

# ISP models remain the solution for enterprise networks

The latest market trend illuminating the information and communication technology (ICT) sector is the fact that enterprise networks are starting to resemble internet service providers (ISPs) in both its structure and user management.

"Enterprise users are increasingly using work related web-based applications over public Internet protocol (IP) networks. The introduction of IPv6 and domain name system security extensions are addressing the current security issues facing web users, making the move into the cloud a logical next step," says Jeff Fletcher, co-founder of three6five.

An ISP model comprises of end users operating independently from their service provider, which fundamentally sets it apart from an enterprise network. "These end users buy their own equipment, provide much of their own support and pay their own bills. Security is however a priority and end user isolation at Wi-Fi hotspots and inside 3G networks are a good example of how security is managed. Each user's private sessions, such as internet banking, are encrypted end-to-end to maintain security and data integrity," says Fletcher.

## Outsourcing makes sense

Enterprise costs are at the heart of the shift as businesses find themselves increasingly moving towards operational expenditure and pay-per-use or pay-per-user models. The trend to outsource non-core elements such as the IT function and data centre components further underpins the growing market trend.

"Outsourcing enterprise network infrastructure to a service provider makes absolute sense from an operational point of view as it helps the enterprise to avoid the initial capital expenditure and on-going maintenance that these supporting functions require," explains Fletcher. "This is similar to the way mobile phones are owned, supported and maintained by the end user and the mobile network is owned and provided by the mobile network service provider. The enterprise does not need to own or manage any mobile infrastructure, just cover some of the mobile service provider charges if they choose to."

## SaaS is alive and well

The mobile data explosion has seen a proliferation in mobile PC sales such as laptops, with smart phones and the sale of tablets adding massively to this user base. There were 15.43 million iPads sold in the first quarter of 2012 alone. "Software as a Service (SaaS) is alive and well and growing substantially, with all these market trends pointing towards quite a significant change in thinking. Broadband access costs are remaining constant while both capacity and availability are constantly increasing, providing the perfect environment in which SaaS can flourish," says Fletcher.

The compound annual growth rate of SaaS is conservatively pegged at 27% in comparison to traditional IT products which are pegged at 5%. "It speaks volumes for the demand of cloud services and highlights a clear shift from the traditional enterprise network into something that resembles an ISP's network, changing the way in which we operate at its core," concludes Fletcher.