



Service design and orchestration: worldwide forecast 2020–2025



Anil Rao and William Nagy

About this report

This report provides forecasts for communications service provider (CSP) spending on service design and orchestration software and related services for 2020–2025. It provides details on spending by delivery model, service type, sub-segment and region and major drivers, including 5G. The report also provides recommendations for vendors and CSPs.

The report is based on several sources, including:

- Analysys Mason’s research from the past year
- interviews with CSPs and vendors worldwide.

KEY QUESTIONS ANSWERED IN THIS REPORT

- What are the key trends and factors that will affect the service design and orchestration software systems market during 2020–2025?
- What are the growth rates in each of the sub-segments?
- What are the regional factors that will drive growth?
- What should vendors do to exploit new business opportunities?
- How will professional services for service design and orchestration software systems perform during the forecast period?
- What are the major drivers and inhibitors that will influence CSP spending on service design and orchestration software systems?

GEOGRAPHICAL COVERAGE

- Worldwide
- Central and Eastern Europe
- Developed Asia–Pacific
- Emerging Asia–Pacific
- Latin America
- Middle East and North Africa
- North America
- Sub-Saharan Africa
- Western Europe

SUB-SEGMENT COVERAGE

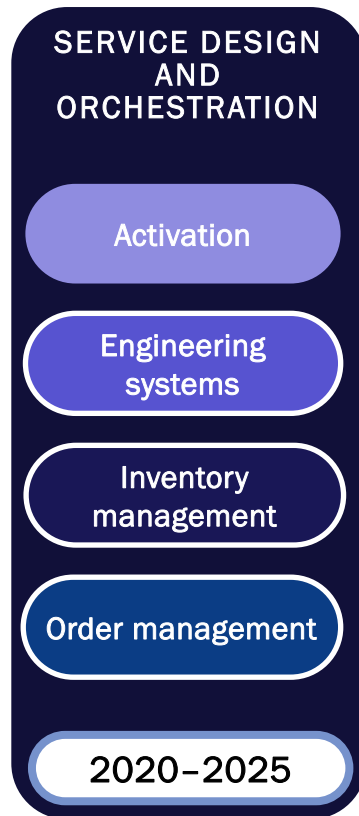
- Activation
- Engineering systems
- Inventory management
- Order management

WHO SHOULD READ THIS REPORT

- Vendor strategy teams that need to understand where growth is slowing and where it is increasing, according to different sub-segment categories.
- Product management teams responsible for feature functionality and geographical focus, and product marketing teams responsible for market-share growth.
- CSPs that are planning network function virtualisation (NFV)/software-defined networking (SDN) and digital transformation journeys.

Changes to the service design and orchestration forecast

Figure 1: No changes have been made to the SDO sub-segment definitions since our previous report



Analysys Mason has made restatements for the 2018 service design and orchestration numbers, which has had a small effect on the 2019 baseline for this forecast. New research and assumptions led to a re-evaluation of how much professional services revenue NEPs generate, and hence resulted in a decrease in our sizing of the market.

The service design and orchestration market returned to growth in 2019 after being in decline for several years. This was the beginning of the growth trajectory that was expected due to new 5G technology. CSPs have started to modernise their fulfilment systems in order to support 5G use cases, cloud-native service orchestration and other new enterprise services.

Spending on inventory management systems is growing because CSPs are upgrading to real-time inventory systems in order to track network resources and services in real time to support more-dynamic services. CSPs are also shifting their focus with activation systems: they are migrating from device-based, proprietary activation to standards-based multi-vendor activation. Growth in the inventory management and activation sub-segments in 2019 was stronger than expected and has led to an increase in the growth forecast throughout the 2020–2025 period.



Executive summary and recommendations

Forecast

Service design and orchestration: overall revenue
forecast and forecast breakdowns

Sub-segment revenue forecasts

Overall telecoms market context

Market definition

About the authors and Analysys Mason

About the authors



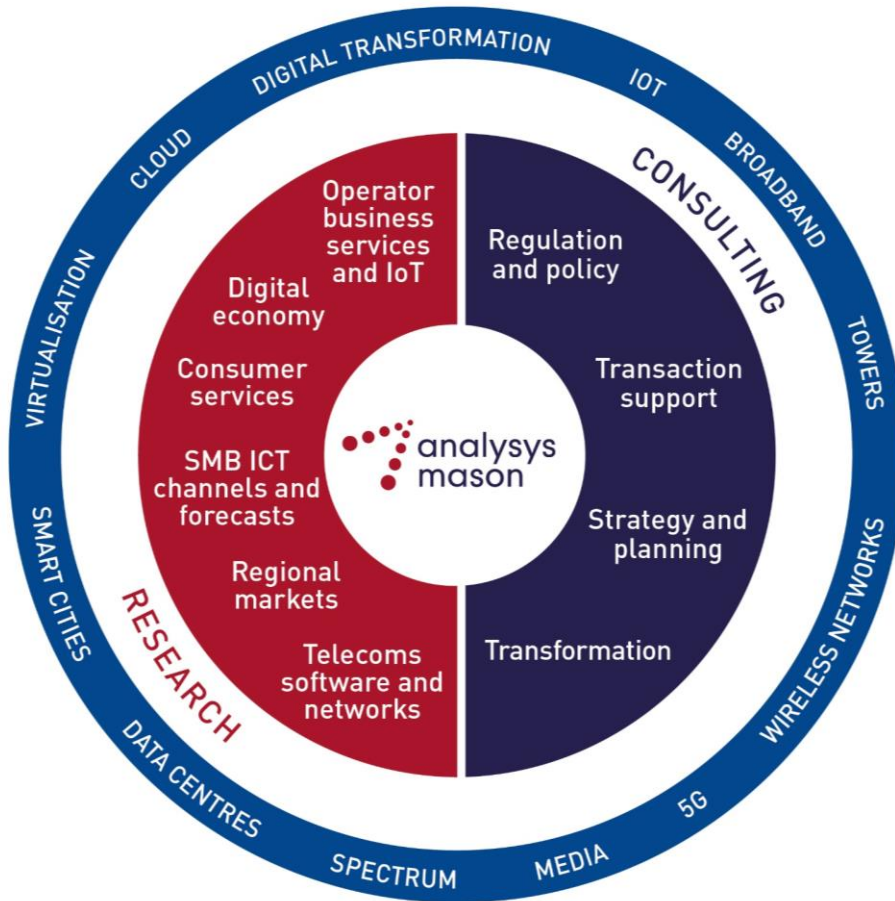
Anil Rao (Principal Analyst) is the lead analyst on network and service automation research that includes the Network Automation and Orchestration, Automated Assurance and Service Design and Orchestration research programmes, covering a broad range of topics on the existing and new-age operational systems that will power operators' digital transformations. His main areas of focus include service creation, provisioning and service operations in NFV/SDN-based networks, 5G, IoT and edge clouds; the use of analytics, ML and AI to increase operations efficiency and agility; and the broader imperatives around operations automation and zero touch networks. Anil also works with clients on a range of consulting engagements such as strategy assessment and advisory, market sizing, competitive analysis and market positioning, and marketing support through thought leadership collateral.



William Nagy (Analyst) is a member of the *Telecoms Software and Networks* research team in London, contributing to various research programmes with a focus on *Automated Assurance*, *Service Design and Orchestration* and *Forecast and Strategy*. He previously worked with the regional markets team. William holds a BSc in Physics from Queen Mary University of London.

Analysys Mason's consulting and research are uniquely positioned

Analysys Mason's consulting services and research portfolio



Consulting

We deliver tangible benefits to clients across the telecoms industry:

- communications and digital service providers, vendors, financial and strategic investors, private equity and infrastructure funds, governments, regulators, broadcasters and service and content providers

Our sector specialists understand the distinct local challenges facing clients, in addition to the wider effects of global forces.

We are future-focused and help clients understand the challenges and opportunities new technology brings.

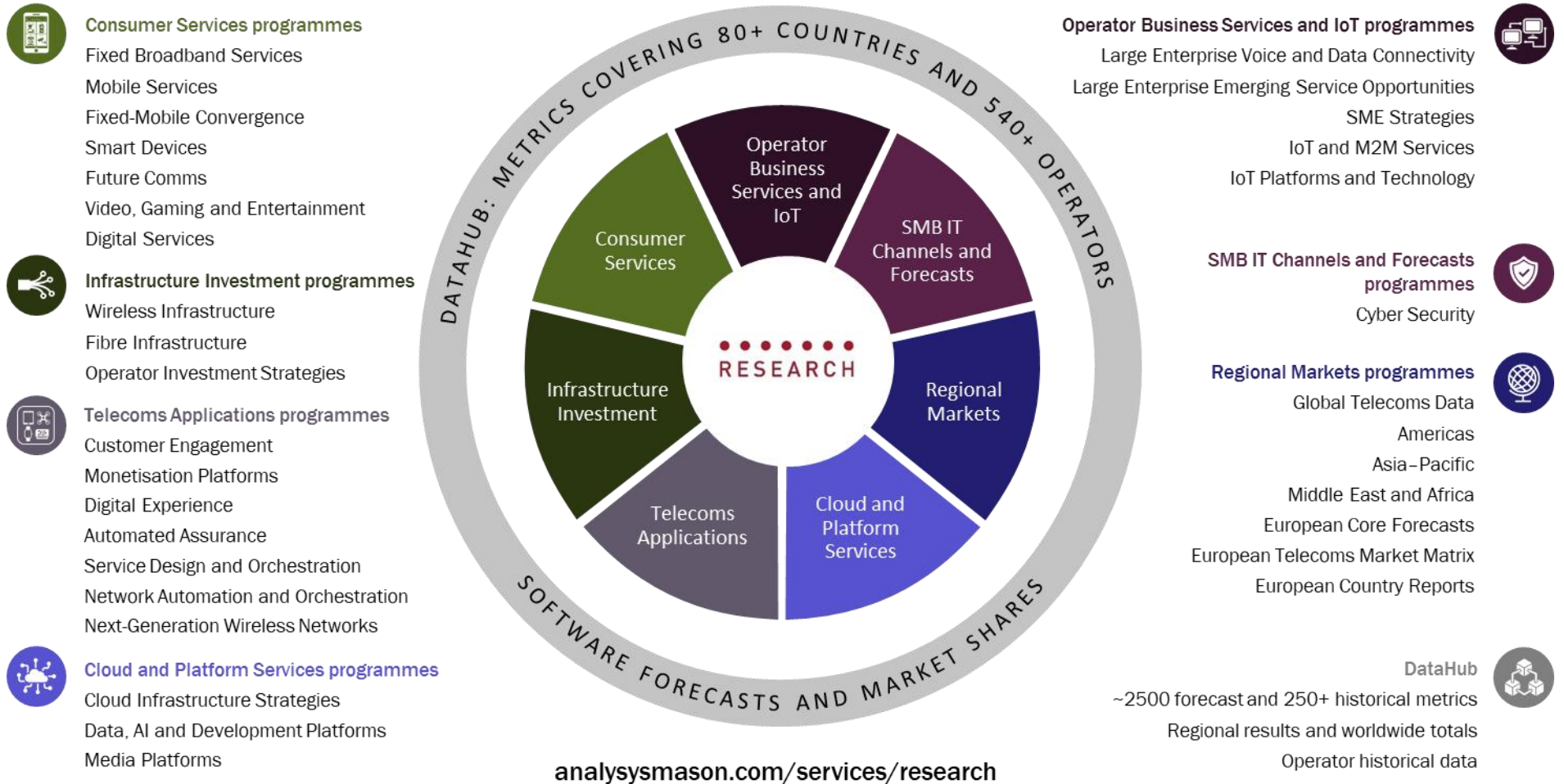
Research

Our dedicated team of analysts track and forecast the different services accessed by consumers and enterprises.

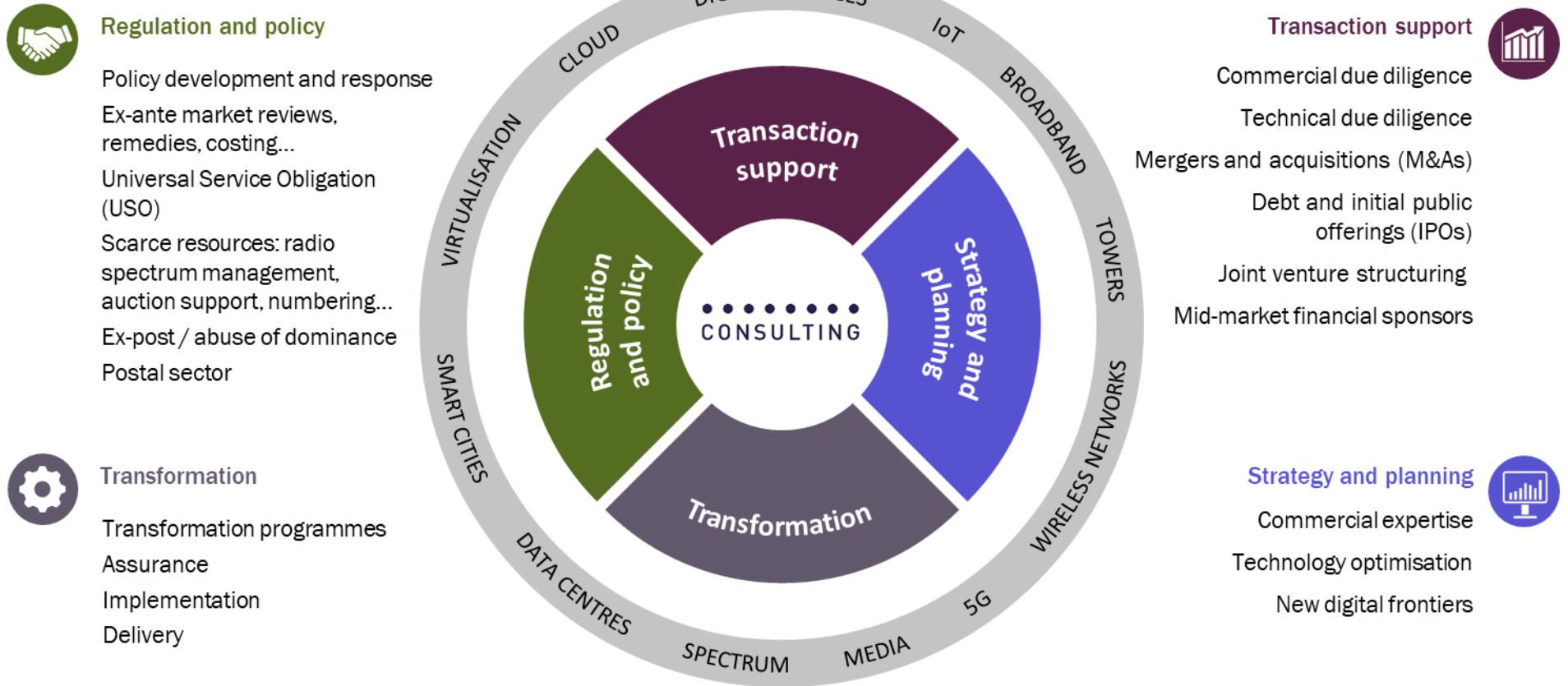
We offer detailed insight into the software, infrastructure and technology delivering those services.

Clients benefit from regular and timely intelligence, and direct access to analysts.

Research from Analysys Mason



Our consulting expertise covers the breadth of TMT issues and challenges



analysismason.com/services/consulting



PUBLISHED BY ANALYSYS MASON LIMITED IN **OCTOBER 2020**

Bush House • North West Wing • Aldwych • London • WC2B 4PJ • UK

Tel: +44 (0)20 7395 9000 • Email: research@analysismason.com • www.analysismason.com/research • Registered in England and Wales No. 5177472

© Analysys Mason Limited 2020. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means – electronic, mechanical, photocopying, recording or otherwise – without the prior written permission of the publisher.

Figures and projections contained in this report are based on publicly available information only and are produced by the Research Division of Analysys Mason Limited independently of any client-specific work within Analysys Mason Limited. The opinions expressed are those of the stated authors only.

Analysys Mason Limited recognises that many terms appearing in this report are proprietary; all such trademarks are acknowledged and every effort has been made to indicate them by the normal UK publishing practice of capitalisation. However, the presence of a term, in whatever form, does not affect its legal status as a trademark.

Analysys Mason Limited maintains that all reasonable care and skill have been used in the compilation of this publication. However, Analysys Mason Limited shall not be under any liability for loss or damage (including consequential loss) whatsoever or howsoever arising as a result of the use of this publication by the customer, his servants, agents or any third party.