

F R O S T & S U L L I V A N

# 2024 COMPETITIVE STRATEGY LEADER

*IN THE GLOBAL  
NETWORK-AS-A-SERVICE  
INDUSTRY*

F R O S T & S U L L I V A N

2024  
BEST  
PRACTICES  
AWARD

**verizon**  
business

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Company Verizon Business excels in many of the criteria in the network-as-a-service space.

AWARD CRITERIA	
<i>Strategy Innovation</i>	<i>Customer Impact</i>
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

### Introduction

With an overall revenue of \$133.9 billion, Verizon Communications is the largest US and global network operator, the parent organization of Verizon Business, and ranked 26th on the Fortune 500 list of the world’s largest corporations. A decade ago, Verizon Business was one of the first companies to embrace dynamic networks, which are the foundation of today’s network-as-a-service (NaaS) offering. Another Verizon Business product made available on multiple connectivity services is the Dynamic Network Manager, launched in 2016 allowing businesses to expand or reduce bandwidth in near real-time. This product, combined with a more recent offering, Secure Cloud Interconnect and Verizon’s Managed Network Services, forms the basis of Verizon Business’s NaaS Solutions, which launched in October 2022. This new NaaS Solutions offering bundles of standardized network solution elements and a comprehensive site-based SLA to deliver combined network and security services and a streamlined process for enabling customer contracts, orders, configurations, and changes. Furthermore, NaaS Solutions supports Verizon Business’s customer service strategy, which is to provide best-in-class visibility to its products and services. Additionally, NaaS embodies a strategic change in the industry, where telecom operators are changing their perceptions from being considered the rigid telecom company to a nimble technology company. This effort is referred to as the telco-to-techco transformation.

### Strategy Effectiveness

While many network operators and equipment providers have launched services using the NaaS designation, Verizon Business stands out based on its offering’s comprehensiveness, maturity of the

platform, and customer friendliness.

Frost & Sullivan considers Verizon Business's NaaS Solutions to be best in class because it includes an umbrella of services that other competing solutions have not reached. Verizon Business includes cloud-based services, such as Secure Cloud Interconnect and managed secure access service edge (SASE), as well as hybrid connectivity solutions. Moreover, Verizon Business includes multiprotocol label switching (MPLS), Ethernet, Internet, broadband, and fixed wireless access (FWA) as the transport components of the NaaS portfolio. In addition, customers can add other services, such as virtual network services, managed LAN, managed wireless LAN, and visibility reporting services, all on a single contract and through a single portal. With the Verizon Business platform approach to NaaS, customers can choose certain modules or all of them, depending on what start-to-finish workstreams they are trying to automate. Verizon Business reports that NaaS is so ingrained into the fabric of what it does that during each product review session, product teams ask, "Should the product we are reviewing be incorporated into the NaaS platform?"

Verizon Business's biggest strategic success is the strength of its broad portfolio and solutioning design expertise that allows them to create NaaS services tailored to the needs of their customers along with

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**Sr Industry Direct-Network Services**

straightforward, site-based service level agreements (SLAs) and a single, simplified contract. These site-based SLAs focus on client outcomes rather than on individual service components. The SLA itself is an example of service effectiveness because it reduces 40+ pages of individual component-level SLAs into one seven-page document that focuses on overall outcomes. Frost & Sullivan sees this strategy as much more client-focused than traditional service-based

SLAs because clients understand how to keep their sites up versus managing the availability of individual components. Maintaining the high availability of customers' sites is the main concern, and Frost & Sullivan applauds Verizon Business for setting a high standard for other network operators to follow.

### **Strategy Execution**

Given the scale of Verizon Business's network, NaaS is a complex effort. To enable NaaS, Verizon Business must integrate the network at the system and application programming interface (API) level. The complexity and depth of integration are evident based on key statistics from the company's managed network service deployments: over 600,000 devices under management; 4,600 managed networks; and services in 189 countries and territories. With such a widespread network, the company can combine a plethora of network services worldwide, including MPLS, Ethernet, dedicated internet access (DIA), broadband, wireless, and virtual network services, in addition to nine network security operations centers to support the ever-growing security services portfolio. These components must be fully integrated when rolling out a NaaS offering.

Automation is key for a scaled business. Verizon Business has a patent for its bandwidth-on-demand functionality and presents the type of innovations needed to succeed in this industry. Through APIs or in-house integration, Verizon Business orchestrates over 80 different device types that span 240+ vendors,

thus fueling customer reporting and compliance, reducing installation errors, and setting up both clients and Verizon Business for success.

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### ***Executive Team Alignment***

Verizon has a strong executive team, starting with Hans Vestberg, who has been CEO since 2018. Vestberg is not a stranger to executive roles, serving 25 years with Ericsson before Verizon, specifically serving 2 years as CFO and 7 years as CEO. As a global leader, Vestberg keeps teams aligned by being fluent in Swedish, English, Spanish, and Portuguese. As a strong ally and fellow former CFO, Sowmyanarayan Sampath leads the consumer business, which has over \$100 billion in revenue. Sampath was the former leader of the Verizon Business division, which is now led by Kyle Malady, who is a long-time telecom executive, starting as a cell site technician and now serving on the Board of Directors for CTIA, which represents the US wireless communications industry. In addition, Malady serves as a member of the US President's National Security Telecommunications Advisory Committee (NSTAC).

The leadership team has pushed Verizon to have good financial results and a clear focus on what is next in network services. Verizon is an asset-heavy network operator, and cash is always king; therefore, the company has increased the guidance of its free cash flow by \$1 billion. Verizon Business's product teams, interviewed by Frost & Sullivan, say they are excited to see what NaaS, eSIM, and FWA bring to the overall market. eSIM is the electronic sim card in mobile phones and is a virtual service that allows consumers to pivot between providers and enables easy access to providers' mobile devices. FWA avoids the installation of a physical circuit so that services can be turned up fast. NaaS is an automated way for network operators to offer services to businesses and is the culmination of robust and standard-based APIs. The common focus of NaaS, eSIM, FWA, and the assets producing these services, therefore, is all part of the modern telecom operator and the main reason Verizon Business will continue to be successful and offer services in minutes rather than months.

### ***Stakeholder Integration***

Verizon Business has integrations with Cisco, Fortinet, Juniper, Hewlett Packard Enterprise (HPE), VMware, and Versa. Versa has both a strategic partnership with and a partial investment in Verizon Business, allowing both companies to innovate and at scale. Furthermore, Palo Alto and Zscaler are part of the SASE portfolio, which allows for more straightforward integration into the NaaS portfolio.

As noted, Verizon Business leads the industry with the most extensive portfolio of services under its NaaS umbrella. For instance, some competitors currently offer only direct Internet access services and are only working their way into making SD-WAN and SASE a part of their NaaS offerings. Verizon Business's strategic roadmap includes unified communications-as-a-service (UCaaS) as part of its portfolio, which will round out modern network operators' major offerings.

### ***Price/Performance Value***

Verizon Business's NaaS commercial models help customers move away from the outlay of large upfront costs, including capital expenditures (CAPEX), frequent upgrade expenses, and multiple vendor contracts.

Instead, customers can leverage services with operational expenditures (OPEX) and subscription-based services with straightforward, site-based SLAs.

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Verizon Business is building new multi-cloud connectivity services to provide on-demand connectivity, orchestration, management, and security services to enable customers to integrate their cloud environments more easily. NaaS allows enterprises to

spin up new cloud connections, transport data securely, move connections within and among clouds, and connect globally over a private network, all while providing network traffic visibility with additional security features.

The NaaS infrastructure modernizes Verizon Business’s networking foundation, encompassing hybrid networking, network function virtualization (NFV), orchestration, service chaining, and self-healing capabilities, all with competitive subscription-based pricing. Verizon Business has a reputation of being competitively priced, and with the full-featured leading-edge NaaS platform, Frost & Sullivan sees the company as an overall value leader as well.

### **Brand Equity**

Based on Brand Finance’s top 150 telecom operators, Verizon is the number one ranked brand, with a value of \$67.4 billion.<sup>1</sup> Verizon ranks high in US-specific brands and as the top 10 in overall global brands. In terms of community investment, Verizon has made a serious commitment to the well-being of youths and small businesses by pledging to enable 10 million underprivileged youths and 1 million small businesses to have digital inclusive and readiness training.<sup>2</sup> Furthermore, as part of its edX program, Verizon has prepared 500,000 people with “skills of the future,” such as artificial intelligence (AI), coding, cybersecurity, data analytics, and project management, which are among the fastest-growing areas of the economy. Verizon enables anyone 18 years or older to access for one year the key catalog of classes and training, which are powered by, but not limited to, Columbia University, Dartmouth College, Harvard University, and the Linux Foundation.

Verizon understands the importance of equity for the disabled and has a 100% rating on the Disability Equality Index, per the [Verizon fact sheet](#). As a critical part of the US economy, Verizon has a 20-year

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<sup>1</sup> Brand Finance; Brandirectory; [“Telecoms 150 2023 Ranking”](#)

<sup>2</sup> Verizon; [“Digital inclusion”](#)

history of being on the Dow Jones Industrial Index and longer if we consider the GTE and NYNEX components that make up today's Verizon Communications.

## Conclusion

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Verizon Business is leading the network-as-a-service portfolio with a more mature NaaS integration. Verizon Business has a best-in-class NaaS strategy with standardized services that can be tailored to the needs of each customer along with site-based SLAs and an easy-to-use consumer offering. In addition, customers can add other services, such as virtual network services, managed LAN, managed wireless LAN, and visibility reporting services, all on a single contract and through a single portal. With its impressive amount of services in its NaaS platform, Verizon Business is making a mark in the industry. Frost & Sullivan congratulates Verizon Business's efforts and ability to lead the way in the telco-to-techco evolution, which allows networks to be operational in minutes rather than months.

With its strong overall performance, Verizon Business earns Frost & Sullivan's 2024 Global Competitive Strategy Leadership Award in the NaaS industry.

## What You Need to Know about the Competitive Strategy Leadership Recognition

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Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

### Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

#### *Strategy Innovation*

**Strategy Effectiveness:** Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

**Strategy Execution:** Company strategy utilizes Best Practices to support consistent and efficient processes

**Competitive Differentiation:** Solutions or products articulate and display unique competitive advantages

**Executive Team Alignment:** Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

**Stakeholder Integration:** Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

#### *Customer Impact*

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and high quality

**Brand Equity:** Customers perceive the brand positively and exhibit high brand loyalty

## About Frost & Sullivan

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- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

