BROADCOM

WHITE PAPER

Boosting Revenue Growth and Client Retention with Network Observability

A Guide for Service Providers

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EXECUTIVE SUMMARY

In today's highly connected world, service providers face immense, intensifying challenges—and significant opportunities. Managed service providers (MSPs), communication service providers (CSPs), and telecommunications firms (telcos) are constantly vying for market share, entering new markets, and expanding services. As a result, it's more critical than ever to deliver differentiated network service offerings that can fuel increased market share and sustainable revenue growth. Even as service providers pursue these innovations, they must constantly deliver flawless network experiences, while meeting soaring bandwidth demands and contending with increasingly complex cloud environments. When network performance falters, the consequences can be significant—leaving the business exposed to penalties, lost revenues, and customer churn.

This white paper is written for offering management, product management, and business development leaders in MSPs, CSPs, and telcos. It reveals innovative strategies for standing out in a competitive market and achieving revenue growth and cost savings. This paper explores the imperative of integrating advanced network observability capabilities into the service provider portfolio. We examine how service providers can leverage network observability to move beyond reactive break/fix models and employ proactive strategies that enhance their current services, protect their service level agreements (SLAs), and enable the delivery of additional value-added offerings. We then reveal how these technologies enable service providers to deliver a more compelling value proposition, enhance client retention, and capitalize on new opportunities to boost revenue growth.

THE SHIFTING LANDSCAPE: WHY NETWORK OBSERVABILITY IS A STRATEGIC IMPERATIVE

Market Pressures Demanding a New Approach to Network Operations

Service providers face mounting challenges that can have a negative impact on their bottom line. These organizations must contend with the increasing complexity of network operations, which is only being heightened by the proliferation of cloud services and distributed applications. This complexity leads to longer mean time to resolution (MTTR), frequent SLA breaches, and revenue-eroding disruptions. Reactive troubleshooting exacerbates these challenges, compounding the financial and reputational penalties of downtime. Further, insufficient visibility adds risk to the launch of new services like SD-WAN or 5G-enabled applications. This means service providers either run the risk of outages and performance issues, or delay delivery, stifling innovation.

As network connectivity becomes increasingly central to the digital experiences that underpin business success, establishing network observability is essential to ensure continuous reliability, high performance, and seamless user interactions. Clients now demand more than traditional monitoring; they seek service providers who can anticipate and resolve issues proactively, optimizing network operations and enhancing user experiences. By addressing this growing demand for network observability, service providers can meet their clients' requirements for network resilience, scalability, and performance, while also differentiating themselves, gaining market share, and increasing revenues.

#1

Skill shortages and cloud monitoring are among the top challenges for network teams.

Source: EMA Research, "Network Management Megatrends 2024"

80%

Of network teams report visibility gaps due to cloud adoption.

Source: Dimensional Research, sponsored by Broadcom, "Cloud and Internet Usage Generates Network Observability Blind Spots"

78%

Of IT teams say network operations are more complex today.

Source: Dimensional Research, sponsored by Broadcom, "Cloud and Internet Usage Generates Network Observability Blind Spots"

Limitations of Traditional Network Monitoring

Traditional monitoring services are becoming increasingly commoditized, forcing providers to grapple with pricing pressures, shrinking margins, and reactive approaches that leave both providers and clients unprepared to address potential issues before they escalate. These services are further hindered by a lack of actionable insights, as traditional tools overwhelm teams with contextless alerts, leading to alert fatigue and inefficient resource allocation. As a result, service delivery suffers, and providers struggle to scale effectively to meet growing client demands. Moreover, the widespread adoption of public internet as a core connectivity medium has introduced unpredictability, making proactive monitoring essential to safeguard business offerings and ensure reliable performance.

Strategic Implications

Today's service providers have a choice: Continue to deliver the commoditized network monitoring services of the past or embrace the strategic opportunities presented by network observability. Those that choose to stick with their legacy services will run the risk of accelerated client churn as discerning customers move to service providers that offer more comprehensive, insightful, and proactive services—and improved business outcomes.

Gaining differentiation will increasingly depend upon the critical role of connectivity. Service providers that stick with commoditized services will risk declining profitability as they bear increasing pricing pressures. Perhaps most critically, these service providers will be limited in their ability to upsell clients on value-added services, such as advanced network monitoring, proactive capacity planning, and other optimization offerings. This will stifle their revenue growth and hinder their ability to establish a leadership position in the dynamic service provider market.

NETWORK OBSERVABILITY: STRATEGIC OPPORTUNITY TO ENHANCE SERVICE PROVIDER PORTFOLIOS

By leveraging a robust network observability solution, MSPs, CSPs, telcos, and other service providers can offer differentiated and highly valuable services that address their clients' key pain points. Today, Network Observability by Broadcom represents such a solution.

How Service Providers Can Profit from Network Observability

By strategically leveraging network observability, service providers can unlock a powerful array of capabilities that deliver significant business value. This approach enables service providers to enhance client value through proactive problem resolution, optimized network performance, and superior end-user experiences—which result in heightened client satisfaction and retention. Further, these service providers can expand revenue opportunities by offering premium services at higher price points, boosting overall revenue growth and improving margins.

Service Offerings Enabled by Network Observability

Network observability helps service providers to not only optimize their internal network operations but also to develop value-added services for clients. By utilizing insights from observability platforms, providers can automate routine tasks, simplify troubleshooting, and reduce manual effort, leading to cost savings that can be passed to clients or invested in innovation.

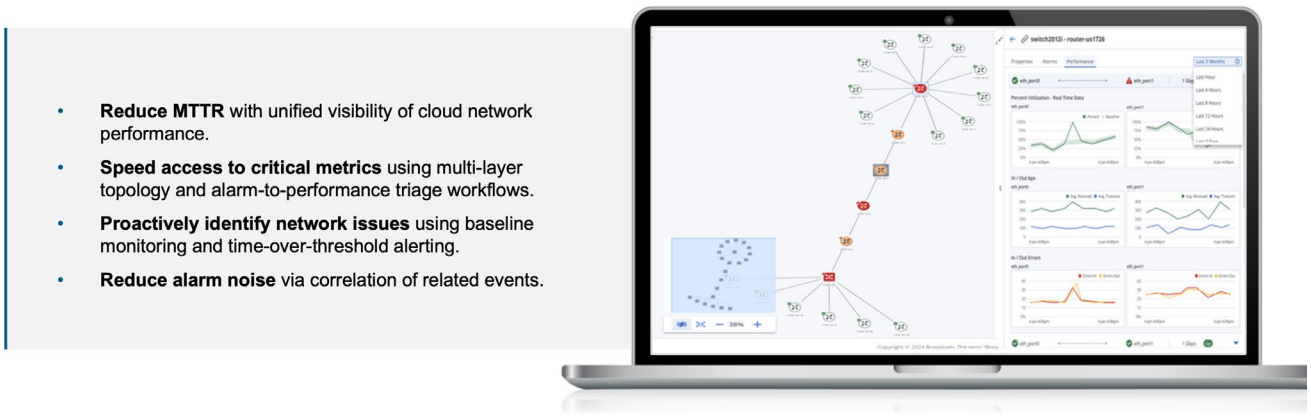

Figure A. Key advantages of an advanced network observability platform.

Network observability enables service providers to create tailored, tiered service packages like "essential," "advantage," and "premium," catering to diverse client needs and budgets. This approach enhances efficiency, creates market differentiation, and boosts competitive advantage, ultimately transforming providers into scalable, strategic partners capable of meeting evolving client demands. Here are just a few of the differentiated services they can provide:

- **Proactive network optimization services**. An advanced analytics-driven, proactive network optimization service enables teams to preemptively identify and resolve performance bottlenecks before they have an adverse impact on client operations.
- **Enhanced user-experience services**. By delivering enhanced end-user-experience services, organizations can provide comprehensive visibility across network delivery paths. This enables teams to proactively address degradation points and error domains, ensuring a consistently high-quality user experience.
- **Cloud migration assessment and validation services**. Organizations can offer cloud migration assessment and validation services, providing expert evaluations of the readiness of client networks for cloud migration. These services enable performance validation before, during, and after the cloud migration process, ensuring a seamless and efficient transition.
- **Monetization of reporting and dashboarding**. Finally, by providing customers with access to valuable insights into networks, service providers can leverage a powerful strategy for creating additional revenue streams and enhancing the perceived value of their offerings.

Strategic Considerations

To establish successful network observability practices, service provider teams should employ a few key strategies:

- Select a network observability platform from a vendor with proven expertise in supporting service provider needs. Opt for one that offers a dedicated support team that can help simplify deployments, enhance operational efficiency, and accelerate time to market for new service offerings.
- Develop a value-driven pricing model—such as tiered pricing based on features and usage—that aligns with client benefits and optimizes profitability.
- Invest in comprehensive training and enablement programs that empower teams to effectively leverage network observability capabilities and promote exceptional service quality.
- Craft a compelling go-to-market strategy to clearly articulate the value proposition of new services to prospective and existing clients.
- Leverage the enhanced visibility and proactive capabilities of the network observability platform to tighten SLA definitions and ensure consistent adherence, bolstering client trust and loyalty.

Figure B. Top imperatives and outcomes for service providers.

Business Impact: Quantifying the Value of Network Observability

To effectively advocate for integrating a network observability platform, service provider offering leaders need to quantify the potential business impact.

Evaluating the success of a network observability initiative requires tracking key performance indicators (KPIs) that demonstrate the benefits of enhanced network visibility and proactive operations. These KPIs reflect both immediate network performance improvements and long-term value for the organization and its clients:

- **Client retention rate**. Tracks how improved service delivery affects customer loyalty. Network observability contributes to higher client retention by enabling proactive identification and resolution of network issues before they have an impact on the user experience, boosting customer satisfaction.
- **Revenue**. Measures the additional income generated by launching premium observability services. Enhanced visibility and reliability can be monetized as value-added offerings. Furthermore, revenue growth serves as an indicator of successful deployment, strategic packaging, and strong customer adoption.
- **Gross margin**. This measures the profitability boost from offering valuable, differentiated services. By leveraging network observability to deliver superior services and lower operational costs, organizations can enhance gross margins. This includes proactive capacity planning, which reduces costs by optimizing resource allocation and avoiding unnecessary infrastructure investments.
- **MTTR**. This metric can demonstrate efficiency gains achieved through proactive problem resolution. Network observability reduces MTTR by delivering real-time performance insights, enabling rapid root cause isolation.
- **Resolutions**. Tracks proactive problem resolutions, showcasing effectiveness in preventing issues before they affect clients. A high count of such resolutions highlights how network observability prevents service disruptions and ensures optimal performance by identifying and addressing potential issues early.
- **Customer satisfaction scores**. Evaluates overall client satisfaction based on enhanced service quality. With network observability, providers can improve network reliability and performance, which can lead to higher customer satisfaction scores.
- **Alert fatigue**. Monitors alert fatigue among staff, emphasizing how an improved signal-to-noise ratio boosts job satisfaction and efficiency. With features like AI-enabled anomaly detection and intelligent alerting, network observability reduces noise by filtering irrelevant alerts and prioritizing critical issues. This minimizes fatigue, enhances productivity, and enables teams to spend more time focused on strategic objectives.

- **Employee productivity**. Measures time savings from accelerated root cause analysis and incident resolution. Network observability boosts employee productivity by streamlining workflows, providing faster insights, and reducing MTTR, enabling teams to address issues more efficiently.
- **SLA compliance**. Demonstrates compliance with contractual obligations. Network observability facilitates monitoring of network performance against SLAs. This enables organizations to identify and address potential breaches preemptively. Through this approach, providers can ensure compliance, strengthen client trust, and avoid penalties.

Collectively, these metrics provide a comprehensive view of the business impact of network observability. In addition, they help guide your continuous optimization efforts.

UNLEASHING THE POTENTIAL BENEFITS OF NETWORK OBSERVABILITY

The benefits of network observability extend beyond improving performance and reliability. Network observability empowers service providers to achieve these objectives:

- Generate new revenue through value-added services.
- Reduce customer churn by addressing issues proactively.
- Enhance margins by cutting costs and improving efficiency.

These capabilities help companies stand out in the market, attract customers, and gain a competitive edge. Additionally, network observability accelerates service deployment, improves scalability for supporting growing networks and customer bases, and boosts operational efficiency, enabling engineers to support more customers. All these advantages make network observability a critical driver of business success for service providers.

REAL-WORLD USE CASES OF NETWORK OBSERVABILITY FOR SERVICE PROVIDERS

Here are a few of the different ways service providers have benefited from network observability:

- **Reducing customer churn**. A service provider uses network observability to proactively identify and resolve network issues affecting key customers, preventing them from considering the move to a competitor.
- **Increasing revenue**. A service provider offers a premium network monitoring service with guaranteed uptime and performance, enabling the business to attract new customers and increase revenue.
- **Improving margins**. A service provider automates troubleshooting processes with network observability, reducing MTTR and improving operational efficiency.
- **Differentiating services**. A service provider offers a unique, performance-based SLA, attracting customers who value application performance and user experience.

Case Study: Simac Speeds Problem Resolution With Network Observability by Broadcom

Simac ICT Belgium is a leading MSP that leverages Network Observability by Broadcom. This platform enabled the team at Simac to overcome the challenges of managing diverse network data so they could improve problem resolution. With this unified platform, they could gain a holistic view of network health. They were able to aggregate data from various sources, including device metrics, NetFlow data, logs, events, and configurations. This resulted in reduced alarm noise, faster triage, and elevated performance of their customer-facing portals.

View the case study to learn more.

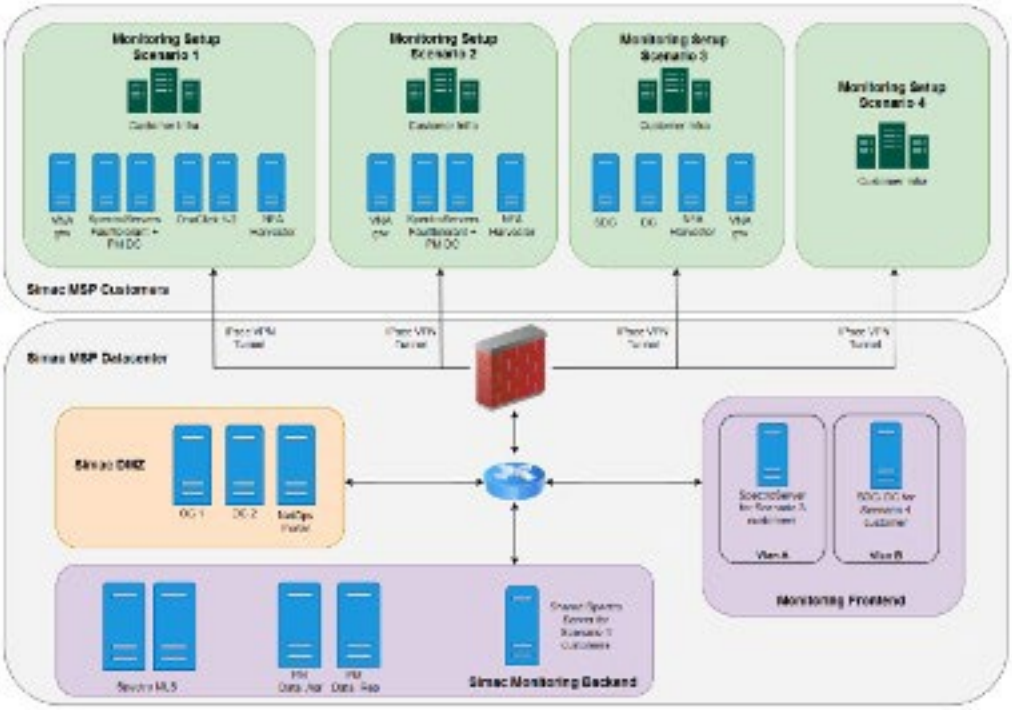

Figure C. Using Network Observability by Broadcom, Simac ICT Belgium gains network visibility and analysis tools for their internal, cloud, and customer networks—accelerating issue resolution.

EXPAND YOUR NETWORK SERVICES WITH NETWORK OBSERVABILITY BY BROADCOM

Leaders responsible for new service offerings need solutions that optimize operational efficiency, enable the delivery of exceptional customer experiences, and fuel revenue growth. Network Observability by Broadcom empowers you to accomplish all this. This unified platform delivers complete visibility across your internal networks, client deployments, and third-party environments, enabling you to create high-value network services for your clients.

Solve the Visibility Challenge

Network Observability by Broadcom bridges the visibility gap often encountered when delivering services across complex, multi-vendor networks. By integrating user experience metrics with standardized operational workflows, your network operations teams can quickly pinpoint network performance issues that affect the connected experience, regardless of whether the issue resides within your infrastructure, the clients' environment, or a third-party network. This rapid isolation reduces mean time to identification (MTTI) and ensures consistent service delivery.

Unlock New Service Potential with Advanced Capabilities

Network Observability by Broadcom provides advanced capabilities designed to fuel innovation in your service offerings:

- **Patented alarm noise reduction**. Reduce alert fatigue and focus on the critical issues that have an impact on service delivery.
- **Sophisticated traffic analysis**. Gain deep insights into network traffic patterns to optimize resource allocation and capacity planning.

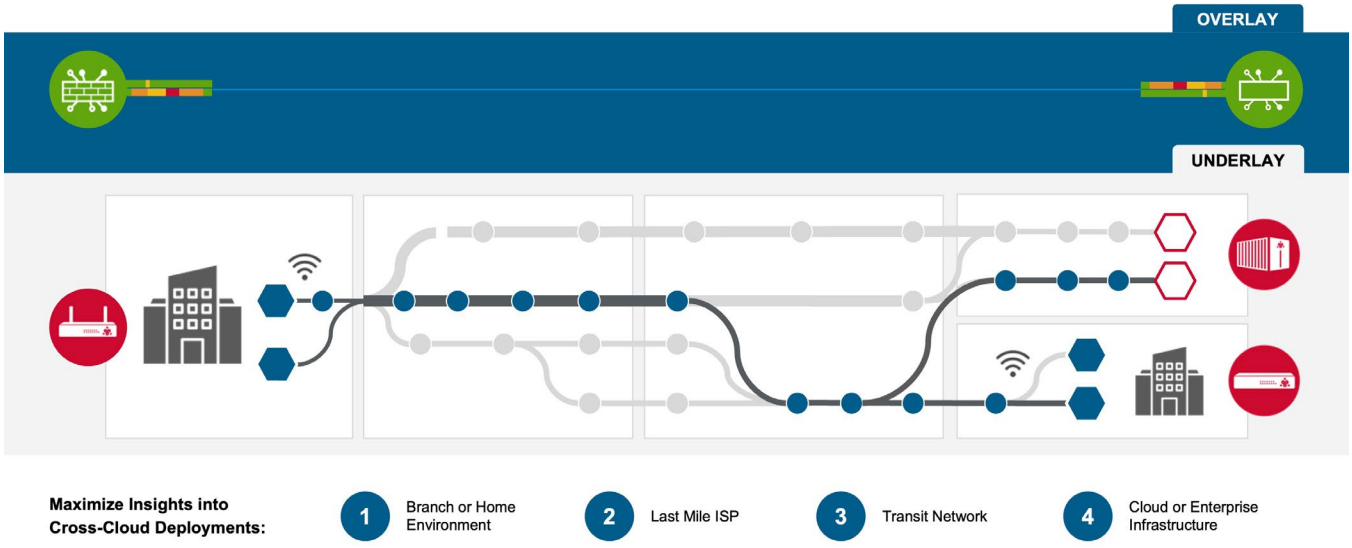

Figure D. Network Observability by Broadcom delivers end-to-end, hop-by-hop visibility of critical network paths.

- **Unified network visibility**. Visualize your entire network infrastructure in a single view, simplifying troubleshooting in complex network environments.
- **Predictive capacity planning**. Proactively plan for future network growth and ensure optimal performance as demand increases.
- **Multi-vendor technology support**. Manage a diverse range of network devices and technologies from a single platform.
- **Robust network configuration management**. Automate the entire configuration lifecycle, from discovery and design to compliance and change management, across multi-vendor environments.
- **AI-enabled network observability**. Streamline troubleshooting and optimization by automating ticket processes. Simplify monitoring with AI-enabled web synthetics. Analyze NetFlow data to identify application bottlenecks.

KEY BENEFITS FOR OFFERING MANAGEMENT TEAMS

Network Observability by Broadcom delivers more than technology—it provides tangible business value to your clients and your business. This solution enables you to realize these gains:

- **Optimize network operations for enhanced service delivery**. Establish optimized network operations that enable intelligent and fast triage, leading to faster issue resolution and improved customer satisfaction. The solution provides proven, scalable, multi-vendor data collection and correlation, along with advanced alarm noise reduction and analytics, allowing you to provide high-quality services more efficiently.
- **Accelerate network transformations and new service delivery**. With comprehensive coverage and unified operations, your teams can accelerate network transformation and new service delivery. The solution provides unified, end-to-end visibility into LAN, WAN, Wi-Fi, ISP, and cloud networks. In addition, the solution enables seamless performance management across traditional and software-defined architectures. This allows you to rapidly roll out new features and services to meet evolving customer demands.

- **Enhance connected experiences for superior customer retention**. Deliver active monitoring that spans from client to cloud, ensuring users have optimized experiences. This visibility is particularly crucial in today's environments, where users rely on a mix of internal and external networks. Your teams can speed root cause isolation across external, third-party managed networks and minimize MTTI, leading to improved customer satisfaction and loyalty.
- **Leverage a hardened service provider platform for efficient scalability**. Establish the network scalability, availability, and performance that support your business growth. The solution's open architecture enables seamless OSS integration and automation, allowing you to streamline operations and reduce costs. This multi-tenant solution enables efficient, secure, and scalable support of your entire customer base.

NEXT STEPS: ACCELERATE SERVICE INNOVATION AND BOOST COMPETITIVE ADVANTAGE

Network observability has become essential for MSPs, CSPs, and telcos aiming to build differentiated, high-value network services. Network Observability by Broadcom offers comprehensive visibility, advanced analytics, and a highly available platform that scales to meet the demands of any service provider, enterprise, and government agency, anywhere in the world.

The platform provides deep insights into network performance and experience, while enabling integration and third-party data ingestion to deliver a holistic view of the environment. Featuring AI-enabled anomaly detection and intelligent alerting, the platform accelerates error domain identification and resolution, reducing network operations costs. With Network Observability by Broadcom, you can deliver innovative services, meet evolving customer needs, achieve significant business results, and gain a competitive edge.

Contact us today to learn how we can help you enhance your service offerings and boost revenue growth.