



“Bring it on”

Verizon eyes the networked enterprise



Innovation, relationships with OTT players and the next phase of the enterprise network are just a few of the most pressing issues facing operators as the digital revolution gains pace. With a global network that could circle the Earth more than 30 times, **Verizon brings a unique perspective to these questions.** *Ericsson Business Review* talks to the man with an inside track on Verizon Enterprise Solutions' strategy for the connected future.

BACKGROUND CHECK

► MARTIN BURVILL

Title: Senior Vice President, Global Operations, Verizon Enterprise Solutions
Headquarters: Basking Ridge, New Jersey, US

► Think of it as a giant science experiment, Martin Burvill suggests.

"We get together, share ideas and try things out," he says. "The aim is to see what we can spark off each other." He pauses for a moment. "In this business nobody knows what's coming next, but you've got keep innovating if you want to be as ready as you possibly can."

Telepresence robots, remote healthcare solutions and a device that enables firefighters to see through walls are just some of the 30 products that have so far emerged from the Verizon Innovation Program, which aims to bridge the gap between new digital ideas and the cutting-edge technology that can bring them to life. Today, the program has more than 200 participants and regularly brings together customers, collaborators and developers in Verizon's two state-of-the-art Innovation Centers in Boston and San Francisco to explore what Burvill refers to as connected possibilities.

The program recognizes that astonishing growth in connectivity and digital technologies is creating business opportunities on a scale that not even one of the world's biggest operators can handle by itself. It also shows that the company understands that constant innovation is now critical for success in a landscape increasingly defined by broadband, mobility and the cloud. And Burvill has a deeper understanding of these realities than most in his position as Senior Vice President of Global Operations at Verizon Enterprise Solutions, where he heads up customer care, field services and core voice and data product management, as well as the company's business process improvement efforts.

"Many of the trends we see in the market every day come down to one thing – the growing relevance of the network," he says. "That's long been true in areas like high-volume trading or financial

news, where the network has always been the means by which the revenue comes in, but it hasn't been the case for most bricks-and-mortar businesses. Now, the network sits front and center in everybody's distribution, customer engagement and brand models.

"The network as a business enabler is the biggest transformation that our industry – and almost every other industry – has seen in a century. And it translates into a whole new set of expectations from our customers that only strong ecosystems and a deep commitment to innovation can answer."

THE CUSTOMER OF ONE

Burvill can easily summarize the five most recurrent customer demands he faces at Verizon Enterprise Solutions: simplicity and ease of use; global quality and consistency; complete solutions rather than piece-meal answers; solutions that drive sales, market share and brand equity; and perhaps most importantly, new ideas.

It's a formidable list – even more so, perhaps, given that it comes mainly from large enterprise customers in more than 2,700 cities around the world, including governments in more than 75 countries. But these demands are just the tip of the iceberg, Burvill says.

"We're having very different customer conversations compared to five years ago," he says. "Our business used to take place mainly in the CIO environment, and everything was reasonably programmatic – there were fixed templates and systems combined with a medium-term planning horizon. Today, we're talking to people at every level of an organization, and they all want different things. And you're lucky if they're thinking more than a year ahead."

But the biggest change of all, Burvill says, is that the definition of good or bad performance is increasingly connected with each individual user, rather than what technologists might specify as good or bad on a theoretical level. Expectations are now radically individual – a phenomenon that Burvill calls the "customer of one."

MODEL BEHAVIOR

Yet out of this seemingly chaotic background, Burvill sees several fixed points starting to emerge, particularly two business models that he says are set to dominate the enterprise scene. First of all,

Verizon facts

- **VERIZON ENTERPRISE SOLUTIONS** provides voice, data and Internet services to customers in more than 2,700 cities and 150 countries.
- **VERIZON'S GLOBAL NETWORK** includes over 800,000 route miles, including terrestrial and undersea cable, and spans six continents.
- **VERIZON CURRENTLY MANAGES** more than 5,000 networks and nearly 300,000 security, network and hosting devices in more than 140 countries and territories.
- **VERIZON'S 2013 REVENUES** were USD 120.6 billion, with an operating income of USD 32 billion.



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he believes the consumer model has now beaten the old enterprise model.

“Ten years ago, business users were satisfied with a locked-down PC behind a company firewall and with access to a limited range of approved applications. But smartphones, mobility and LTE networks in the consumer world have totally changed opinions about what enterprise IT should look like. That locked-down PC is now being compared with a much richer experience that also has the advantages of mass and scale behind it,” he says.

As a result, the challenge for enterprise IT is to match the consumer IT experience as closely as possible, while finding a way to maintain the established enterprise values of quality, integrity and security.

Secondly, Burvill expects the capex self-build model to gradually lose out to the opex on-demand model.

“We hear more and more customers asking for the X-as-a-service approach, rather than building their own infrastructure, and we understand their drivers. It’s about speed – when the network becomes a business enabler, they have to react to technology changes faster, and that gives them no time to build and develop things themselves. It’s

also about costs – around 70 percent of a CIO’s budget goes towards maintenance of existing infrastructure, which in many cases is a real boat anchor on new investment.

“But this shift will not be completed overnight – at least not in developed markets. In Africa and Latin America, on the other hand, businesses are going straight to the on-demand model because they don’t have any legacy equipment that they need to keep funding. But whatever the market, there’s no doubt that for the over-the-top players like Skype and Amazon, this has been a remarkable window of opportunity.”

EVOLUTION, NOT EXTINCTION

So will the whole concept of dedicated corporate IT simply vanish from our offices, overtaken by the relentless consumerist philosophies of pay-as-you-go (or even free-as-you-go) and bring-your-own-device combined with attractive over-the-top (OTT) offerings? For operators such as Verizon with a strong presence in the enterprise space, it’s a sobering prospect. Burvill, though, is rather more optimistic. To begin with, he believes we’re actually looking at enterprise network evolution, rather than extinction.

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“The next stage of the enterprise network construct is a hybrid set-up,” he explains. “Of course, there are cases where OTT services have a role to play. But there’s a simple answer to the suggestion that these solutions can do everything, and it’s the values we mentioned just now – quality, integrity and security.”

“In any business, there will always be things that, because of compliance or specific sensitivities about privacy or competitive intelligence, have to stay behind the curtain, if you like. There are also many situations where a business cannot afford the network to fail. So a real need exists for network environments that ensure these values are in place.”

Burvill outlines how CIOs are now thinking in terms of pairings, where users are matched with applications to form the basis of a network decision. For example, the pairing of trader and VoIP provided through an OTT player most likely isn’t a good one, but the pairing of trader and dedicated fiber network probably is. For users in less time-sensitive functions, such as developers, the VoIP pairing may work better, because the consequences of performance degradation are not significant enough to steer the choice towards a more expensive solution.

“That’s how the hybrid will work, and engineering this kind of set-up is where the money is going. And naturally, that’s where Verizon is going too,” he concludes.

OTT CHEMISTRY

Originally from England, Burvill has more than 30 years of global sales, marketing, operations, finance and general management experience. Before joining Verizon in 2004 as Director of Business Consulting and then Vice President of Sales and General Manager for Verizon Enterprise Solutions in Europe, the Middle East and Africa, Burvill worked for the SITA airline telecommunications group for nine years, including three years as Vice President of Global Sales & Marketing, responsible for 212 countries and territories and USD 2 billion in global revenues.

As he outlines Verizon’s strategy for the coming years, it’s clear that the company’s ultimate goal is to straddle the dual worlds of telecoms and OTT. On one side, Burvill highlights Verizon’s capacity to deliver the classic enterprise-grade experience – with the recurring themes of quality,

integrity and security. But with the coming of the hybrid network, he also pinpoints Verizon’s systems integration and migration skill-set as uniquely attractive to businesses that, while enthusiastic about the benefits of combining telecoms and OTT offerings, usually lack the internal capabilities to pull off these kinds of projects alone.

So far, it’s a clear declaration of intent when it comes to defining Verizon’s – and by extension most operators’ – value proposition versus that of the OTT world. However, Verizon is at the same time working to strengthen its relationships with these new players.

“The OTT companies do some things very well, and we’re very happy to partner with them where we see clear value for everybody involved – most importantly for the customer,” Burvill says. “None of them can exist without distribution, and that’s where we come in. We can also use our knowledge to advise customers on how to combine OTT and enterprise-grade services into the most accessible operating model possible, with a focus on ensuring they get enterprise-grade level of service where it’s needed most.”

BRINGING IT ON

When it comes to technology trends, Burvill enthuses over the potential of the Internet of Things, which analyst firm Gartner has predicted will include nearly 26 billion devices by 2020. In addition, he is a firm believer in the capacity of connectivity to transform sectors such as health care, transportation and energy.

“The common element to all these trends is that they drive volume, speed and ubiquity of use,” he says. “There are orders of magnitude of expansion and growth to be had here. We look at what’s happening and say: “bring it on,” because we want to be right at the epicenter of these opportunities.”

Industrial sectors, of course, represent largely uncharted territory for most operators. Is the telecoms business moving fast enough to capture this potentially vast market?

“That’s an interesting question,” Burvill responds after a moment’s reflection. “I think the answer is that a lot of things have to come together before this opportunity can really start to take off, and that’s not something that will happen overnight. It’s not just about the applications, but the application environments and the distribution too.”

“But at Verizon, our priority is staying ahead of

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City planning

Some of the most interesting markets will not be regions, or even countries. Instead, they will be cities. We’ll increasingly think in terms of São Paulo rather than Brazil, and

London rather than the United Kingdom, because the emergence of these global megacities concentrates people, resources and capital like never before.

Our task as a global business is to stay ahead of this trend and understand how it impacts our customers and shapes their demands. In fact, the real opportunity may even

lie on the next level down – New York is a market in itself, but so is Manhattan. Granularity will need to be a big part of how any global company structures their offerings.”

the market. We're investing in LTE, fiber and optical technology at the transport layer – areas that will help us pre-provision and take advantage of whatever solutions come along. This is also a big part of what we're doing in the Innovation Centers, where we're trying to drive the application and device side of the equation. Our view is that volume and scale will be king, and this requires common platforms that can be delivered as services and be used like operating system interfaces by anybody in the ecosystem."

BACK TO THE LAB

From hybrid networks and the customer of one to new industrial ecosystems, it's an intriguing vision of the future with a well-defined space for the right operator. However, there's one last piece of the puzzle to consider. Operators such as Verizon have a clear responsibility, Burvill says, not only to support their customers but to ensure connectivity and digital technologies fulfill their wider potential to help address global challenges such as poverty and access to education.

"This is undoubtedly one of the central themes of Verizon as an organization," he says. "We are acutely aware that our size and scale, together with our capabilities, give us an obligation to help develop the societies and communities that we serve, and we take this responsibility very seriously.

"A lot of people around the world see Verizon as part of the fabric of society, as much as a global communications, networking and applications distribution company, and that really motivates us to make a lasting contribution."

This, of course, changes everything. If a company forms part of the social fabric, there's no room for error. And it brings us back to Verizon's Innovation Centers, where there suddenly seems to be a lot more at stake than simple technological curiosity. Instead, we might just be getting a real-time glimpse into how we will live and work in a globally connected, all-digital society.

As science experiments go, they don't get much bigger. ●

INTERVIEW BY NICHOLAS SMITH