



HP 2015 survey of NFV priorities for service provider CIOs and CTOs

The following are findings from a January 2015 survey by Coleman Parkes Research on behalf of HP. Research is based on phone interviews of 50 CIOs and 50 CTOs¹ from Tier 0, 1, and 2 communications service providers (CSPs) globally. Twenty-five interviews were undertaken in each of four regions: Europe, Middle East, and Africa (EMEA), North America (NAM), Asia Pacific (APAC), and Central America/Latin America (CALA). Comparisons to a similar study from a year ago (January 2014) are also included.

Key business drivers for NFV

- The top business driver for network functions virtualization (NFV) in 2015 is reducing operational expenses (OpEx), selected by 75% of respondents as compared to 59% a year ago—a huge jump.
- Increased agility and flexibility to scale up or down services to address changing customer and line-of-business demands is the second most important driver, chosen by 68% of respondents, up from 62% at the beginning of 2014.
- In fourth place in 2015 is driving new revenue, selected by 63% of respondents. It remains a very important driver, but it dropped from first place at 78% last year.
- In addition, over three-fourths of respondents in 2015 (78%) agree that NFV will enable them to share resources between services that were previously in silos, down from 87% in 2014 but still a significant majority.

Figure 1. Key business drivers for adoption of NFV

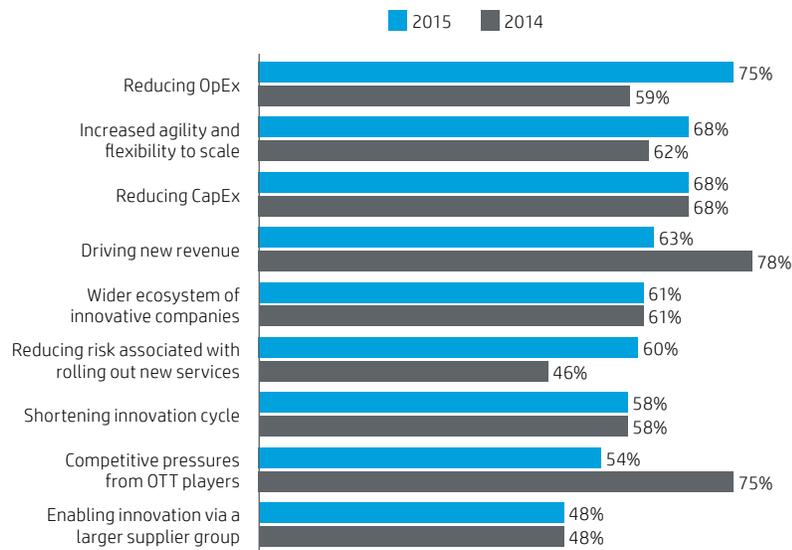
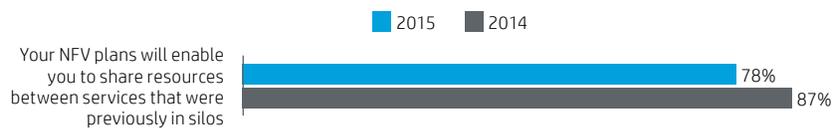


Figure 2. Resource sharing

Percent of respondents that agree with the statement



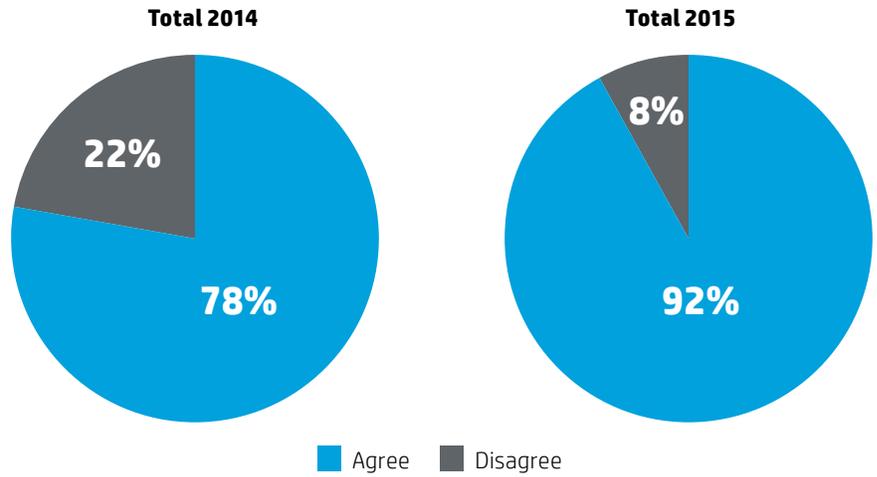
¹ We use "CIO" for all titles that indicate "head of IT" and "CTO" as shorthand for all titles that indicate "head of network operations."

The increasingly important role of orchestration

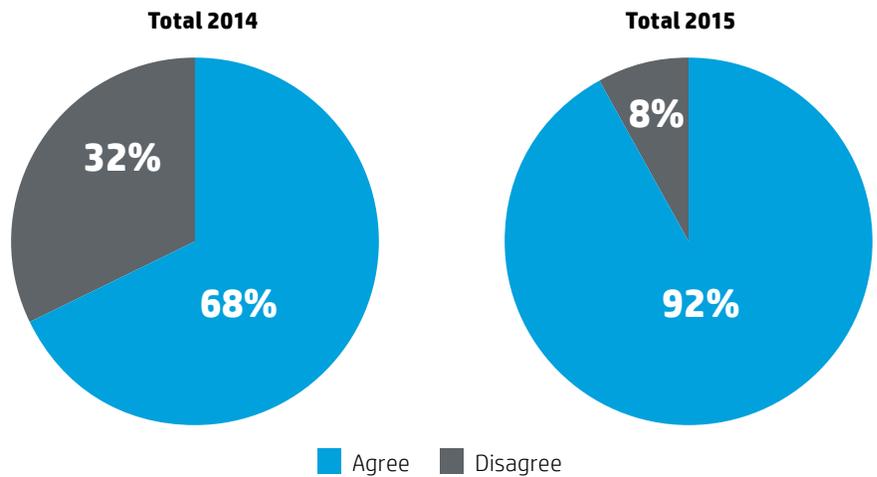
- In 2015, the vast majority of respondents (92%) believe that with NFV, the underlying infrastructure will become more important, up from 78% a year ago.
- And 92% of those who agree that the infrastructure will become more important also believe that scalable orchestration should be built into NFV planning. This shows a huge increase in the perceived importance of coherent orchestration across multiple NFV functions, up from 68% in 2014.

Figure 3. Infrastructure and orchestration

Will the underlying infrastructure become more important?



Should scalable orchestration be built into NFV planning?



Growing interest in the combination of SDN and NFV

When asked about the migration process to NFV, 42% of respondents in 2015 said that combining opportunities generated by both software-defined networking (SDN) and NFV is the best method, up from 16% last year.

Figure 4. SDN and NFV

How do you plan to migrate to NFV for given services? Which of the following best applies?



Anticipated timeline

- The majority of respondents (63%) believe NFV will play a major role in the CSP market within the next two years. This lines up with last year’s results when the majority thought NFV would be relevant within three years.
- This also lines up with the 56% of respondents who expect to move from NFV proof of concept to trials within two years.

Figure 5. Evolution of the NFV role

When do you see NFV becoming a major player in the CSP market?

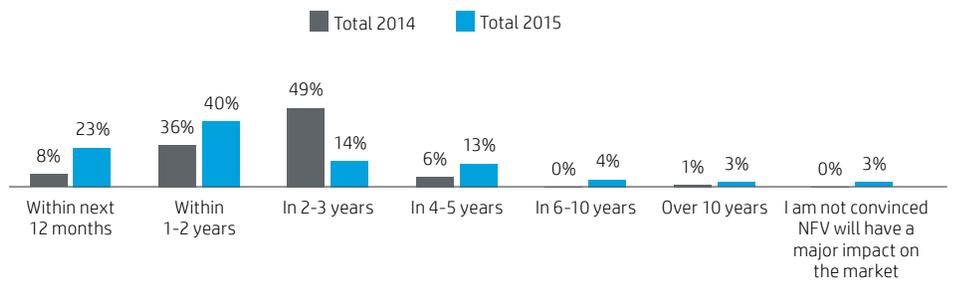
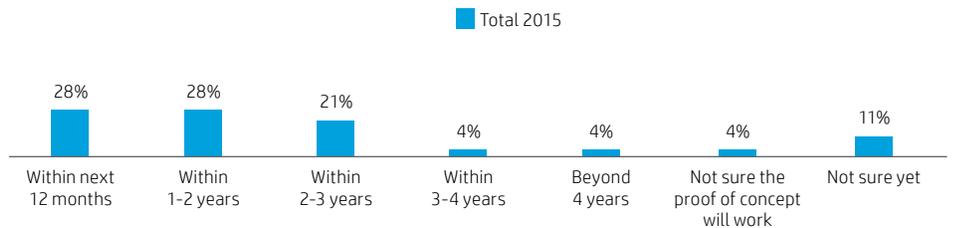


Figure 6. Timescales

What is your planned timescale for moving from proof of concept to trial for NFV? (This question was not included in the 2014 survey.)



Conclusion

It is clear from the survey results that CSP CIOs and CTOs are taking NFV seriously and preparing for its implementation. Opinions about priorities of business have shifted, but top business drivers are OpEx reduction, agility, and driving new revenue. There is a growing understanding that as the number of NFV functions grow, coherent orchestration across multiple NFV functions into the underlying infrastructure will become increasingly important. In addition, there's an increased focus on combining opportunities generated by both NFV and SDN with respect to NFV migration. And it's clear that the timeline is getting shorter with a convergence between the move from proof of concept to trial and the growing importance of NFV within the next two years.

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