

Just the job

MATTHEW WHALLEY LOOKS AT THE STRATEGY OF BSO NETWORK SOLUTIONS, A SMALL PLAYER AIMING TO COMPETE WITH MUCH BIGGER COMPETITORS



“We decided that by adopting leading technologies and services we could become a recognised player”

MICHAEL OURABAH
CEO, BSO NETWORK SOLUTIONS

BSO Network Solutions has reshaped its business strategy and is combining a suite of value-added services with a low latency network.

Founded at the end of 2003, French company BSO has been viewed as a small player in a competitive market. While a basic wholesale offering has helped the company to get established, it has diversified its services to continue to grow its business.

“BSO started as yet another carrier deploying IP MPLS, TDM and metro fibre networks around Europe,” says Michael Ourabah, CEO at BSO Network Solutions. “We found that with a lot of large carriers in the market it would be difficult to grow even if we had a lifetime to do it. Instead, we refocused on value-added services on top of our network. We have set out to provide managed hosting and managed services as a large-scale integrator.”

BSO offers network services, IT integration and hosting to enterprises in addition to CDN services and carrier solutions. “We didn’t want to compete on price. We wanted to compete on our other capabilities,” says Ourabah. “BSO was one of the smaller players in the carrier market. We decided that by adopting leading technologies and services we could become a recognised player.”

BSO has spread its bets across a range of services in an attempt to meet a range of customer demands. The company started to target enterprises early in its existence and has watched larger carriers slowly follow suit as bandwidth prices have been driven down in mature markets.

“We reached a turnover of €10 million in five years, through investing in people and developing our core capability around high-value services,” says Scott Ritchie, UK

global operations director. “We have been successful in bringing in complex data centre solutions, core networking capabilities right through to global solutions. Our future started 12 to 16 months ago when we started investing in low latency high-availability routes.”

EARLY ADOPTER

It is a common story of a small player being an early adopter of new technologies and services, but BSO is combining reach and low latency networks with its managed services offering. “Global service providers need wide on-net coverage supplemented by extensive partnerships and E-NNIs with local operators that can extend their reach into more regions and metros, and they need a competitive range of services ranging from dark fibre or wavelength services at the high end to a broad range of managed and unmanaged point-to-point, point-to-multipoint and multipoint-to-multipoint Ethernet services such as virtual private LAN service (VPLS) and virtual leased line (VLL),” says Lorenza Brescia, principal analyst and senior partner at Telecom Strategy Partners. “But what enterprise customers really want is a single point of contact, high performance and reliability, and an end-to-end global SLA. And what they really need is simplification of all the integration, security and management issues required to help them extend their business critical IT applications throughout their global operations and to key partners around the world using Ethernet services. Pulling all of those complex requirements into one cohesive service offering spanning multiple operators’ networks requires an extensive suite of value-added services in addition to a low latency network.”

BSO has evolved its business to meet these needs because it wants to win business from financial institutions, Web 2.0 operations and other high-value customers. It is specifically interested in enterprises with a low number of sites but high capacity

demands. Ritchie says: "Our capability in global Ethernet has opened up new markets for us. What that capability does is it gives our customers access to high-speed networking so that on top of that they can invest in their business applications on a global basis."

CARRIER ETHERNET

Ritchie believes there is a low latency arms race being driven by high-capacity business applications that are expected to operate flawlessly around the globe – latency sensitive services like telepresence and e-commerce applications being higher profile examples. "Global carrier Ethernet services are a hot topic for carriers, with the demand for higher capacity international connectivity increasing significantly not just as a replacement for Frame Relay and ATM, but also to increase

broadband speeds and introduce bandwidth-intensive applications like networked storage and disaster recovery, distributed financial transaction processing and data centre interconnection, and for Software as a Service and other cloud computing applications," says Brescia.

BSO has focussed on network reach as a differentiator, with Ethernet sitting at the centre of its business. The company has built an international footprint that stretches across 12 countries – France, the UK, the US, Netherlands, Belgium, Switzerland, Italy, Germany, Spain, Brazil, Canada and Hong Kong. BSO has invested in 25 data centres, 45 PoPs each VPLS enabled. "Hong Kong is the first stage of growth in Asia. We will grow the business in Singapore, then China and Taiwan," says Ourabah. "Our next step will be to add to our US presence."

Ritchie notes that the network growth is driven by customer demand and that there was some debate about whether to use Hong Kong or Singapore as a jumping-off point for BSO's Asian business. Hong Kong won out because of customer needs and a favourable regulatory environment.

In the next year and half to two years, BSO expects to double revenues through aggressive growth and expansion with existing customers. The company claims a 98% customer retention rate.

"In the last six months, enterprises were trying to keep their heads above water. We are seeing that spending return," says Ourabah. "Being a services-oriented business, we are able to scale up to be a €35 to €40 million company in terms of revenue without any further investment. The infrastructure is there. We have a lot of time to spend growing as a business." ■

KEY FACTS

> **History:** Founded in 2003, BSO Network Solutions (formerly named BSO Communication) is a next-generation operator providing network services, hosting and integration. BSO Network Solutions is already present in more than 12 countries (France, the UK, Netherlands, Germany, Belgium, Italy, Spain, Switzerland, the US, Canada, Brazil and Hong Kong) and has offices in Paris, London and Hong Kong. BSO Network Solutions administers and operates its own Nx10Gbps network which has been crafted to be compatible with future 100Gbps interfaces.

Thanks to a range of high added-value services, comprehensive facilities management and validation offerings, BSO Network Solutions provides its customers with guidance and assistance from the most upstream phases of their projects, in terms of advice and expertise, to the most downstream, including the daily administration, upgrading and adaptation of their infrastructure. All its services are covered by robust SLAs, tailor-made to match each problem addressed.

> **Ownership:** Charles-Antoine Beyney and Michael Ourabah (Carinae Group)

> **CEO:** Michael Ourabah

> **Revenues:** €15 million (Carinae Group)

> **Customers:** +150, such as Areva, Atrium Network, Le Figaro, Microsoft, Virgin, Wonder Box, Cinven

> **Network:** BSO Network Solutions has presence at internet exchange points around the world and has private peering interconnections with the main global operators. The company covers more than 50% of the world's internet highways. BSO Network Solutions administers and operates its own Nx10Gbps network, which is already compatible with 100Gbps interfaces. BSO Network Solutions' network cores are interconnected from 622Mbps to Nx10Gbps using Ethernet, SDH transmission and DWDM.

> **Products and services:** BSO Network Solutions has three main offerings: network services, IT integration and hosting. The company provides supplementary services, advising and assists its customers in the design, deployment and continuous operational maintenance of its service platforms: advice, expertise and project management, network integration, security and systems, network and technology management.

As a next-generation operator, BSO Network Solutions has end-to-end control over the service platform: from guaranteed access (internet operator) and physical integrity of system architecture (hosting) to operating continuity for the different network elements as well as systems and security (maintenance and network and technology management).

BSO Network Solutions manages its customers' infrastructure globally through its multilingual network operations centre, providing the best security and control possible 24/7/365. All of BSO Network Solutions' packaged or tailor-made offerings in network and technology management, systems and security have been designed to provide very high availability in heterogeneous environments.

BSO Network Solutions offers wavelength, IP transit, managed Ethernet, virtual private LAN service (VPLS), virtual leased line (VLL), dark fibre and co-location facilities. ■