

Network convergence: Deal maker or dead end? It depends on where your technology sits on the network

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Andy Ory, chief executive officer and co-founder of Burlington's Acme Packet Inc., had a pretty good year. That's partly because his company, which makes session border controllers (SBCs) for Internet protocol networks, boosted revenue by 133 percent and added 130 new customers to its portfolio, including 40 carriers.

But a new, comparatively untested, network architecture called IP multimedia subsystem (IMS) is gaining momentum in the industry, and some insiders speculate that its advance could threaten Ory's company and other SBC makers.

But Ory doesn't believe it, and Acme Packet is moving to build on its 2005 momentum.

The ultimate aim of IMS is to enable voice, data and video communications across any IP network -- wireline, cable, wireless, wi-fi and even WiMAX. It is an attractive prospect to network operators. The converging of the mobile and web environments make it conceivable for one device to be used for everything from phone calls and address books to video downloads and high-speed data communications.

SBCs help shuttle traffic from one network to another, as well as secure and manage those endpoints when there is no traffic. But in an IMS world, there would be fewer networks to link -- thus a smaller role for SBCs.

That convergence could hurt companies like Acme Packet, observers say. But executives at Acme aren't flinching. "Even in a pure wireless world, IMS doesn't address all the issues," said Seamus Hourihan, vice president of marketing and product management for Acme Packet. "There is a wrong assumption that all the endpoints (in IMS) will be closed."

But the death knell for SBCs has not yet rung yet. With all the hype and promise that surrounds IMS, the technology is still in its earliest stages. And while proponents speak of the benefits of its adoption, clear definitions of how it would work remain hazy.

"IMS is a very large, nebulous monster," said Carl Stjernfeldt, a partner at Wellesley-based venture capital firm Battery Ventures, which has invested in such network infrastructure companies as Cedar Point Communications Inc. in Derry, N.H., and Redstone Communications Inc. in Westford. "Nobody knows exactly what it is, or what it is going to do for you, but everyone knows it's coming. It's like the elephant in a dark room. Everyone touches it and gives you a different description of what it actually is."

Michael Khalilian, chairman and president of the IMS Forum, formerly

International Packet Communications Consortium agrees that there has been a problem with the definitions of IMS. "You would ask five analysts and five service providers what it was and you would get several different answers," he said.

Despite the ambiguity, local and national equipment vendors are working furiously to develop products for the new architecture. Chelmsford's Sonus Networks Inc., Burlington's Reef Point Systems Inc., and the newly anointed Cantata Technology Inc. of Needham -- which was relaunched last week as a result of the merger between Excel Switching Corp. and Brooktrout Inc. -- have all brought IMS products to market over the past three months.

Significant IMS gear won't be commercially deployed until sometime in the next year or two, according to analysts. Research firm IDC in Framingham predicts a \$14.1 billion market for IMS network equipment providers by 2010.

Peter Vescuso, vice president of marketing at Cantata, claims the move to IMS is creating a stronger market for the newly launched company, but also said the move to IMS is a smaller step forward than the move to IP itself, which has been developing for several years. Should IMS not take off, Cantata's product line will still be applicable in the IP network, he said. "I've been to conferences where people were showing their IP architecture and others were showing their IMS architecture, and they were remarkably similar."

Ory is confident of Acme Packet's role in the IP network -- be it IMS or otherwise. To fortify its position, this week the company launched an enterprise IMS product that uses its basic SBC functions to help enterprises move IMS traffic to an internal network.

"IMS has so much hype around it, it's almost dogma," said Hourihan. "The ivory-tower architects have ideas about all this, but there are lots of issues that need to be fixed in the real world."

Added Stjernfeldt: "Startups want to believe it will come so they can find their niche, and carriers want to believe so they can commoditize the network and start making money. Belief is something you do when you don't know."