

## SUMMARY

# Gartner: 3 Key Steps to Optimize Cost and Quality When Using Internet Aggregators

## About this Research Paper

This special research paper from Gartner highlights the immense cost-saving ability of internet service aggregators, such as MetTel, and validates and recommends the MetTel model's ability to help customers achieve the greatest cost-efficiency in their internet services, as also recognized in their recommended reading, "[4 Steps in Selecting ISP Aggregation Services](#)."

Published: 15 June 2020 ID: G00722698 Analysts: Lisa Pierce, Danellie Young

## INTRODUCTION

According to Gartner's IT spending forecasts, WAN/telecom services comprise 85% of enterprise network spend, so it's not surprising that the COVID-19 recession is pushing CEOs to aggressively cut these expenses. In response, a growing number of I&O leaders are seeking out providers who tout low costs, including independent internet aggregators.<sup>1</sup> But Gartner's analysis shows aggregators' assured or uniform savings are not universal. When seeking to reduce WAN expenses, how can I&O leaders achieve the best possible outcome? Use this research to identify the circumstances under which independent internet aggregators can provide significant savings, the types of performance trade-offs that can accompany these savings, and methods to optimize a balance between price and performance (see Figure 1).

Compared to incumbent service providers, internet service aggregators can save clients up to 60%. I&O leaders can use this research to navigate offer nuances to optimize price/performance results.

<sup>1</sup> To serve clients with broad geographic site diversity, traditional Tier 1 and Tier 2 carriers may seek to aggregate local internet access, but they typically use third parties — independent internet aggregators — for this purpose. This research examines the value to enterprises of using independent internet aggregators directly, as an alternative to using the internet services offered by carriers.

FIGURE 1

### U.S. Aggregators Save More Than 50% Versus Tier 1 DIA



Source: Gartner (June 2020)

Note: Latency metrics follow same trend as time to repair — lowest latency with MPLS, greatest with aggregator DIA and BB.

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## KEY CHALLENGES

I&O leaders who only entertain contract bids from incumbent providers and their direct competitors are missing out on an additional 30% to 60% in internet service savings.

I&O leaders struggle to identify a clear cost leader among aggregators because their prices vary by geography, port size and type of services (broadband versus DIA), causing suboptimal spending.

I&O leaders focused on cost optimization often overvalue price over performance, which can result in suboptimal provider selection.

## RECOMMENDATIONS

I&O leaders who seek to optimize enterprisewide cloud and edge connectivity should:

Request price proposal detail for each site — access, port, CPE, management, etc. — from a range of providers including the incumbent, its direct competitors, and aggregators to achieve the greatest possible savings.

Request proposals from multiple aggregators, if they are a geographically dispersed multisite client, which allows them to find the best aggregator price for each type of service and site.

Ensure performance is addressed by first evaluating all providers' SLAs and shortlisting those whose performance meets your minimum requirements, before evaluating price or other criteria.

## STRATEGIC PLANNING ASSUMPTION

To optimize WAN costs, 30% of multinational enterprises will evaluate bids from internet aggregators by the end of 2022, more than triple the rate in 2019.

## RECOMMENDED READING

### 4 Steps in Selecting ISP Aggregation Services

**Published:** 27 December 2018 **ID:** G00375114 **Analyst(s):** Jonathan Forest, Lisa Pierce, Danellie Young

Examples of ISP aggregators focused on this market include BullsEye Telecom, Hughes Network Systems and MetTel (see "[Market Guide for U.S. Alternative WAN Branch Solution Providers](#)").

Market Guide for U.S. Alternative WAN Branch Solution Providers

#### GARTNER ALTERNATIVE WAN SOLUTION RANKING

