

TERROR CONTENT: Industry taskforce makes recommendations

BROADBAND SURVEY: Fixed wireless a laggard on performance

TELSTRA: Big capacity boost for transmission network

TCP CODE

ACMA signs off on new code, telcos have one month to be compliant

COMMUNICATIONS DAY

2 July 2019

What's happening today in ANZ telecoms

ISSUE 5906

New Netcomm owner Casa stakes claim as packet core, radio access challenger

The CEO of new Netcomm owner Casa Systems is in Sydney this week to oversee the completion of the \$161m acquisition and expand on the company's plans to become a major player in both the converged packet core and 5G radio access space.

Jerry Guo met with CommsDay at the company's Lane Cove offices as part of a visit to oversee the absorption of Netcomm, which will see the legacy name retired and the local operation rebranded as Casa.

EXCLUSIVE

Guo's key message is that the combination of Netcomm's fixed wireless and FTTC smarts with Casa's existing strong suits of packet core, access and cable network technology enables it to offer "full end-to-end solutions for all categories of broadband technologies."

And one key aspect that will attract worldwide attention is that Casa is bringing to market a 5G Radio Access Network solution: significant, given concerns over the effective oligopoly in 5G network supply.

Guo told CommsDay "we have a lot of legacy business on the MSO (cable network) side but we also have a very significant business in wireless. We provide the packet cores as well as radios. We supply 4G radio and 5G radio."

"We started our radio business on the small cell side, starting from femtocells for residential customers through to picocells for enterprise customers. And then we moved outdoors to micro cells and metro cells serving anywhere from a few hundred to a few thousand customers."

"Specifically, Casa in Australia is going to spend a lot of effort on 5G access devices while globally we will be focused on core and radio."

Casa is certainly keen to impress its 5G focus: its key marketing message now is that it can prepare any type of broadband network to adapt to a 5G future.

And with some buyers keen to reduce their exposure to the China supply chain, there is an appetite for natsec-compliant North American core and RAN alternatives.

"We want to compete on the merit of our products. On the other hand, we take the security of the product very seriously, and we are certified at the largest North American carriers to be safe, secure and deployed anywhere. So we do believe that we have the best product as well as the most secure as well," Guo said.

Casa is, of course, not the only challenger vendor targeting 5G opportunities. Airspan is doing the same from the small cell angle, while AltioStar and Mavenir have



embraced the virtual RAN angle. These efforts are often dismissed by the major RAN vendors: even Samsung, which supplies 4G RAN kit to Reliance in India, has been denigrated as lacking scale in the sector.

But the attitude of Guo and Steve Collins, head of the Australian operation, is that this is just a predictable putdown from big players and doesn't reflect how customers think. Guo said "We beat the big guys in the new RAN deals and we beat other much larger companies in the cable broadband deals. We repeatedly beat those big guys with the most critical infrastructure players."

"But we're not the largest in the industry, and by combining the two organisations we can do bigger things with the scale."

Collins added: "People play that card of, you're small, we're big. But that's just what big guys say because that's their card to play. The customers actually don't want to buy everything from one vendor. That's exactly what they don't want. They want to encourage competition, and they want to encourage vendors like Netcomm and Casa to come in with their solution, but having that little bit more scale, well that does achieve the reduction of risk for those new customers who don't know who we are."

Overall, Casa Systems says its solutions portfolio now includes mobile, wireless broadband, fixed wireless broadband, cable, fibre-to-the-home and fibre-to-the-distribution-point. Key to its proposition going forward will be the capability to virtualise and slice these networks, according to Guo.

NAME CHANGE: Aside from the disappearance of the historically resonant Netcomm name, Casa's acquisition will result in surprisingly little disruption at the Australian operation. Casa predicts only US\$7m of annual operating savings from the combination of the two firms. Steve Collins—the interim CEO of NetComm—is taking a senior vice president role in Casa's global management structure while a number of other local execs have been earmarked to take on international responsibilities.



"We are branding everything as Casa going forward, and we believe that it's very important to have a single company culture and single cohesive brand. But we do understand that Netcomm employees are very proud of their legacy, and we absolutely respect that," Guo said. "We think that their legacy will be carried on, even though the brand may not be carried on."

Guo says that the two companies have complementary product ranges—Casa in core and radio, NetComm in access—which creates an end-to-end portfolio and that there will be no material changes on the product side, with only sales to be centralised.

"We also have a nice cultural fit, as NetComm as you know are very innovative," he said. "We were looking at NetComm originally from purely a partnership point of view, and then one thing led to another. But the achievement of cost synergies was not the reason for the acquisition."

Casa boasts a range of marquee customers including Rogers, Sprint, Vodafone, Liberty Global and China Mobile. Netcomm's major customers include AT&T and NBN Co.

With the acquisition completed yesterday, Netcomm's board have resigned with Casa executives taking their place as directors. Netcomm's operations will constitute a big proportion of Casa's overall revenues going forward: last calendar year, Casa recorded US\$297m of revenues, while Netcomm's annualised equivalent in US dollars was about US\$130m.

Grahame Lynch