

Letter from the Editor, August 2010

By Tim Young, Editor-in-Chief

“Don’t put all your eggs in one basket” is all wrong. I tell you ‘put all your eggs in one basket, and then watch that basket.’” – Andrew Carnegie, *The Empire of Business* (1933).

Who are we to argue with Andrew Carnegie? He made this model work. He focused on one thing—steel—and pushed it until he had his hands on a huge chunk of the world’s first billion dollar corporation.

However, there are times that depth alone cannot be the answer. Communications service providers once focused on depth alone, as well. A phone company provided a phone line and that was about it. A cable company had all of its eggs in the home video delivery basket.

And then revenues started to slide as consumers’ needs changed.

These companies—your companies—generally remain ultra-profitable, but may not demonstrate the growth they once promised. Therein lies the need for new business models to fill gaps in the revenue column.

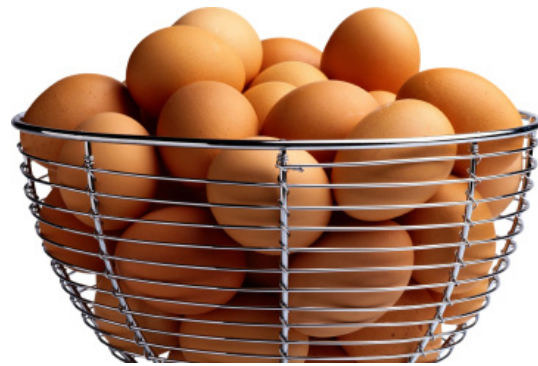
“How do new-era CSP business models hold up against the solely depth-focused business models of the past?”

Managed services. Personalized advertising/marketing. Alternative charging models.

So CSPs could choose to follow Carnegie’s advice and double down on existing services, or they could opt for a separate path. The core of this issue of Pipeline is that separate path.

In this issue, we explore the newer breed of CSP business models, analyzing whether we’re dealing with a golden goose... or a cooked one.

We bring you commentary from Ed Finegold, who will explore whether the new universe that CSPs



and device manufacturers have created—a universe of apps—can be better integrated into the existing wireless billing model.

We’ll also hear from Allot Communications CEO Jay Klein on the evolutionary path that networks have embarked upon, and how networks can better leverage a multidimensional approach for handling the glut of data they’ve been tasked with ferrying from creator to consumer.

In addition, we’ll hear about a different sort of new business model that has been necessitated by increased concerns over network security. Greg Oslan, CEO of Narus, takes us through the need for and demands of a multi-disciplinary approach to cybersecurity.

In addition, we bring you a rundown of fall events in the space, plus the latest in news analysis. Enjoy, and feel free to drop a few eggs (and by “eggs” we mean “comments”) in our basket (and by “basket” we mean “inbox at editor@pipelinepub.com”).

Best,

Tim Young, Editor-in-Chief

P.S. Pipeline welcomes your comments and feedback.

Write to me at editor@pipelinepub.com.

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