

# Mobile Operator Opts for Self-provisioning Model

MTN South Africa “self-provisions” its network and saves on capital and operating expenses.

**Customer Name:** MTN (Pty) Ltd

**Industry:** Telecommunications

**Location:** South African region

**Company Size:** 34 200+ employees

## Business Impact

- Operating expenses (OpEx) savings in region of USD 18,000 per month as a result of self-provisioning model
- Lower capital expenses (CapEx) as a result of not having to purchase expensive optical gear
- Lower total cost of ownership (TCO) through standardised architecture



Case Study

## Business Challenge

Launched in 1994, the MTN Group Limited (MTN Group) is a multinational telecommunications group offering cellular network access and business solutions. It has mobile licences across 21 countries in Africa and the Middle East and as at the end of December 2009, had more than 116 million subscribers.

MTN SA was dependent on the local incumbent fixed-line operator to provision physical interconnect links at high mobile-fixed interconnect charges. As an alternative to paying the incumbent for connection charges, MTN SA set out to self-provision and deploy their own fibre in a specific region, namely Gauteng. A third-party optical gear company won a tender to lay the fibre, however, the optical gear to connect the fibre proved to be too expensive. Cisco provided a cost-effective alternative solution.

## Solution and Results

A Cisco IP over dense wavelength-division multiplexing (IPoDWDM) solution enabled the convergence of MTN SA's IP and DWDM (transport layer) core networks. Cisco had also initiated the IP core at the carrier routing system (CRS). Together with the IPoDWDM solution, this was the perfect fit for MTN SA to gain the benefits of self-provisioning without having to use expensive optical equipment at certain stages of its network.

One of the major benefits of the solution is that it allows MTN to enjoy a lower TCO through a simpler architecture with fewer network elements. IPoDWDM also alleviated MTN SA's bandwidth restriction, which reached 120 percent in Gauteng. The solution has also accelerated MTN SA's speed-to-service because it is now able to provision links more quickly; in some instances, it took the local incumbent between three and six months to provision a link at a high cost.

MTN SA is now also experiencing lower CapEx by eliminating layers of transponders between IP and optical network layers. The company's OpEx are also reduced, as it does not have to rely on the incumbent to manage its sites. The integration of IP and DWDM intelligence in the solution allows MTN SA to manage both IP and transport services as a single system.



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“MTN was the first mobile operator in Africa to deploy this type-of-scenario solution. We successfully deployed the solution in a short timeframe and with no impact to the business. Following implementation, we [MTN SA] are saving an estimated USD 18,000 in monthly OpEx. Furthermore, technology skills transfer between Cisco and our team ensured that we are now equipped to deploy nodes ourselves, resulting in further savings.”

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For more information:  
Cisco IPoDWDM, please click [here](#)  
MTN, please click [here](#)