

Industry perspectives on building the CSP edge

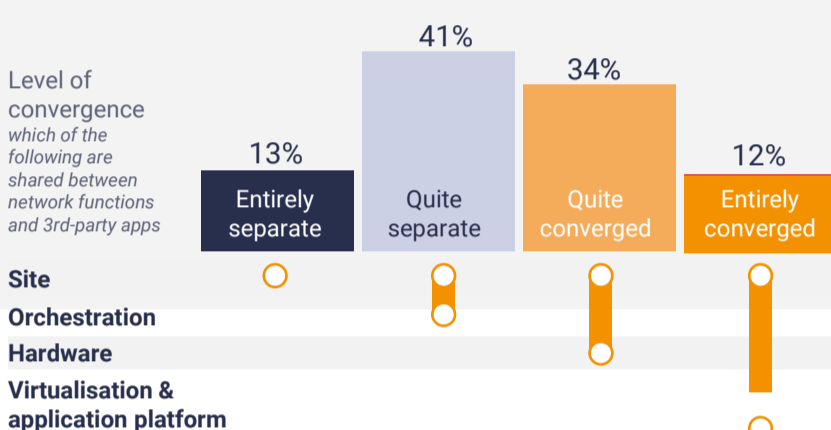
The Communications Service Provider (CSP) edge supports reliability and low latency by extending cloud computing environments closer to end customers and data sources.

- ▶ 5G use cases requiring ultra-reliable and low latency are therefore driving investments in edge computing.
- ▶ Not only are CSPs running their **virtualised or containerised network functions** at the edge; CSPs are also seeing opportunity in using the edge infrastructure to bring **third-party edge applications** to market.

How will CSPs be investing in and building edge infrastructure in the next 5 years?

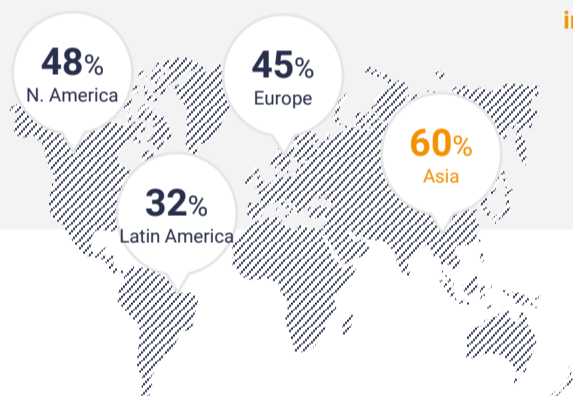


88% of CSPs believe that they will not fully consolidate edge infrastructure for network functions and third-party applications.



Converging edge infrastructure orchestration is a higher priority for CSPs in Asia Pacific than other regions.

Support for shared edge orchestration varies from region to region:



CSPs have cited these benefits in support of a converged edge infrastructure:

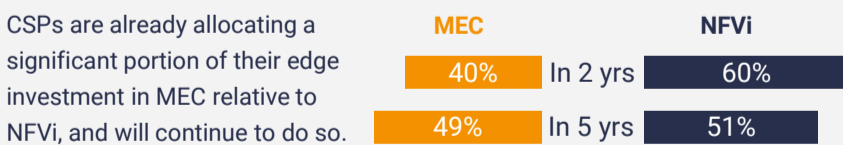
- ▶ Applications, e.g., cloud gaming, can leverage both 5G low latency and edge compute capabilities
- ▶ Maximise return on investment in edge cloud infrastructure
- ▶ Operating edge sites in a more efficient way by sharing resources
- ▶ Increases role of CSPs in the edge ecosystem

...but some CSPs may favour a separate edge infrastructure to address issues like:

- ▶ Enterprises require hyper local breakouts for data privacy and security
- ▶ Difficult to manage, loss of flexibility
- ▶ Difficulty of integration due to different reference standards and architectures in place for network functions and third-party applications
- ▶ Services and applications being developed in different lines of business



While most edge investments are in network functions today, investment in third-party applications will accelerate over the next 5 years.



Edge investments will be use-case specific and dependent on the CSP's business model:

- ▶ **Investments in MEC** will drive innovation in next-generation B2B services and deliver 5G use cases, such as industrial automation and smart cities.
- ▶ **Investments in NFVi** will drive the virtualisation and containerisation of network components to support greater flexibility, scalability and lower TCO.

STL Partners, sponsored by Red Hat. "Telco strategies for edge computing" survey of 150 CSP executives, March 2021.

View our recent webinar, "Telco strategies in edge computing and private networks" to find out more.

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