

# Increase Your Revenues with Service Management Solutions

**The Challenge:** To increase revenues from existing infrastructure – by offering new lucrative services, attracting new customers and retaining existing customers. To create the competitive edge in your IP services business!

**The Solution:** Allot Communications NetEnforcer and NetPolicy solutions enable service providers to create new revenue opportunities based on new supplemental IP services. With Allot's solutions, any carrier, NSP, ISP or data center can offer:

- **Tiered (Differentiated) Services/SLA Management**  
Charge higher monthly fees for better, bandwidth-guaranteed pipes. Define your service levels using the NetEnforcer's policy management facility and assign subscribers to each level (see Figure 1).
- **Measure Guaranteed SLA Violations Ratio**  
Allow bandwidth guarantees for 100% of the time or less (usually 90-95%), including the measurement and reporting of SLA violations.
- **Virtual Bandwidth Management (VBM) Services**  
This unique Allot solution enables subscribers to manage (control and monitor) their own bandwidth without having to own a bandwidth management device. With a simple logon to a customizable Web site, subscribers can control their service level (select between a Platinum/Gold or Silver service level) and view real-time dynamic graphs of their link and application performance.
- **Class of Service Management**  
Manage your customer's application prioritization needs inside their pipe – guarantee the performance of VoIP calls, VPN links and mission critical applications. Limit the use of non-business traffic such as P2P applications.
- **Intelligent and Fair Over-subscription Management**  
Manage over subscription wisely by limiting the customer's traffic and using the NetEnforcer's "fairness" feature to keep all customers happy with a consistent level of service.
- **Block or Throttle Annoying Peer-to-peer Traffic**  
Reduce un-wanted traffic and improve network performance.
- **URL Filtering**  
Use Allot's NetPure solution to supply your customers' URL filtering needs (block sex, gambling and other types of undesirable sites based specific customer needs)
- **Denial of Service (DoS) Protection**  
Offer your customers protection against Denial of service attacks. When DoS infected traffic is arriving, the NetEnforcer will make sure that the traffic will not get into the customer's pipe.
- **Usage-based Billing**  
Use the NetEnforcer's IP accounting capabilities to collect detailed network usage records (per customer and per application) to enable a usage-based billing scheme in which customers pay based on the network usage, the type of use (e.g., Email vs. videoconferencing) and the quality provided (pay more for high-quality, bandwidth guaranteed VoIP calls).
- **Offer QoS-Controlled Applications**  
Provide your customers with new network applications, such as videoconferencing or VPN services with guaranteed quality.

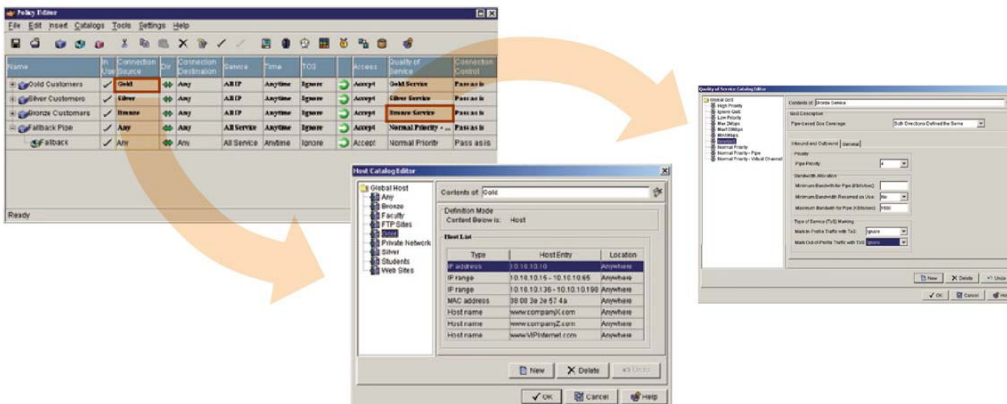


Figure 1: The Policy Editor is used to set up Quality of Service (QoS). Double-clicks conveniently launch editors for defining tiered services and Hosts.

## The Environment

Carriers and service providers are working today in a highly competitive environment. The customer has multiple choices for access – DSL, Cable, Wireless – and many more when selecting his data center provider. And switching providers is easy. In addition, many carriers have made huge investments in the network infrastructure, such as access and backbone networks, and find themselves with unutilized infrastructure on one side and decreasing revenues (due to competition) on the other side.

As a result, carriers and service providers are looking for new ways to better use their existing infrastructure in order to:

- Increase revenues and reduce costs
- Offer new services that will attract new customers and especially the high paying ones.
- Retain existing customers

The *Point of Presence* (POP), where the customers' last mile links are terminated, offers the right place to add the functionality needed to achieve all the above (see Figure 2).

## Allot's Solution: Policy-Powered Networking

Allot offers its Policy Powered Networking architecture to enhance the carrier and service providers access and data center services. Which this architecture, the service provider can define polices that will control the traffic behavior with the use of two major components:

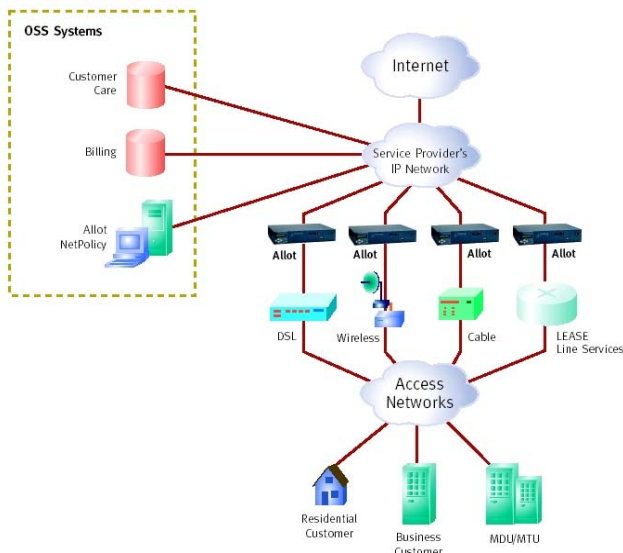


Figure 2: A general access network with NetEnforcer and NetPolicy

- **The NetEnforcer™ family of POP-based LAN appliances** gives users the power to intelligently shape network bandwidth and deliver system-wide service level guarantees based on the networking needs and business priorities of the IP service provider or enterprise (see Figure 3).

The NetEnforcer is available in several models for service provider networks which offer a wide range of choices – according to the total bandwidth controlled (10 – 155Mbps), the number of customers (1,024-28,000), the type of interface (Fast or Gigabit Ethernet) and carrier grade capabilities (dual power supply).

Located at the edge of the service provider network, the NetEnforcer, has an easy-to-use, graphical policy management editing facility to enable the supplemental IP services (see Figures 4-6). The NetEnforcer also integrates with Customer Care and Billing (CCB) systems for easy implementation within a service provider business environment. Connected to systems such as Portal's Infranet or XACCT's N2B Platform, subscribers' provisioning and real-time export of IP usage record becomes easy and significantly reduces the overhead of implementing supplemental IP services.

- **NetPolicy, a Network operating center (NOC)-based centralized policy management package,** offers a unique management capabilities for customer self-provisioning and traffic monitoring ("Virtual Bandwidth Management")



Figure 3: The NetEnforcer family of devices.

## Revenue Opportunities Model

The following model shows the potential revenues existing in the supplemental services:

In this scenario, the service provider is going to offer 5 new services:

1. **Virtual Bandwidth Monitoring** – offering business customers a real time, dynamic view of their bandwidth use (see Figure 4)
2. **Premium Service # 1** – the Service provider guarantees that 90% of the time (during business hours), the customer will be able to send and receive at least 2Mbps of traffic
3. **Premium Service # 2** – the Service provider guarantees that 100 % of the time (during business hours), the customer will be able to send and receive at least 2Mbps of traffic and the link will be protected against Denial of Service attacks

4. **Premium Service # 3** – Application-level bandwidth management services to the customer, including prioritizing time-sensitive and mission-critical traffic.
5. **URL Filtering** – offered to home users so that parents can keep children from accessing inappropriate content.

*Table 1 (see below ) contains the assumptions made regarding the penetration rate and the monthly service fees.*

*Table 2 (see below) shows the resulting revenues for a single POP offering supplemental IP services via the NetEnforcer. This model produces a positive bottom line (after the investment in NetEnforcer and marketing expenses) in the first year of operation.*

**Table 1: Model Assumptions**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<b>Basic Bandwidth Service (2MB, per month, best efforts)</b>	\$1,000	\$900	\$750
<b>Number of Business Customers per POP</b>	200	300	400
<b>Number of Home Users per POP</b>	12,000	14,000	15,000
<b>Penetration rate</b>			
Virtual Bandwidth Monitoring	20%	30%	50%
Premium Service # 1 –(2MB guaranteed 90% of the time)	12%	20%	30%
Premium Service # 2 –(2MB guaranteed 100% of time + DoS protection)	10%	15%	20%
Premium Service # 3 –(5 bandwidth management policies)	10%	20%	30%
URL Filtering –(parental control for home users)	20%	30%	35%
<b>Additional monthly fees Charged</b>			
Virtual Bandwidth Monitoring	\$40	\$40	\$40
Premium Service # 1	\$200	\$150	\$125
Premium Service # 2	\$300	\$225	\$175
Premium Service # 3	\$300	\$275	\$250
URL Filtering	\$6	\$6	\$6

**Table 2: Projected Revenues from NetEnforcer Services**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>
<b>Additional Revenues</b>				
Virtual Bandwidth Monitoring	\$19,200	\$43,200	\$96,000	\$158,400
Premium Service # 1	\$57,600	\$108,000	\$180,000	\$345,600
Premium Service # 2	\$72,000	\$121,500	\$168,000	\$361,500
Premium Service # 3	\$72,000	\$198,000	\$360,000	\$630,000
URL Filtering	\$172,800	\$302,400	\$378,000	\$853,200
<b>Total Additional Revenues</b>	<b>\$393,600</b>	<b>\$773,100</b>	<b>\$1,182,000</b>	<b>\$2,348,700</b>

## About Allot Communications

Allot Communications was founded in December 1996 to empower networks for business. The company's Policy-Powered Networking initiative offers solutions for enterprises and IP service providers that improve network performance and enable the deployment of business-critical, time-sensitive applications. Allot's flagship product, the NetEnforcer, includes best-of-class bandwidth management/traffic shaping technology for QoS/SLA enforcement, real-time IP monitoring, IP accounting and load balancing.

In enterprise networks, Allot's solutions allow network managers to enable Quality of Service (QoS) by linking business policies to specific network actions that improve and control users' productivity and satisfaction. In IP service provider networks, Allot's QoS/SLA enforcement solutions enable service providers to effectively use over-subscription to maximize ROI and to deliver tiered services or classes of service.

## About the NetEnforcer

The NetEnforcer™ family of LAN appliances gives users the power to intelligently shape network bandwidth and deliver system-wide service level guarantees based on the networking needs and business priorities of the IP service provider or enterprise.

The NetEnforcer is available in models for use in enterprise and service provider networks (AC-101, AC-201, AC-301 and AC-401) as well as carrier-grade models (AC-601 and AC-701) with redundant components for fail-safe operation. The different models are optimized to support bandwidths from 128 Kbps to 155 Mbps and 128 to 10,000 users.

The NetEnforcer™ is a self-contained platform that works in conjunction with add-on packages including NetAccountant™ for IP-based accounting; CacheEnforcer™ for managing cache servers; and NetBalancer™ for server load balancing.

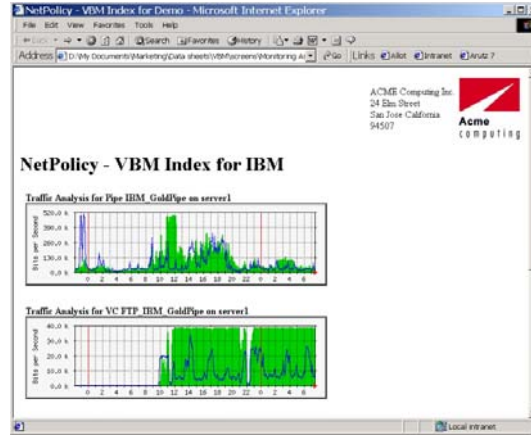


Figure 4: The Virtual Bandwidth Monitor offers subscriber bandwidth management without onsite equipment.

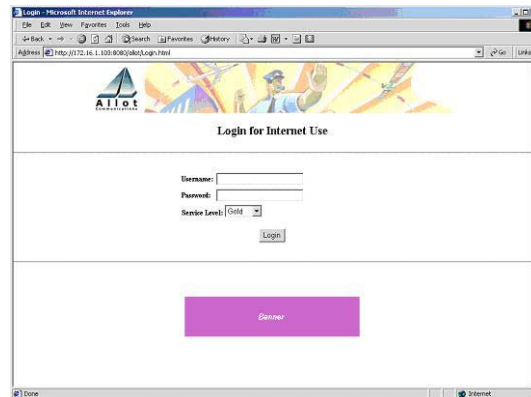


Figure 5: Enable subscribers to select their level of service.

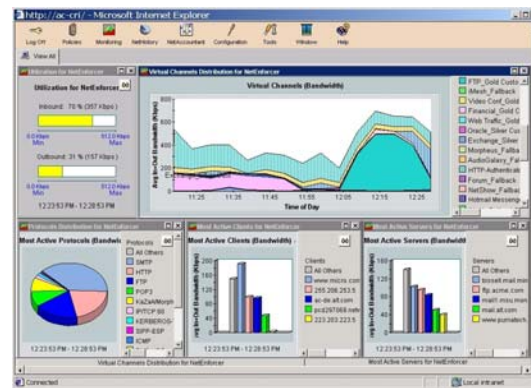


Figure 6: Monitoring traffic on the service provider network with the Traffic Monitor.

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