

Service Creation Advisory Service

Service Overview

Traditional networks embed services and functions within the network. Leveraging such siloed networks for different purposes and optimizing them for any particular function is a difficult proposition for any service provider. A virtualized framework, however, transforms that equation.

Network virtualization enables a new value chain that can completely transform customer experience and disrupt implicit assumptions regarding the cost of delivering and operating services. The combination of readily deployable network resources and operational efficiency leads to service agility, improving competitiveness and accelerating innovation.

Juniper can help you evaluate, prioritize, and exploit these opportunities.

Service Description

The Service Creation Advisory service is designed to enable virtualization solution customers, such as Juniper Cloud CPE users, to accelerate the adoption of virtualization for business services. It helps them identify, define, evaluate, and launch new services as well as evaluate the potential impact of new business models on existing services.

This advisory service is particularly helpful when you are seeking to understand incremental business service opportunities that are enabled by Juniper's Cloud CPE solution. The service may be applicable either while you are considering a Cloud CPE solution or after the initial Cloud CPE deployment, as you plan for broader adoption.

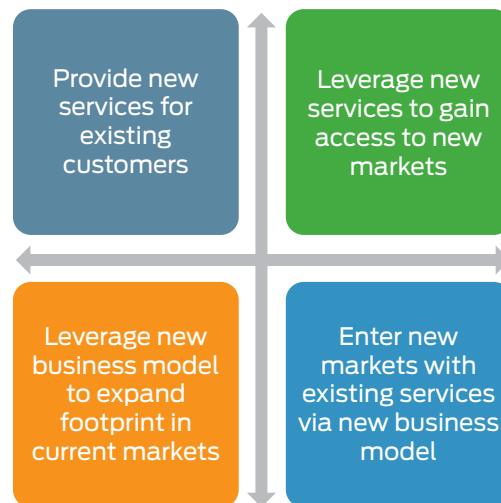


Figure 1: Enhanced services opportunities

The following table provides examples of ways in which new Cloud CPE-enabled business models and services can provide opportunities for you to drive revenue growth.

- The first shows the development of new business models. In two-sided models, carriers can become a broker or reseller of services for other suppliers. They can also offer cloud connect services to provide a VPN-like experience, bypassing the Internet. These represent new services to new and existing buyers.
- A second approach is to expand the existing footprint. This is essentially taking existing services and offering them within new markets that you currently do not serve.
- A third approach is to upsell existing services with new service bundles and offerings. It is important to note that in this case you are offering more overall value to your customers.

While SDN and Network Functions Virtualization (NFV) do not in and of themselves enable new services, it is the agility and flexibility they provide that enables you to deploy new services quickly, and with a lower cost of entry to reduce business risk.

Table 1: Benefits of New and Enhanced Services

New Revenue Sources	Descriptions	Example Services
New Business Models – Two-sided and Transactional Models	The increased service agility more easily enables the development of new business models.	<ul style="list-style-type: none"> Marketplace services offering on-net access to software and Software as a service Hosting and IT-related services on-net and off-net Cloud brokering services Platform as a Service/Internet of Things/Partnership Models Big Data/Analytics-based services Advertising models
Expand Footprint – New Market Segments and Buyers	Lower cost of service entry now allows Communication Service Providers to deliver both existing and new services outside of existing coverage areas and through partners.	<ul style="list-style-type: none"> Small and medium market with additional bundled services Footprint expansion of traditional business and residential services outside of primary service areas
Connectivity Service Bundles – Increased Customer Relevance	An expanded portfolio of services increases the value and importance to an enterprise's overall information and communications technology strategy.	<ul style="list-style-type: none"> Network services such as content delivery networks, wide area network optimization, and unified communications Security services such as firewall, intrusion detection and prevention, web filtering, and data leak protection Mobile services such as mobile device management, and wireless hotspot management

Service Outline and Deliverables

The Service Creation Advisory service consists of a series of joint Juniper and customer workshops and associated analyses (each step of which is optional). Deliverables are designed to help you:

- Identify potential new business service opportunities
- Define new services
- Generate an economic analysis and business case for the service(s)
- Support your go-to-market activities and service launch

Central to this service is the economic analysis and business case development illustrated in Figure 2.

As a result of this analysis, you will receive pro-forma financial statements for the service that include:

- The pro forma income or profit and loss (P&L) statement, which identifies the impact to margins and provides the basis for cash flow calculation and financing needs
- The pro forma balance sheet, which assesses funding and financing requirements and identifies the impact on equipment asset and working capital requirements
- The pro forma statement of cash flows, which provides information on cash inflow and outflow for the project, which then becomes the basis for a net present value (NPV) calculation based on weighted average cost of capital (WACC) and risk premium

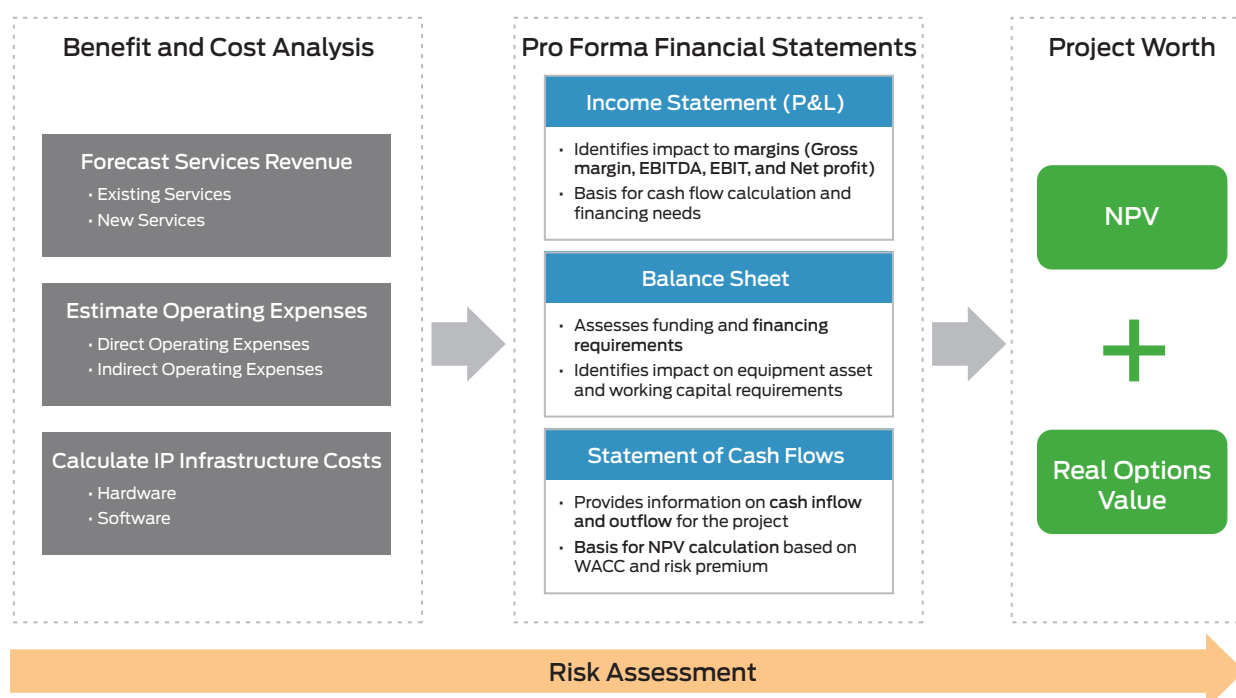


Figure 2: Virtualization economic value assessment methodology

With the pro forma financial statements in place, the project's worth can be calculated, based on the NPV of the project with no alternative options considered, as well as the value of the real options in future that the service creates.

Included as part of the pro forma financial statements are the following reports:

- Total revenue/margin comparison between traditional and virtualized solution (e.g., for the next 5 years)
- Total operating expense savings from different sources (e.g., network operations and SG&A)
- Total cost of ownership of the solution
- Total project worth, including the value of flexibility offered by virtualized solutions

Additional Services Available from Juniper Networks Professional Services

Juniper Networks provides additional consulting services to consider along with the Service Creation Advisory service.

In addition to engagements that are customized for individual customers, a broad range of consulting and packaged implementation services is available to help you enhance your network design and optimize your production environment.

- **Assessment Services:** Leverage the breadth and depth of Juniper Networks experience to identify your technology options and develop your network plans for the future
- **Design Services:** Provide design and technology recommendations for a network that will meet your business and technical needs
- **Migration Services:** Deliver an end-to-end risk-managed migration of your network environments

Juniper Networks Service and Support

Juniper Networks is the leader in performance-enabling services that are designed to accelerate, extend, and optimize your high-performance network. Our services allow you to maximize operational efficiency while reducing cost and minimizing risk, achieving a faster time to value for your network. Juniper Networks ensures operational excellence by optimizing the network to maintain required levels of performance, reliability, and availability. For more details, please visit www.juniper.net/us/en/products-services.

Ordering Information

Juniper Networks services capabilities are available worldwide as part of a broad range of engagements. In addition to customized engagements, examples of predefined engagements and their descriptions can be found at www.juniper.net/us/en/products-services/services/technical-services/.

Please contact your Juniper Networks account manager for additional information and to find out how Juniper Networks can help you address your business and technology challenges.

About Juniper Networks

Juniper Networks is in the business of network innovation. From devices to data centers, from consumers to cloud providers, Juniper Networks delivers the software, silicon and systems that transform the experience and economics of networking. The company serves customers and partners worldwide. Additional information can be found at www.juniper.net.

Corporate and Sales Headquarters

Juniper Networks, Inc.
1133 Innovation Way
Sunnyvale, CA 94089 USA
Phone: 888.JUNIPER (888.586.4737)
or +1.408.745.2000
Fax: +1.408.745.2100
www.juniper.net

APAC and EMEA Headquarters

Juniper Networks International B.V.
Boeing Avenue 240
1119 PZ Schiphol-Rijk
Amsterdam, The Netherlands
Phone: +31.0.207.125.700
Fax: +31.0.207.125.701

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