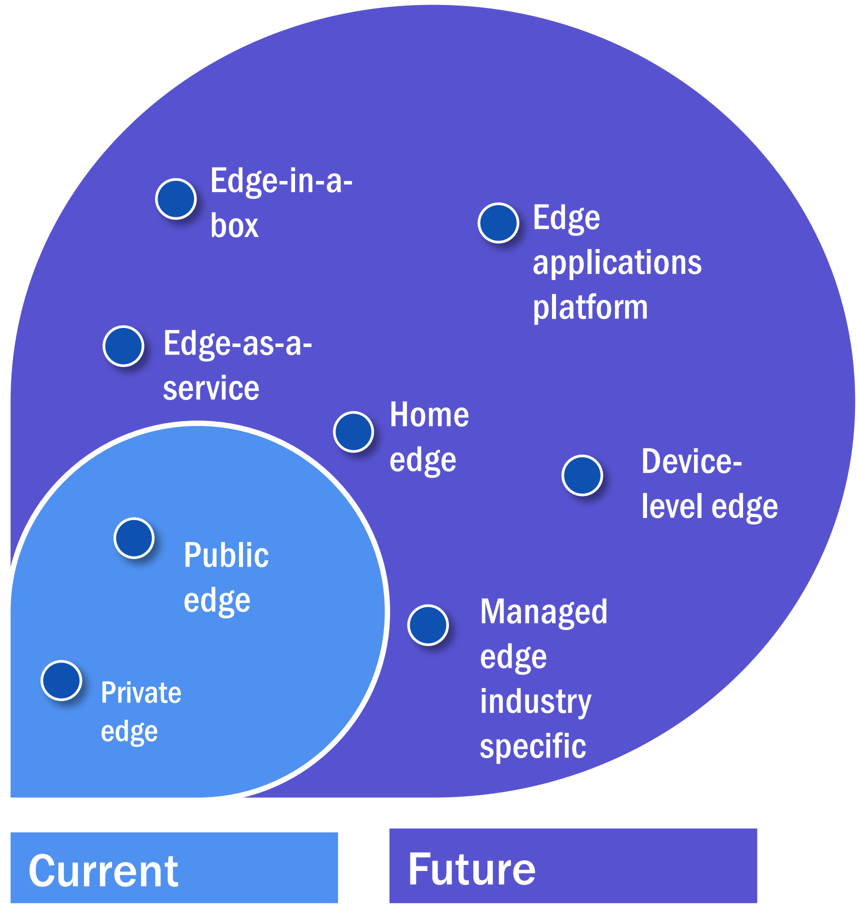
1. What is edge computing? Where is it? What are use cases that will benefit from edge? and where do they intersect with 5G?

2. Who will build the edge – where will it make sense for telcos to invest in physical assets, and where will sharing work?

3. Monetising the edge, how telcos will benefit?

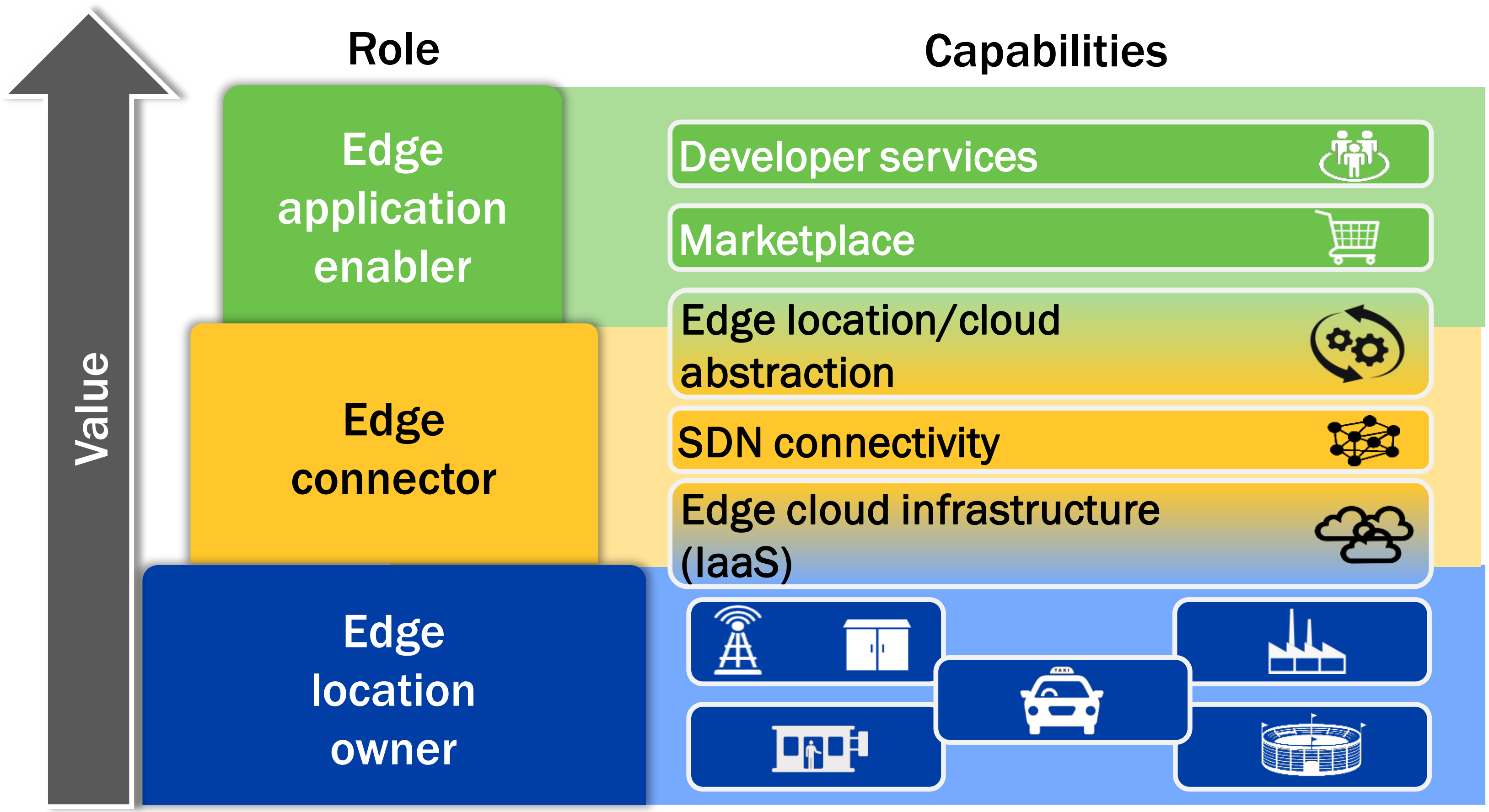
What is and where is the edge?

- Edge is bringing computing and storage closer to the end customer.
- In theory the edge is anywhere from just outside the data centre to someone's smartphone.
- The current market is based on public and private (enterprise) edge deployments.
- In future, new edge locations and business models will evolve:
  - Managed edge, public infrastructure with services for specific industries or user groups
  - Edge-as-service for private enterprises
  - Edge-in-a-box for remote or highly secure applications
  - Edge extends to homes and devices



Source: Analysys Mason

Three roles are open to telcos – or to many other potential players

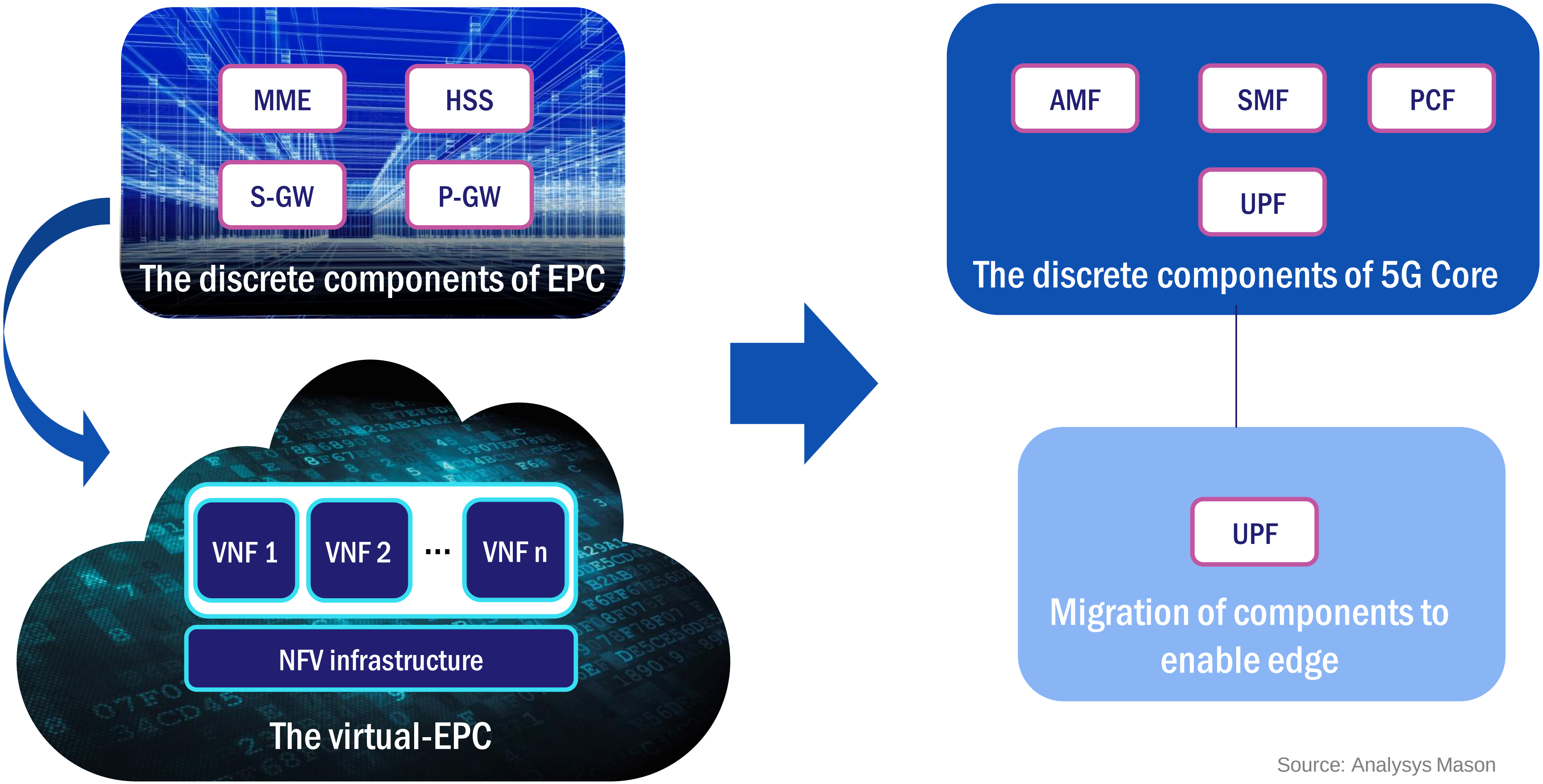


Source: Analysys Mason

Telcos will have a head start with the new 5G core

The operators are migrating from physical 4G EPC to virtualised-EPC

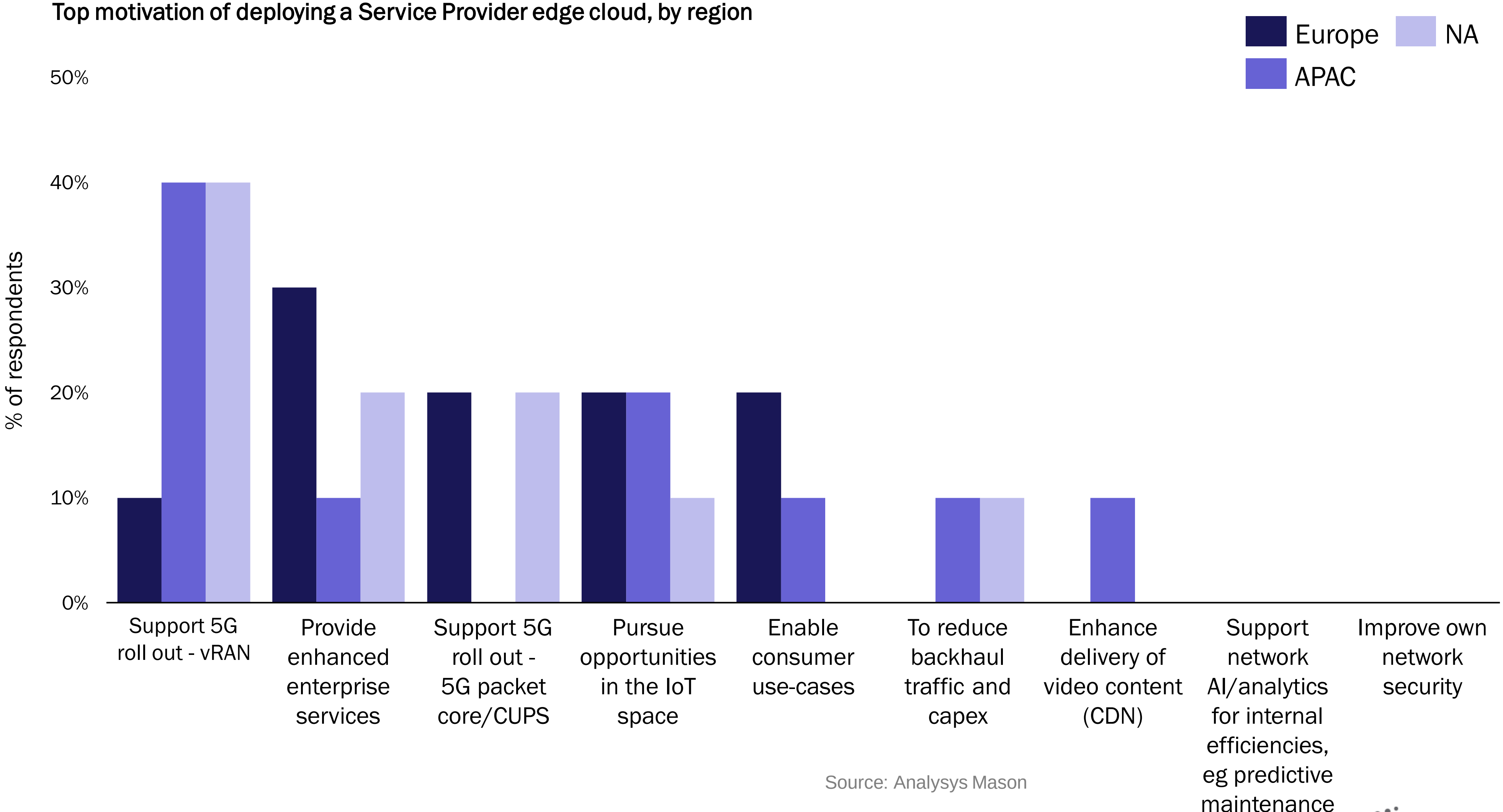
The 5G core will enable network functions to migrate to the edge



Source: Analysys Mason

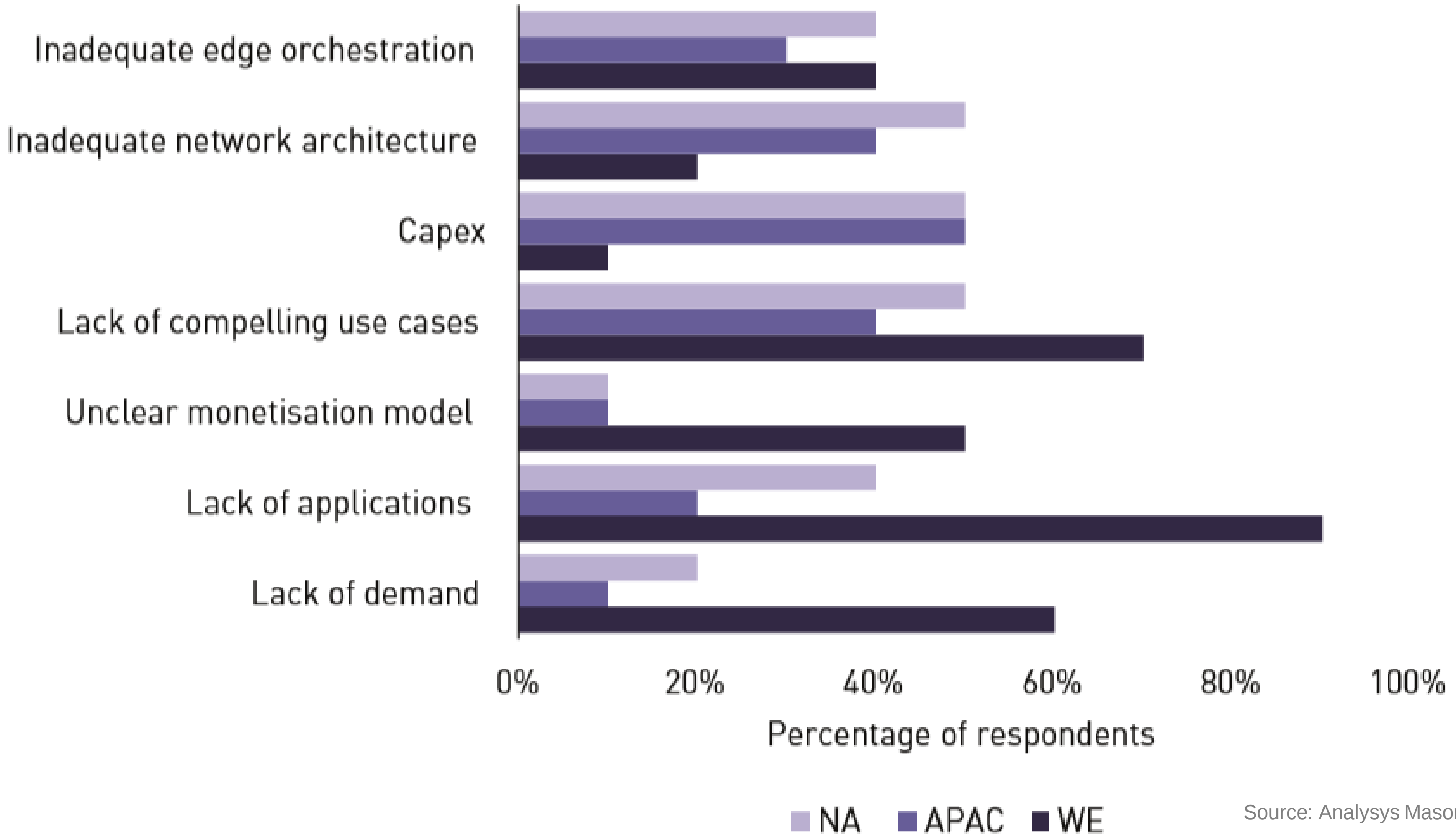
European operators have a service-driven approach to edge; NA and APAC CSPs' edge strategies are more associated with 5G roll-outs and vRAN

Top motivation of deploying a Service Provider edge cloud, by region



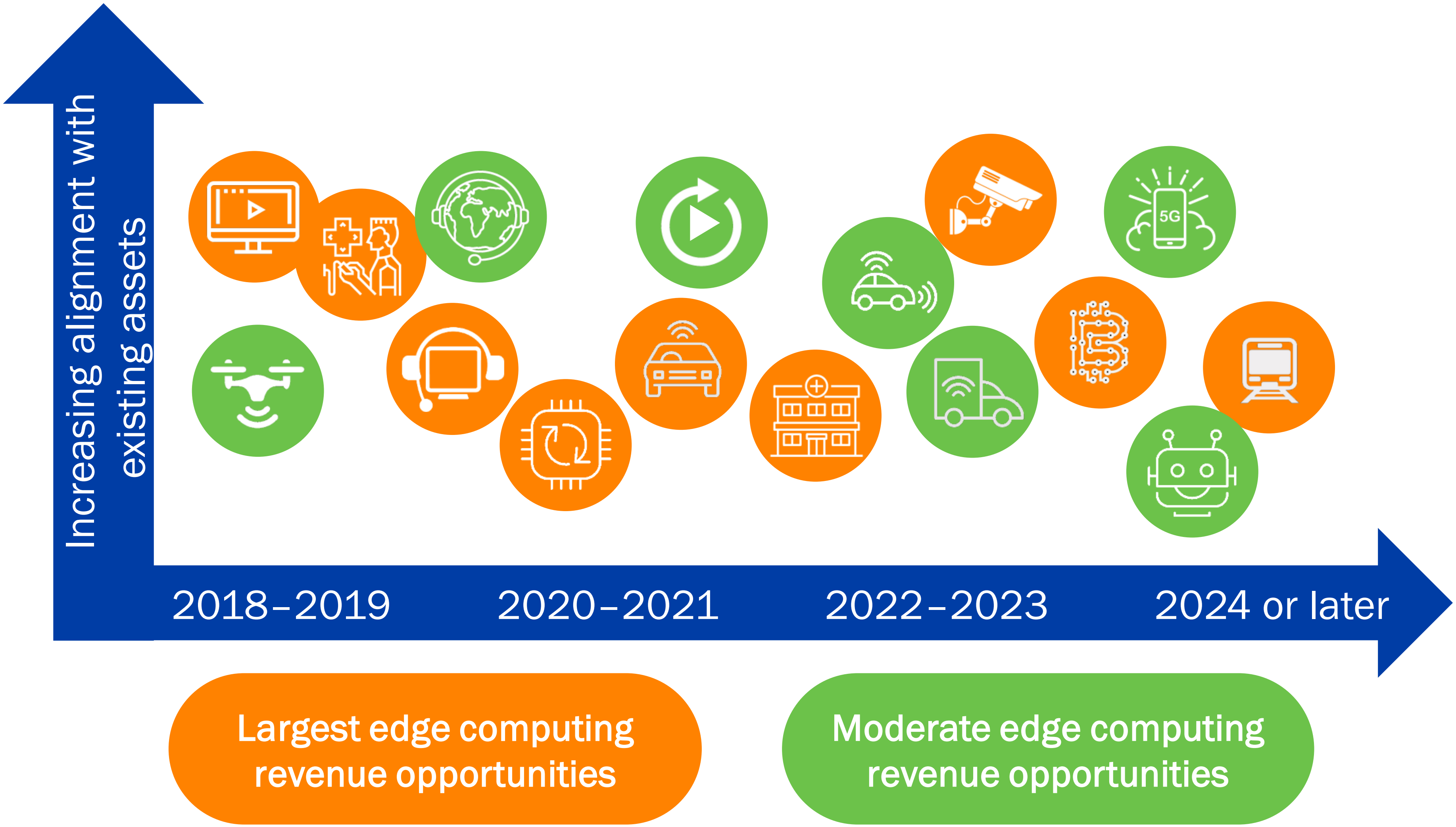
Source: Analysys Mason

The barriers to edge in Western Europe are commercial and service related



Source: Analysys Mason

Diverse use cases will emerge in different timeframes



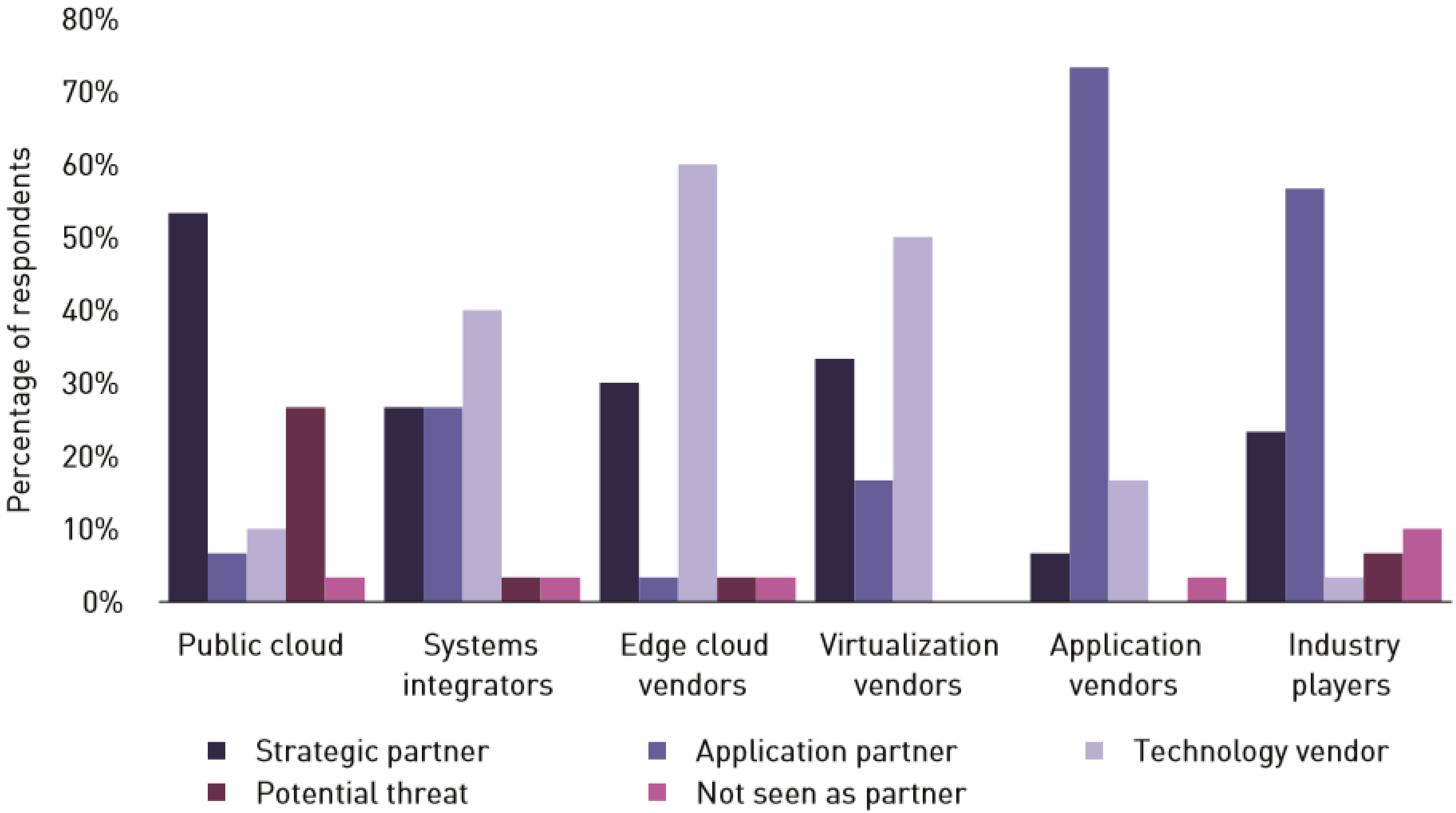
Source: Analysys Mason

A platform role enables operators to achieve a pivotal position in the value chain

- Others will also be chasing this role, leveraging different areas of established expertise e.g.
  - Webscale players
  - CDN providers
  - Private network operators
  - Enterprise system integrators
  - Smart city providers
- Some of these groups will be partners for telcos

Source: Analysys Mason

Operators must collaborate with a diverse ecosystem of industry players to deliver the benefits of edge



Source: Analysys Mason

Recommendations

1 Operators should identify the short-term opportunities where they can make use of their existing assets.

2 Operators must partner to address new locations and use cases in order to extend their role in the edge value chain.

3 Operators need to build a flexible digital platform based on the 5G core to maximise their edge revenue.

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