

BEST BUSINESS

TELECOMMUNICATIONS & INTERNET: SPECIAL REPORT

O2 follows trend with mixed package

O2 is expanding into the fixed-line phone and broadband market, as the distinctions between service providers blur. **Leslie Faughnan** reports

The announcement earlier this week that Telefonica O2 Ireland is to extend its fixed-line business clearly illustrates one of the major trends in the telecoms and internet sector. Whether it is called service aggregation or market convergence, the fact is that all of the major players are trying to offer the market a single account for a range of services.

"We can now offer a business a one-stop shop for fixed lines and broadband, and all mobile services," said Alan Brown, business sales director of Telefonica O2. "The advantages to a business are clear, with a single point of responsibility for all its communications needs and just one monthly bill."

These converged services reflect the way businesses work today.

"Every business now uses a blend of applications and channels of communication, whether on its premises or when people are on the move," Brown said. "Like broadband, systems are always on 24x7, so it makes complete sense for a strong service provider like O2 to extend its range, with a strong pedigree in mobile voice and data, and a customer base of 1.6 million subscribers."

Business applications have



Alan Brown, business sales director of Telefonica O2: 'We are meeting the needs of business'

long since reached out into mobile devices, and the new generation of iPhone and other

smartphones and handheld devices will extend that even further.

"So there is really a total blurring of any distinctions between landlines and mobiles,"

Brown said. "It is all about what someone wants to do and the information and internet access to do it, any time, anywhere and on the user's choice of device."

O2 currently has over 50,000 business accounts with multiple lines and handsets, and has offered fixed-line services to the SME market since 2008.

"We are meeting the needs of business by investing in the network infrastructure and in optimising our services for software applications," Brown said. "Uniquely, O2 is offering an IT support service to assist businesses in switching their fixed broadband."

O2 is also working with potential partners, such as providers of software as a service (SaaS), managed services and data centre operators, to ensure that its infrastructure can deliver the optimum technical platform. Real-time applications, including voice and video, require smart management of bandwidth so that quality of service (QoS) can be guaranteed.

The first example of branded partnering is the Mimecast managed e-mail service for business, which was also announced last week. This is a cloud-based and unified e-mail solution for any scale of business. It offers security, archiving to regulatory compliance standards and guaranteed availability and continuity, because it is independent of the clients' own equipment.

"We are confident the managed e-mail solution will prove a popular component of our growing portfolio of business support services," said Brown. "There is now an established level of trust in hosted and managed ICT services by Irish business."

"We believe there is a willing market for one-stop, multi-service products. Customer confidence will be enhanced by the combination of O2's track record and trusted reputation as the primary service provider with specialist partners which have matching quality and technical service standards."

The O2 strategy is to expand into what Brown called "adjacent services" in telecommunications where it can legitimately play, such as landlines.

The portfolio of services offered by O2 will be enhanced beyond that by specialist partnerships – often branded as such – which bring in other areas of expertise and experience.

Offering the Complete service

By Leslie Faughnan

With its own optical fibre in the ground in Dublin and Cork plus partnerships with other metropolitan area networks (Mans) nationally, Complete Telecom is now trading up on its proven track record in network systems integration. Customers for its managed services with gigabit-wide area networks (Wans) include RTE, IBM, EBS and the five Cork hospitals linked to the Health Service Executive (HSE) regional headquarters.

"While we stay at the infrastructure level, we actively manage the telecoms connectivity between all of our customer sites and their other service providers, such as data centres, internet points of presence [PoPs] and the big carriers," said Billy Manley, operations director of Complete Telecom.

Complete's services are aimed squarely at the top end of the business and government market.

"Our customers are organisations that need next-generation network infrastructure with guaranteed security and stability for key applications," Manley said.

This level of customer wants top performance, because they have high-data traffic volumes and many real-time applications that require management to ensure quality of service (QoS).

"We stay at the network level, because that is where our expertise has been built up over nearly a decade of Lan/Wan systems integration," he said.

In today's world information is king, and ensuring that it, and its applications, are available 24x365 is paramount.

"We specialise in engineering and management at the network level, which is becoming more powerful, more complex and more important than delivering just the connecting pipes," Manley said. "Security, intrusion prevention and many aspects of application performance management have found their way up to the network level. Traffic analysis, for example, is one area we can manage for customers, so that



Billy Manley, operations director of Complete Telecom

'We are network design specialists . . . but are happy to lead a team of partners'

QoS because it does not have much tolerance for latency. Videoconferencing is on the increase and imposes even stricter demands on the network. Real-time transaction processing – for example, in financial services – is mission-critical and demands high and consistent network performance.

"The general desire in business to find one-stop service providers where possible certainly applies to us," said Manley. "We are network design and management specialists, but we are happy to lead a team of partners in providing organisations with solutions tailored to their business needs. We work with carriers, Tier 1 ISPs and data centres."

"What is key to our future is that, in an always-on, virtualised and mobile world, more and more of the performance that users demand is actually dependent on the network, rather than the end devices."

they know what their expensive bandwidth is being used for and how it is performing."

He pointed to voiceover internet protocol (VoIP), which is deceptively simple in concept but requires managed

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TELECOMMUNICATIONS & INTERNET: SPECIAL REPORT

3 Ireland aims to go faster in Q3

Since it started off as a 3G mobile network, 3 Ireland is well poised for growth in converged digital services, writes Leslie Faughnan

Mobile phone company 3 Ireland is looking forward to the new era of cloud computing and always-on mobile broadband as the way more and more business users will work with their business systems and information. "Facilitating that transition is central to our technology strategy," said David Hennessy, chief technical officer of 3 Ireland.

Because it was established as a green field operation, 3 Ireland has probably the most technically advanced network of the mobile phone companies. In common with others in the market, data speeds will go up to a nominal 14.4mbps maximum in the third quarter of this year. Hennessy pointed out that, with mobile devices, the simple bandwidth measure was becoming less important. "With cloud computing and many applications optimised for mobile, the bulk of the work

is done at the head end rather than in the device," he said. On the other hand, many sensitive applications require better uplink speeds. "We anticipate bringing a 5.7mbps upload speed to our network later this year," Hennessy said. "This will enable symmetrical data links, which are essential for newer real-time applications. We expect that to become more significant for home and other teleworkers, for example, who will use mobile broadband as their sole internet connection."

There are other such areas in which quality of service (QoS) is essential for specific applications. "Our network was designed for data from the beginning and we control our own backhaul from the masts," he said. "So we will soon be able to offer bandwidth and quality management end to end, with the option of fixed IP addresses, allowing users of mobile devices on 3 Ireland to embrace the whole IP world." At the macro network level, Hennessy said that meant that 3 would be able to prioritise traffic that demands real-time performance. "Within that, we expect to be able to offer prioritisation to individual customers, to follow their business rules in relation to critical applications," he said. "That will be the next generation of technical cap-

ability on which to offer more added-value services." While 3 is committed to long term evolution (LTE), the next technical standard for high-speed 3G mobile, Hennessy said there was also scope for some form of WiMax. "HSPA+ might be the soonest to this market and would take the data speeds up to the 21mbps level with essentially just software changes at our network level," he said. Emphasising again that bandwidth and speed limitation were being overcome by developments in applications delivery as well as by mobile network technology, Hennessy said that real market advances are coming from devices. "We have new and more types of device coming all the time," he said. "Traditionally, the broadband emphasis has been on download, whether by

landline or mobile, to deliver applications to users." That has already changed to giving users access to their applications, which are actually running in a data centre somewhere. For people who have become accustomed to the internet in a pocket, the screen on a handheld device is often more significant than its processing power. "In the same way, there is a vast world opening up of device-to-device communications that will use mobile as the most convenient and versatile channel," Hennessy said. That will certainly include smart meters of all kinds and cars and other vehicles linked to their owners or bases. Nintendo Wii gaming is a huge consumer world example and soon every home will have an increasing number of connected devices.



David Hennessy, chief technical officer of 3 Ireland



Peter Hendrick, chief technical officer, Airspeed Telecom

Airspeed broadband spreads its wireless wings

By Leslie Faughnan

Mobile and wi-fi have begun to be the dominant communications channels for businesspeople away from their base. The sheer flexibility has proven its value to the extent that many consumers and an increasing number of businesses have eliminated or minimised their dependence on fixed lines. That was driven at least in part by the same frustration that so many businesses have experienced in trying to obtain broadband internet access in the first place. "We set out to deliver broadband where ADSL or any form of broadband was not univer-

sal, in fact probably unavailable," said Peter Hendrick, chief technical officer of Airspeed Telecom, the indigenous Irish company that is now the leading provider of broadband over licensed wireless. Today, there is national coverage by the Airspeed network with a de facto standard data speed of 10mbps. "We can push that up to 50mbps or even 100mbps for a customer if that is what is required," said Hendrick. "The other key point is that wireless is performing very well as a Wan and VPN platform, both in terms of high speeds and quality of performance." Users of the Airspeed broadband network include RTE, HEAnet and Vista Primary Care. "One of our unique strengths is that we offer un-

contented bandwidth and a symmetrical service," said Hendrick. "That is crucially important in ensuring QoS for many sensitive applications, including voice, videoconferencing and real-time business applications." In that context, Hendrick believes that mobile broadband is not a competitor at the market level Airspeed serves. "It is ubiquitous and flexible for personal users, but it is not in any way sufficient for corporate networking," he said. We are seeing generally that data communications is a commodity and the price is dropping all the time. "But guaranteed SLAs and QoS are all just basic for business customers and even personal users have higher expectations all the time," he said. "The market challenge is

more about educating customers about why they will have to pay some premium for particular services or aspects of a service. "Every network engineer knows the problems of latency, jitter and other problems. But customers do not generally appreciate the potential consequences, which could include data loss or error in applications. Prioritising specific traffic by category or protocol is essential, but brings in a level of managed service as opposed to simple connectivity." That is the premium service market, according to Hendrick, and is becoming increasingly more important as organisations look to cloud computing, hosted software and other solutions that take the load up above traditional on-premise computing.

Digiweb is getting smarter

By Leslie Faughnan

Founded in 1997 as a web-hosting company, Digiweb has grown to be a leading independent telecommunications provider of national connectivity and managed services. It has for some years been an ISP which grew rapidly because as a largely wireless operation it offered speed and flexibility in providing broadband where the larger operators were less customer-friendly. Still majority-owned by founder and chief executive Colm Piercy, Digiweb acquired the troubled Smart Telecom in December 2009. It now has a significant market position, combining Smart's investment in fibre, high speed DSL infrastructure and next generation IP network with Digiweb's national wireless infrastructure and leading data centre and hosting facilities.



Dan King, chief technical officer of Digiweb

Digiweb now has over 46,500 business, residential, corporate and government customers for broadband, data and telephony and over 48,000 clients for web and domain hosting and data centre services including virtual private servers (VPS). Its corporate aim, according to Dan King, chief technical officer of Digiweb, is to expand that base to become the main alternative to Eircom. "We see service providers converging in the middle to offer hybrid solutions for whatever the customer wants," King said. "You have telecoms carriers, ISPs, data centres and networking specialists all now moving towards being able to offer a one-stop shop for a wide range of services." "Each company will certainly carry a lot of its original culture, as a landline provider or mobile operator, for example. We are probably the same, and it is now a strength because we were always focused on smaller organisations and individual support across a fairly wide technical skills range." That experience includes features that other newly combined services are still finding hard to implement, like single sign-on to all services for a user. "We have, for some time, offered business users a similar single sign-on to their control panel, and our customers take for granted a single point of support contact for any service," King said. The market convergence is an indicator of the fact that what corporate customers and consumers want is applications and data services. "The connectivity, the pipes and the wireless and the mobile broadband are all just commodity services," King said. "Where companies like us now play is in offering the layers of quality and added value and managed services." He pointed to the example of virtual private servers (VPS). "We saw a good and rising demand for managed VPS hosting during 2009, but that volume will be equalled just this quarter," he said. "Virtua-

lisation has pervaded all areas of ICT and is itself a technical driver of market convergence because there is such huge flexibility in how and where services can be provided." One clear trend is to place the computing power and data

firmly in the centre, whether of an organisation or a third party service provider. Users connect to and use the applications but central control offers advantages in economy, flexibility and security in all of its forms.

"With all of the intelligence in the centre, as it were, the computing and the heavy duty management is much more effective," King said. "At the user end, the smart device can actually be fairly dumb, but with a nice screen."

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