

NETEVENTS

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Draft

*Debate Session VIII:
Analyst Round-up*

Chair: Manek Dubash

NetEvents

Panellists:

Jeremiah Caron	Vice President - Analysis, Current Affairs
Elena Szolgayova	Senior Research Analyst, Networking and Infrastructure, IDC
Andrew Braunberg	Research Vice President, NSS Labs
Camille Mendler	Lead Analyst - Enterprise Services, Ovum
Bernt Ostergaard	Analyst and Service Director, Quocirca

Manek Dubash

This is the point where we start to look at what we've done so far in this NetEvents, to look back on which sessions were interesting, which sessions were very interesting, and which sessions just could not be missed. Which sessions really blew them away? Can I ask the analysts to come up to the stage, please.

What we're going to do I think is to talk about what we've seen today and obviously yesterday as well at NetEvents. But I thought I would actually start by doing something slightly different since this is the 20th anniversary of NetEvents and start to look back a little further than yesterday and perhaps ask those of you who are stalwarts of this event I guess that's primarily Camille and Jerry and in fact any of the analysis in the audience as well, or indeed, any of the audience members what are your memories of NetEvents and what it has meant to you and the industry and the significance of it and those sorts of things. Would any of you want to comment on that so far?

Jeremiah Caron

Sure, I will make a comment. I think all along when the concept was first introduced to me when Mark visited me I was the editor of a magazine out in California and he talked about the concept I was a little okay, we'll see how that goes. Then I attended and what struck me and has continued throughout the entire time is how intimate and informal the engagements are with the people who attend. So whilst not all of the content is exactly what I cover, what I'm interested, nevertheless, the capability to interact in a direct and less formal way I think was unique and I think it remains unique actually. So that's my comment and I guess long may it continue.

Manek Dubash

That's very kind of you. I mean you didn't have to be complimentary, but it's good that you are. Camille, any thoughts? Things that have stuck with you over the last 20 years?

Camille Mendler

What's stuck in mind is the experience of interviewing someone wearing hairy white ski boots.

Manek Dubash

Was that them or you?

Camille Mendler

I was wearing the hairy white ski boots and we were in a revolving restaurant at the top of a mountain in Switzerland I believe. We were at such high altitude that unbeknownst to me and to most of us I imagine, if you're at high altitude and you have suffered from malaria in the past, it may cause an attack. One of the journalists there I seem to remember had a malaria attack at the top of the mountain. You would think that wasn't a happy memory, but it was.

NetEvents continues to interest me because of the range of people that I meet, the topics, the start-ups as well as the established companies. Like Jerry, I was in 1997 I think when I first went I was a journalist and swiftly stopped being a journalist after going to NetEvents. Does that mean anything? And became an analyst having worked in the industry. I think it has been a great experience and long may it continue.

Manek Dubash

Thank you. Bernt, any thoughts?

Bernt Ostergaard

This is actually only my second event, so memories don't stretch back that far. I think the intimacy. I think it's kind of like a live blog event. We do spend as analysts a lot of time writing blogs and is sort of a one-way statement to the world. I think what

happens at this event is that you throw out ideas and you get feedback from quite many different sources over very good dinners in very good locations, albeit not always with great connectivity as we are seeing today.

But no, I appreciate the dialogues and the discussions and they take you places I would not ever get to in a blog event.

Unidentified Speaker

The connectivity is interesting because I think the first one I went to was in '90-whatever in San Diego and of course there was no Wi-Fi. There was nothing. Here we are 20 years later in Rome and there is nothing, so we've come a long way.

Manek Dubash

Any other, Andrew or Elena want to comment on how the event has been so far and how you think maybe the next 20 years we should be doing this?

Elena Szolgayova

The very first thing I would like to say that this is my very first event as an analyst. I've been working as an analyst for just a year. For me it's really fascinating. I'm starting, for the first time, to see the bigger picture because my boss, maybe some of you know him, he comes to the office and he starts talking about, I don't know, service providers and I'm sitting there and thinking why is he suddenly talking about service providers. Now I come here and suddenly everything makes sense. I think it's so amazing for me as a new person. So I really hope I will be able to attend more events like this in the future as well.

Manek Dubash

I hope so too. Andrew, any thoughts?

Andrew Braunberg

Yes. Well, this is my first one. I've enjoyed it. I was kind of thinking when Jerry mentioned some of the topics are a bit off what I usually cover. I'm lucky that being a security guy I can drift into a lot of conversations and sound semi-smart just by saying you're not thinking about the security implications of this even if I'm not sure what they are either.

But no, on a serious note, it's a really interesting group of people. Even in some of the conversations, the dinners and such, I've found a lot of common cause with folks just with a science fiction interest and the robot apocalypse has come up with many groups I've sat down with so I find that really interesting. So it's a fun group, so I've enjoyed the time.

Manek Dubash

Fantastic. Thank you. Since we're on the reminiscing kick, has anybody here got any kind of thoughts that they want to share with us of some moments of NetEvents over

the last 20 years that have really stuck with you? Keith, Pim, if you're still here, anyone? Dean

Dean Bubley

I think it has got to be Interlaken in 1999. Was that the same mountaintop with the malaria incident? That was the helicopter one. I remember Mark coming in to the restaurant there and slightly too loudly saying, "Right, who is in a hurry and needs to be on the first helicopter?" The rest of the restaurant who wasn't NetEvents turning around and like looking at us and wondering if we were a sort of convention of arm's smugglers or something.

Actually, that event was interesting because that was right at the high water mark of the industry being irrationally exuberant because it was the same week as Telecom's '99 in Geneva which was epically expensive. That was the one where Cisco were sponsoring the Net Aid concert in the UN building attended by the UN Secretary General. The telecoms industry I think got a little bit ahead of itself there and it was interesting seeing it from our perspective on that journey up and then down over the next few years and then back up again. I think NetEvents is an interesting marker point through that of how positive we feel depending on location and the people who attend.

Manek Dubash

Yes. Thank you for that. Yes, I actually remember that one only because there were limited helicopter spaces and I just about missed getting one, so I didn't make it to the top of that restaurant. And, of course, I also remember heading down a hill once on a sledge in the dark with a drop on either side, I think it was towards the Fondue restaurant. That was deeply scary. I ruined one pair of shoes anyway trying to stop the thing.

Anyway, enough of this. Let's talk a bit about this event. We've had the key note from Christian Busch talking about effectively re-architecting the world. We've had transformation into high performance organisations. We've talked about managing BYOD. We've talked about security, of course. A whole host of issues. Which of the issues for you really kind of stand out and you think are markers for the future? Anyone want to kick in?

Camille Mendler

Actually, I wanted to just make a note of how little in fact we've talked about devices. I was just thinking about Jerry's presentation as well and also having just come back from Mobile World Congress. One of the things, and it's all related, I think devices are becoming, because there are so many devices and things around, they're becoming more invisible to us. We're talking less about them and we're talking more about experience.

The S7, Samsung's S7, was launched at Mobile World Congress after the S6 had launched, what did they have to talk about? The thing that struck me about the S7

was the most exciting thing they could say about the S7 was it can be submerged in water for 30 minutes, was frankly the most exciting thing, or it could be plugged into a virtual reality headset and become something else. So the fetishisation of devices I think is going away and we're more focusing on instrumenting our lives and the experience. Does that make sense?

Manek Dubash

Yes it does. It's the same curve, isn't it, that we've seen desktops and laptops go through, whereas now we don't kind of talk about them because essentially they're good enough for most purposes for most people. So I think smartphones have pretty much reached that point now really. What more do you need from a smartphone? Any other thoughts on that or any other topic we've covered?

From the floor

I think what struck me is the discussion about transparency of networks, or lack thereof. So not a specific device, but an end-to-end function. We're still seeing these barriers to that transparency. I think that's been a fruitful discussion to identify where are these barriers and how can they be solved or resolved.

Manek Dubash

Jerry.

Jeremiah Caron

Yes, I mean throughout the course of the presentations that I saw today, unfortunately I wasn't here yesterday morning, but I think I get the gist of what was discussed, there are a lot of things in transition. I think the concept of transformation or significant transitions are often over-emphasised. They sort of create the air of urgency that technology suppliers need to help sell their stuff. But generally, there are some key transitions going on and one of the most important ones on the enterprise side is this true, really it's been talked about for 30 years, but true integration of business objectives and business management and technology.

This concept of the digital enterprise which I know people really don't like that and I don't like that name either. It sounds so 1970s or 1960s. But what it means is not just using technology, but it's sort of becoming technology if you will and the way you interact with your customers. That's a big, big difference from where we've been.

On the service providers, this SDN/NFV and all that implies an integration of IT and back office and networks that is truly revolutionary. So you say these words with caution because you don't want to over-egg it a bit, but it's true. The key issue in either of those cases isn't technological. It isn't technology. Technology, I have a lot of faith in technology and the developers of technology. They'll peek your system that brings it out whether it be Silicon Valley or whatever and that the financial approach to it. The issue is human and the skills training that's required. There is big gaps in the service provider world in terms of thinking with one mind IT network and back

office and on the enterprise side and thinking as a business driver, although with a technical skillset. So that's kind of the biggest challenge that industry has on both sides I think.

Manek Dubash

Elena.

Elena Szolgayova

I just wanted to say something about this. I don't have so much insight, but my perception from the past what really struck me was these (inaudible) guys who came and said in AXA, which is a huge company, they do their financial modelling in Excel. I think this actually goes well with what you said about training the people.

I'm not sure if it is just about training the people and if the people are actually realising how fast the technology progress is happening and if they are ready actually to process it.

And it's also about all the information we are gathering. Again, your information about the IoT deployments, they think that they will be transferring the information twice, three times a day even they could be doing it all the time. So it could have all this information, but we don't know what to do with them. So I think it's going to be very interesting how the real people will catch up with what the technology is capable of.

Manek Dubash

Yes, good point. Good point. I want to move on to the future in a minute, but yes, Andrew.

Andrew Braunberg

I thought I would jump in on a couple of those. In just kind of the overview of kind of how I saw the discussions around security, the skill shortage is something in security that maybe Jan is quite familiar with. But that topic is just probably top of mind within security practitioners and the ability to find the right talent with the affordable talent especially is hugely difficult. So the topic of orchestration and provisioning and things you can do to automate really struck on me.

I think the hot topics discussion and the idea of SDN and NFV with security is one of those nice easy first use cases is one that we've been trying to pay attention to. I work for a test house. We're not testing that either, but it's something we'd certainly like to get to.

One other topic that Jerry brought up on kind of the hype cycle when he was going through the IoT, I think we've got a good feel as we walk through the two days.

Elena I thought did a nice job on BYOD. You get a good feel of where we're at and the maturity of some of the security concerns there. Hopefully that came across in the cloud discussion as well. We've kind of moved along and where we see people's

responsibility, some of the tools that are in place, some of the gaps that we still need to think about. But the IoT discussion gets just so much more complicated. I agree, we're early in the cycle, but I think it was Ian who brought up a point when he was talking to IoT vendors on the top of security. Well, we're not really in those use cases yet where we have to think about this. I would just say to all the journalists in the room, please pushback on that idea because in every technology adoption cycle you're not starting with mission critical applications. It's not the first thing you put on a virtualised server. It's not the first thing you move out into the cloud and every time we end up in a position where now we're having to bolt on instead of build in and IoT is going to be exactly the same way.

At a minimum you would think we would just say, look, we're going to punt this problem, but we're going to do this. We're going to actually put a kill switch on these things, or in some way say we're not going to have IoT devices that are going to live for 30 years that had no security built into them in the first place. They've got no encryption. They've got nothing. But we need to figure out what to do with them for 30 years.

I had one other thought on that and it just fell out of my brain. It will come back to me.

Manek Dubash

That's okay. I think Camille had a point she wanted to make. Did you? Sorry, you were really eager to jump in just a second ago. Any thoughts from the audience at this point before we're getting on to the future? Thoughts on what you've seen and heard so far. Thoughts on where some of those things might go perhaps. Let's talk about that. Camille.

Camille Mendler

Well I was going to say that actually we keep talking about digital transformation in the context of digital enterprises and business processes. But actually, what's happening, because of the devices, the tools, the technologies that we've got now what we need to do is a fundamental re-evaluation of human processes in every single job and that's sort of stuff that I'm doing right now.

Look up a couple called the Gilbreths. They did pioneering time and motion studies in the early 20th century in terms of how do people manufacture different things. I think that's what we need to do is fundamentally think about okay, I am an architect, how could augmented reality help me improve my process of designing this house and siting it in the correct place? How can digital tools help me track people more efficiently? So all of that is what we need to do. For service providers in particular, it's really important to understand how to replicate and package more efficiently.

So one quick example that I would give in terms of the same human process, which is an IoT example. Whether you are tracking your child, your dog, your grandmother, or a criminal, the underlying technology is the same and I would argue the human

process is the same even if those are slightly different target recipients. What we need to do as an industry to monetise that and raising costs is to understand when to verticalise and how to segment all of these human processes that might be similar. I hope I'm making sense.

Manek Dubash

It sounds like Taylorism 2.0.

Camille Mendler

It is digital Taylorism but maybe with a better outcome.

Manek Dubash

Let's hope so. That was pretty dreadful. Okay, you have five highly paid analysts whose job is it (yes, they smirk) to predict the future. Do you want to ask them any questions? Okay, let's have Jerry.

Jeremiah Caron

Sure. So I'm definitely not going to predict the future that's for sure. All you can do is look back at what you've learned and make some observations about that. Dean commented about 1999 and how it all crashed shortly thereafter. I was a part of that. I was a publisher for a magazine that didn't make it through that and all that.

Manek Dubash

You and me both.

Jeremiah Caron

But in fact, what everyone was talking about then has come true and it has come true in a much bigger way than we even thought back then in terms of the Internet's impact on our lives and how we shop. There is a concept of application service providers, ASPs. Everyone laughed about it. Well, that's really totally the reality now in cloud and all that sort of thing. So what I will say is that things that we think are farfetched or dubious at the moment, you can bet 20, 30 years from now they will be reality.

One example will be the Internet of Things, absolutely guaranteed. The other thing is SDN and NFV. I think that will probably be reaching at a point with SDN and the carriers where people are going mmm I don't know, that's seeming a bit long. That may not work out. Well, it will. I mean 25, 30 years from now the networks will be way more automated and software-defined than we even imagine now. So that's what I will say about that.

And one final comment about the future is this human thing. That's the bit that worries me because I have a 13-year-old daughter. Everyone has kids and what not and I look at what she is studying and what she is interested in and really there is not enough emphasis even in most parts of the world, Westernised world anyway, on

engineering and in these kind of skills. But, on the bright side, she is not interested in engineering or anything like that. But she absolutely knows how to use technology and is fascinated by it just inherently. You know what I mean? So maybe everything will be okay.

Manek Dubash

Interesting, just on that point. I remember reading recently, I can't remember where it was, I think it was an analyst blog post somewhere saying that actually people don't know how to use technology. They know how to use a web browser. They might know how to use an email client. But going deeper than that, they have no idea of what is going on underneath.

Jeremiah Caron

That's right.

Manek Dubash

That actually I think is a big problem. Bernt.

Bernt Ostergaard

Just a comment on future predictions. After being 35 years or more in the telco industry I still believe carriers will inherit the earth. They will have their ups and downs and right now I think carriers are realising that they are not the end or be all. They are not the deciders. They're actually just a player in providing portions of that. That is a realisation that is really hard hitting because it really gets to the heart of who makes decisions and who is adapting to who.

I think one of the things that we've seen in just the past couple of years is that the carriers have lost the game of defining telco standards, transmission standards. It's not the carriers doing it anymore. They have a catch up to do because the IT industry is moving a lot ahead in virtualisation and that kind of thing and NFV and so on. So I think that we're in real interesting times where the carriers will be much more involved in working with several other parties and will be finding a new role for themselves, but they will still be around in 30 years' time for sure.

Manek Dubash

Oh yes. Interesting. Andrew, will we be talking about security in 20 years' time?

Andrew Braunberg

Yes, that's a tough one. Security, I'm not sure I can predict it.

Manek Dubash

How about 12 months?

Andrew Braunberg

How about privacy because it's a related topic? I'll do two. One is kind of short-term which is I think a really fundamental privacy decision is about to be made in the United States over the next year with Apple versus FBI. I think this one will go to the Supreme Court. It's come up a couple of times in conversations this week. I think the idea that we're going to find a leading, perhaps the leading American technology company, tried to create some space from a policy perspective between what they think is right for their global customers and what is right for the United States government is a huge deal. I think Tim Cook is serious. I think he is going to put all his weight behind this. I think again, I think it will go to the Supreme Court. I think it's going to be one of those defining things we look back on as far as the ability to protect our personal data and as these devices and I think this will extend to these IFT devices, where we're going to be fully censored it's going to be critical that that type of information is kept private.

On an I think related maybe more security topic and one that really gets into the fear about IoT, especially if you broaden that thought into critical infrastructure, is the idea of not thinking so much always about data confidentiality but thinking about data integrity. I think the critical infrastructure tax that we've seen currently are clever enough to realise that if they can smooth data integrity they can create huge havoc in physical infrastructure.

So as we think about security going forward, particularly as we think about security in IoT situations, we really have to kind of re-orient a bit. It's not necessarily in that case the data confidentiality is what we really need to consider. We really need to think much more about the integrity of the data, especially if it is feeding process information to us that is being used to run real time systems.

Manek Dubash

Thank you. Elena, any thoughts on the future?

Elena Szolgayova

Well, I wouldn't dare predicting the future. We just analyse it. What I found interesting, okay, we said hardware is getting less interesting. But, okay, I am tracking wireless LAN devices and what I have been observing was that the [80211] AC devices has been selling very well. Now in the last quarter when most of the sales happen and I think that's when all the budgeting companies have to spend their money, actually buy their devices, the sale of the older end devices increased. I think it indicates that many companies don't really care and also in terms of we thought Western Europe, that's the fastest growing region. We've been told by some vendors, okay, for example, in France the people are lazy and they don't care and they don't buy the AC devices because they don't see why they should be doing this.

I talked about it yesterday as well that there are these huge regional differences in the BYOD programme. I think they are happening in every enterprise, every vertical and I think what is going to happen in the coming years, I don't think it is going to happen

in terms of market growth because people, and the fast growing companies and actually many companies will buy devices and will talk about IoT and will connect their stuff. But I will say this will be the time of the inner-transformation of the enterprises when they actually figure out what to do with the stuff they have and they will catch up with the development.

Manek Dubash

Thank you. Camille, final thoughts.

Camille Mendler

Well, I'm not sure I can predict the future, but I could maybe predict my future. I think my future will be, with my husband hopefully in a self-driving Winnebago travelling the world. And that will be fine because I will be microchipped and there will be a 5G or perhaps 6G connection embedded under my skin as well as on the Winnebago and my children will be able to track my heartbeat and how quickly they will be able to collect what is left of their inheritance. That is the future that I am predicting.

Manek Dubash

Fantastic. Round of applause for our analysts. I think we're out of time, are we Mark? I think we're good. So with that I would like to say thanks again to the analysts for giving great value. Thanks to you for your questions and your attendance and being part of NetEvents and I think that's it. Just to say let's go and have some lunch followed by the briefings and see you next time. Have we got some pictures of the next events, Mark, coming up? Here we go. We've got the event in Singapore in a couple of months and the big global press and analyst summit in California.

[End]