

Revenue Opportunities



OVERVIEW

Communications service provider business models are on the verge of changing dramatically. Today their business models are based on delivering flat-fee based Internet connections of ever increasing speeds to subscribers. Given the exponential growth in complexity, criticality, and sheer volume of the information traversing broadband links, the successful service provider of the future will have to devise ways to realize much more significant value from their most strategic asset: the connection to the subscriber.

Compass Flow Analyzer offers service providers a number of options to further monetize their broadband connections, providing an evolutionary path from “pipe provider” to “advanced service provider.”

SERVICE UP-SELL

While basic broadband service data rates continue to grow, both communications service providers and their customers are ill-equipped to understand what is the best “speed” to meet individual subscribers’ needs (other than “faster is better,” of course).

Compass Flow Analyzer offers service providers the opportunity to easily measure bandwidth consumption patterns of individual subscribers over time. Armed with this information, service providers are able to:

- Design the right service packages to meet the market need, considering elements such as speed, time-of-day, or day-of-week (see Figure 1).
- Intelligently engage high-use customers to “up-sell” higher speed services (see Figure 2).

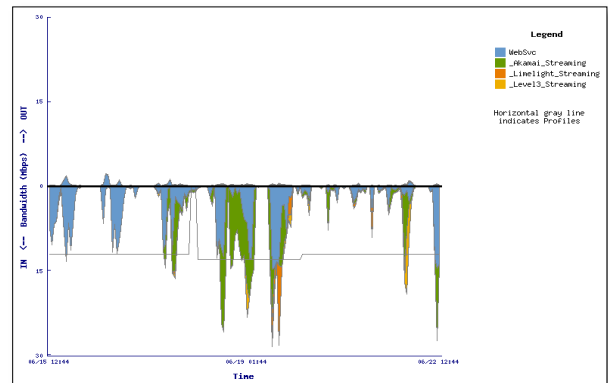


Figure 1 – Subscriber bandwidth consumption pattern

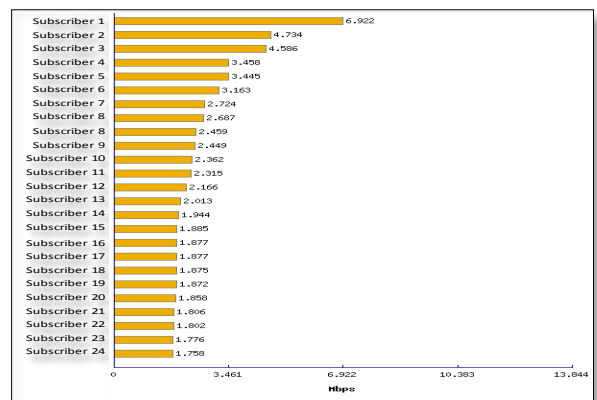


Figure 2 – Top-N Subscribers based on bandwidth usage

ASSESSING USAGE-BASED BILLING

In today's all-video world, broadband subscribers are increasingly using the Internet to stream information at high and sustained data rates, forcing service providers to implement costly infrastructure upgrades that, when combined with the "all you can eat" broadband service model, have minimal return on investment. Tomorrow's successful service providers will be proactive in finding new service models, such as usage-based billing, that compensate their costly upgrades.

Compass Flow Analyzer offers service providers the opportunity to easily measure data usage of individual subscribers (see Figure 3), as well as data attributable to specific applications (see Figure 4). Armed with this information, service providers are able to establish "typical" subscriber usage benchmarks and evaluate usage-based billing scenarios. It also allows them to explore opportunities to receive compensation from Internet content providers.

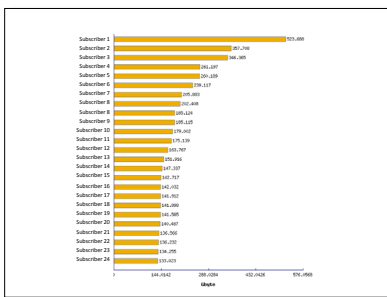


Figure 3 –Monthly data consumption by user

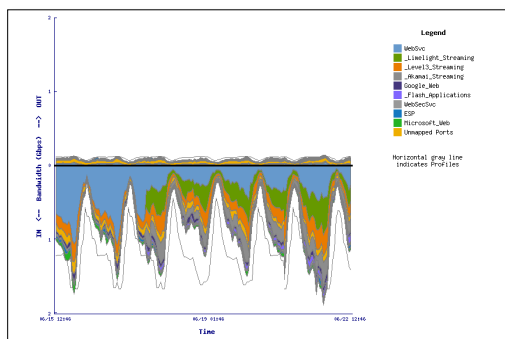


Figure 4 – Application bandwidth consumption pattern

MONETIZING CUSTOMER-FACING BANDWIDTH USAGE APP

Most customers do not know the amount of bandwidth or service mix they consume from their Internet connection. This is true not only for residential customers but also businesses.

Compass Flow Analyzer enables service providers to differentiate their service by offering a dedicated and secure bandwidth monitoring app to customers. This app provides a graphical display of information on how they are using the broadband connection (see Figure 5). With this app subscribers can:

- Monitor in real-time their own bandwidth consumption.
- Report on usage data (overall and top contributors).
- Identify contributors to bandwidth consumption.
- Establish consumption alert thresholds.

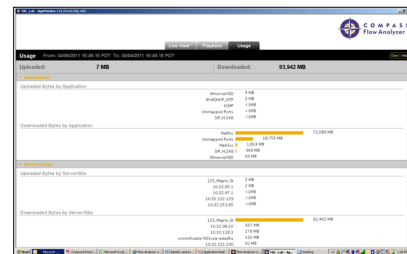


Figure 5 –Compass Flow Analyzer Application Monitor

SUMMARY

As service provider business models evolve, there will be threats to existing sources of revenue and opportunities for new sources. Compass Flow Analyzer gives service providers the tools and data necessary to identify and take full advantage of new ways to monetize their broadband connections.

For more information about Compass Flow Analyzer, send an email to CompassSales@Calix.com or contact your Calix Sales team.