

Can automation reduce OPEX to drive investment and close connectivity gap for rural America?

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Just like other advanced economies, the United States is seeking to increase the availability of fibre and broadband to every household. But, as other countries with equally widely distributed populations have found, this is no easy task. Although fibre has reached more than 30% of homes, research suggests that only 50% will be connected by 2025. That leaves much to be done.

The same is true for basic broadband – in 2019, around 85% of citizens in rural areas had access to such services, compared to more than 90% in urban and suburban areas, according to data from the Pew Research Centre.

The problem, of course, is cost. As more homes are connected or upgraded, the cost to connect those that remain grows disproportionately. While fixed wireless 5G extends options for operators, it still has a price.

Something needs to change. While broadband connections deliver many benefits, changes wrought by the recent COVID pandemic have shone a harsh light on the situation. As one expert from Stanford has noted, more than 40% of Americans are now working remotely – and this situation is likely to continue. Broadband's great for entertainment, facilitating business and so on, but it's indispensable for those forced to work remotely.

More investment, or can we change the basic economics?

How do we solve this connectivity challenge? Well, there are two basic levers. First, mass investment to unlock rollout programmes. Second, the economics of deploying connectivity.

The reality is that the first lever is unlikely to shift. Sure,

there will be increased attention paid to delivering better connectivity, but it will take time to translate this into new funds. So, that leaves us with the economics. We need to make it cheaper to build and operate new high-speed network infrastructure – broadband, fibre and fixed wireless (FWA, which can offer fibre-like performance) - particularly for rural areas.

Luckily, advances in automation could be key to unlocking cost savings that, in turn, help boost investment in much-needed infrastructure. Once built, it costs a lot of money to run broadband networks. So much so, that saving or reducing OPEX can have a significant positive impact that can provide additional capital budget. In simple terms, if our budget is fixed and we reduce OPEX, we'll have more to spend on our networks. The question is how can automation help?

Automation, OPEX savings and the NOC

Recent research from Polystar helps. A significant operational cost is the Network Operations Centre, or NOC. Automating this could deliver significant cost savings. In Polystar's survey, nearly 50% of respondents thought that NOC automation could reduce workload and save costs. That's a lot of capital to unlock.

So, while automation in general is grabbing attention, automation of operational systems - and the NOC in particular - is now emerging as a key focus area. And, the results are clear.

Elisa, the leading mobile operator in Finland, delivers high-speed services nationally. By automating its NOC, Elisa has been able to move to 100% autonomous operations, which means its team can focus on what matters – growing and enhancing its network. Operational costs have fallen, leaving more money to invest.

As a side effect, because automation means that problems can be identified before they impact customers – and 90% of such problems can be resolved without manual intervention - customer experience has also been enhanced, so not only has Elisa benefited, so too have its customers.

A replicable model to drive broadband rollout

Delivering rural broadband costs money. There's no way of avoiding that. But, there are now ways in which other key costs can be reduced, through operational and NOC automation. These deliver savings that can be pumped into delivering much-needed connectivity.

If you are struggling with this dilemma, the answer is clear. First, consider how automation can boost your investment opportunities. Second, take the resulting savings and fund network growth. There's a long way to go, but there is a model you can follow to deliver more to your customers while protecting your investors.



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