

Contributing to the bottom line

5 ways of cutting connectivity costs



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Out there, it's tough. In today's economic climate, companies seek ways to improve their bottom line by becoming more agile and boosting growth. Other times, by cutting costs.

Since recent years, it no longer comes as a surprise to see large enterprises making the headlines, not for their latest achievements, but for having to undergo massive layoffs to meet profitability.

But let's not go there just yet.

Haven't you heard that "necessity is the mother of invention"? This is also the time for departments to think creatively and find other ways to become leaner, more efficient, and reduce costs. For IT and Network leaders, the pressure is on for finding ways to leverage digital technologies to enable these efficiencies, streamline operations, and drive savings.

For example, automating processes has proven to be a game-changer in reducing operational costs and accelerating time-to-revenue.

For enterprise networks, updating your organization's connectivity strategy and transitioning to SD-WAN and SASE models can also play a critical role in meeting your financial goals. And that's only the start.

In this white paper, we'll explore five different ways for IT and Procurement teams to reduce costs across their organizations. From technology selection to sourcing strategies, we'll provide actionable insights that can transform your connectivity strategy into a robust cost-saving tool (and for you to become a company hero).

Time to dig in!

Show me the money

As quickly mentioned in our introduction, there are
a few paths you can take to make friends with your CFO:

1

Cutting costs – it gets you to look at the big-ticket items on your monthly IT bill, and identify which could be replaced for more cost-effective solutions.

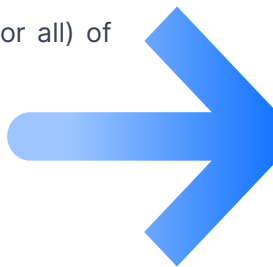
2

Running more efficient operations – this has to do more on how business is done. Look at how your processes are running, and identify where time is being wasted on things that could be automated or simplified.

3

Becoming a profit center – how can IT move from being a cost center to becoming a source of profit for your business? Look at opportunities for how your IT applications or infrastructure can enable other parts of the business.

With this in mind, let's look at some practical applications of how re-thinking your current WAN strategy might help to tackle any (or all) of these three paths.



1 Cutting costs (+ boosting performance)

Adopting SD-WAN & SASE

Traditionally, enterprises have relied on MPLS to connect their headquarters, sites, and data centers. MPLS provides businesses with reliable and secure networks; nevertheless, it often misses the mark when facing a more modern infrastructure of variable bandwidth needs, multiple clouds, connected branches, and distributed sites.

But unless you've been living under a rock (or even if you've been living under a rock – that goes to you, mining and energy companies), your business today relies on many cloud-based applications: ERP systems, collaboration environments, CRMs, etc. For such mix, SD-WAN has surged as a solid winner. Rooted in software-defined networking principles, SD-WAN offers IT teams a more flexible and easy-to-manage infrastructure that helps optimize traffic to enable business applications, also enhancing user experience.

But there's more. SD-WAN allows enterprises to use more cost-effective internet-based WAN services – from business broadband and DIA to 4G and LEO (Low Earth Orbit satellites) – leading to significant cost savings.

But what's SASE, then?

SASE stands for Secure Access Service Edge and, more than a service, it's a cybersecurity and networking framework that extends the capabilities of SD-WAN by integrating security functions into the network infrastructure. For businesses, it not only helps enterprises improve their security stand with a Zero-Trust model, but, for the sake of our paper, it also helps companies reduce costs by consolidating different security solutions and vendors into a single cloud-based service.

📌 Things that matter

Adopting SD-WAN and SASE into your network strategy will help IT Teams to leverage more cost-effective internet-based WANs, allowing to replace more expensive MPLS at smaller branches or across their entire estate.

1 Cutting costs

A mix-and-match WAN Strategy

The keyword here is match. Why go for a more sophisticated Dedicated Internet Access (DIA) solution for a non-critical, small branch? And do you really need maximum speeds for your secondary line – the one you barely use?

No matter the size of your organization, different sites and locations have different requirements. Your HQ, home of business executives and admin roles, will likely have a different usage profile than your factories, stores, and data centers.

Then, there's the question of what are you connecting? Are you connecting users to applications? Machines to machines? Your sites to multiple data centers? Are you connecting across oceans or just between cities? Whichever the case, it's time to mix and match: pay for what you need, but not more.

Perhaps you need a high-capacity dedicated line between data centers, but road warriors

checking in to your SD-WAN can tolerate the odd bit of latency from their hotel rooms – and the second option costs a lot less. A hybrid WAN is how you optimize the cost case for each. If you haven't looked at your MPLS portfolio for a while, it's worth reviewing where older circuits could be switched to DIA or a private Ethernet, offering similar bandwidth with more flexibility. Or where you could consider business broadband or LTE for a secondary line, and even primary.

★ Things that matter

A hybrid WAN (mix-and-match approach) will help you replace those high-ticket items for more fitting solutions. Know that internet-based WANs have evolved massively in the last years, delivering enterprise-grade connectivity with SLAs on downtime and bandwidth, just like your old MPLS. 4G and 5G continue to improve with the years, and the new generations of LEO satellites have made their way in the enterprise network ecosystem.



1 Cutting costs

Sourcing models – vendors & pricing

For decades, the enterprise connectivity market has been dominated by the large, well-known-brand carriers. Depending on your country, you'll most likely buy your global services from Telefonica, BT, AT&T, or Verizon. Don't get us wrong. This makes total sense.

Their on-net coverage is quite extended across the world, and their portfolio offers a series of add-ons and managed solutions that will definitely bring peace of mind to your technical teams. Plus, those names look good in front of the Board. The question is, does this choice contribute to the bottom line?

Global carriers did make more sense in a world dominated by MPLS, where a large global backbone was necessary for proper coverage of all your sites. But with SD-WAN and internet services taking over, regional and local Internet Service Providers (ISPs) have started to position themselves as a stronger choice, offering better

capabilities, local expertise, and much more competitive pricing compared to larger players. Plus, you should note that some of these carriers also buy from the local ISPs where they don't have direct coverage (think of the margin).

💡 Remember: there is no single provider that can offer an Internet service all over the world without buying from other ISPs.

And, while looking at your sourcing model, have you stopped and looked at your requirements? This is the time to seek opportunities where a different pricing model or solution can be applied. Just as you realized that going for a 4G, LEO, or broadband secondary line would be more fitting for your branch (and budget), maybe there's the option to move to a usage-based, burstable, or bandwidth-on-demand pricing model. Check with your vendor and look at the options.

🔧 Things that matter

Global carriers are strong for a reason; but when it comes to internet services, local ISPs can deliver a more tailored solution to your requirements and at a better cost. And, while reviewing your sourcing model, look at your pricing model, too, and the opportunities to add flexibility and reduce your monthly bill.

2 More efficient operations

Centralize WAN procurement

Having reviewed your sourcing model and as you continue to go through your checklist for reducing costs, it is time to look at your vendor list. How long is it?

Sometimes, it isn't only about getting the best pricing or discounts during the negotiation (which, of course, helps); it also comes to the effort required in managing them – from reviewing capabilities, SLAs, and reading pages and pages of T&Cs to the onboarding and day-to-day management of each of them. All this effort, while necessary, is a burden to many: procurement teams evaluating dozens of vendors during the selection process; finance teams having to navigate multiple invoices, currencies, and taxation laws; and your customer care teams, needing to deal with multiple support centers.

If you can recognize this problem, consolidating vendors is, then, your next step to saving costs.

On the one hand, it offers economies of scale. Due to higher volumes, you should be able to negotiate better rates. Larger contracts have more room for discounts, often leading to more favorable prices. If we are talking about your WAN estate, vendor consolidation can also help you identify and eliminate redundancies in your infrastructure: services, circuits, or equipment that you are not using or no longer need, leading to more efficient use of resources.

Further, centralizing WAN procurement has an immediate impact on the use of time and resources of your internal teams. Dealing with fewer vendors frees up resources, makes operations more efficient, and allows for more strategic decision-making.

It also becomes possible for your (large) organization to obtain the best services from smaller ISPs, who would not have the capacity to support your contracting requirements.

And, finally, which CIO wouldn't like a clear line of contact and escalation for all connectivity services, independent of their location?

Things that matter

It's a game of balance. When planning your global connectivity, especially when it comes to an internet-based network, working with local ISPs can be more beneficial than choosing for global carriers. At the same time, dealing with multiple ISPs adds a burden to your procurement teams and other departments in the organization. Choosing for regional MSPs or a global ISP aggregator will help reduce the complexity, procurement efforts, and makes operations more lean and efficient. Further, ISP aggregators often have access to better discounts due to economies of scale, contributing to your bottom line.

Automate what can be automated

In today's fast-paced world, automation is no longer a nice-to-have but a must-have. Companies, regardless of which department, can benefit greatly from automating repetitive tasks and digitizing processes. Cutting corners with AI applications will increase your productivity, reduce risk of human error, and, ultimately, save costs. Pressure is on for CIOs. Again.

When it comes to your networking and connectivity costs, from solution design to vendor procurement and lifecycle management, it's important to see what tasks are taking up your teams' precious time and how these can be automated or simplified. Start asking around to discover automation opportunities:

- How can automation support **Solution Architects** in the process of designing the networking solution that best fits your enterprise's needs? What are the key parameters that need to be defined to select the right technology and what solutions are available?
- How can automation support **Procurement Teams** in the process of sourcing the right vendors? Often, procurement needs to review and compare the different providers' SLAs, T&Cs, pricing sheets, etc. Is there a way to help them access that information in a faster way?
- How can automation support **Networking Teams** along your network's lifecycle? How are they currently requesting and deploying changes, adds, and removals? How can they track the end-of-service dates to take advantage of discounts or potential upgrades?
- How can you support your **IT Teams** with issue resolution? How can you help them identify issues faster to solve them sooner, or even proactively? How can you automate ticketing?
- How to support **Finance Teams** with the management of your vendors' invoices? For large organizations handling a multitude of local ISPs, how can you help them track the network spending?

🎵 Things that matter

Monitoring tools and vendor portals are starting to incorporate AI and other smart features to help businesses unlock the power of automation, raising proactive tickets or providing market insight to make more informed decisions. Consider replacing certain tasks by leveraging some of these tools, or seek vendors with automation and AI at the core of their processes for easier adoption.



3 Bonus chapter for MSPs

Connectivity as a profit center

The ultimate win: go from being a cost center to becoming a profit center. Could your network tools help speed up processes to enable your commercial teams?

This is the picture. As a Managed Service Provider delivering cloud solutions or helping customers with their SD-WAN deployments, you can gain a competitive advantage by augmenting your portfolio and offering a combined underlay + overlay solution. Of course, this is easier said than done. While SD-WAN is cloud-based and can be implemented centrally across multiple countries, the underlay requires a local approach with the deployment of internet access on every site (meaning, the bigger the geographical scope, the bigger the challenge). But there's another way around it.

Establishing partnerships with internet providers (local, global, or aggregators) allows you to expand your offering and stand out from

the competition. With access to your partner's connectivity portfolio and price books, you can present yourself as a one-stop-shop for network solutions. What's more, working with a partner that can provide this information via a platform or, even better, an API that integrates with your own quoting tools can significantly improve the response time of RFPs, potentially increasing the win rate and accelerating time-to-revenue.

Things that matter

Look for a partner that aligns with your size and strategic objectives. If your customer base has international needs, it's better to partner with a global provider or an ISP aggregator that can reduce the hassle of sourcing internet from local ISPs. Taking it one step further, ensure that your partner can cover most of your customers' connectivity needs – they should manage the deployment, support, and network lifecycle so it doesn't become an extra burden for your business or your customers' IT teams.

Conclusion

Ready, set, grow

So, what now? Having presented your cost-saving opportunities, you surely have the Board's attention now. Next will be your action plan.

GNX+, automating your connectivity journey to save costs, resources, and time.

At GNX, our purpose is to transform how businesses deal with global connectivity, making it transparent, frictionless, and easy to access. This is also why we designed GNX+: an automated platform for all your connectivity needs (and your CFO's new best friend).

Service design – Simply enter your site requirements and get immediate results for what is available. Mix and match to your budget, and site-specific needs

Cost optimization – Our platform contains GNX's years of relationships with thousands of ISPs worldwide, guaranteeing the best price for each connection.

Reduce procurement time – By entering your sites locations, you'll get pricing information from competing vendors. Not only that, you can also compare SLAs, lead times, and even receive suggestions from previous engagements.

60%
less procurement costs

100%
reduction in RFP spend

Streamline deployment – Once services are selected, you can lay back and relax. As a service provider, GNX takes ownership for all deployments, ensuring your connections are up and running as agreed. And you can track the status of your project from GNX+.

Lifecycle management – The journey continues. Give some peace of mind to your IT teams as we monitor and support your connectivity 24/7 (with dashboards also accessible via GNX+). Need to make changes? Just make the requests via platform, and we'll be on it.

3000+
vendors worldwide

Firm quotes in
seconds



API Integration – And yes, our entire database for global internet services can be made available via your own platforms. One single portal for your procurement teams.

A team of experts, front and back – Needless to say, we are here to guide you along your journey. Got any questions about your services or need any kind of support? We've got your back.

Hi, we are GNX

The leading provider of global internet access and private connectivity solutions. Here to help modern businesses navigate the complex world of global connectivity.

We make connectivity simple.

Stepping away from traditional, conservative, and non-transparent ways of working, we give enterprises and Managed Service Providers total insight and control to design, source, and manage their global underlay—with access to our complete portfolio of Global Internet Access, Point-to-Point, and Cloud Fabric services in 190+ countries through our carrier-neutral automated software platform, GNX+.

Learn more at gnx.net

Get in touch

Shall we explore your next steps on your global connectivity journey?
Our passionate team of experts is available 24/7 to ensure you get
your solution exactly right. Request a free consultation or a demo of
GNX+, and let's get right on it.

GNX. Straightforward Connectivity.

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