Private 5G and private MEC to boost enterprise transformation

OMDIA

The enterprise market is ready to adopt new solutions

The enterprisae digital transformation race is under way but is far from complete

Where is your organization in its digital transformation journey?
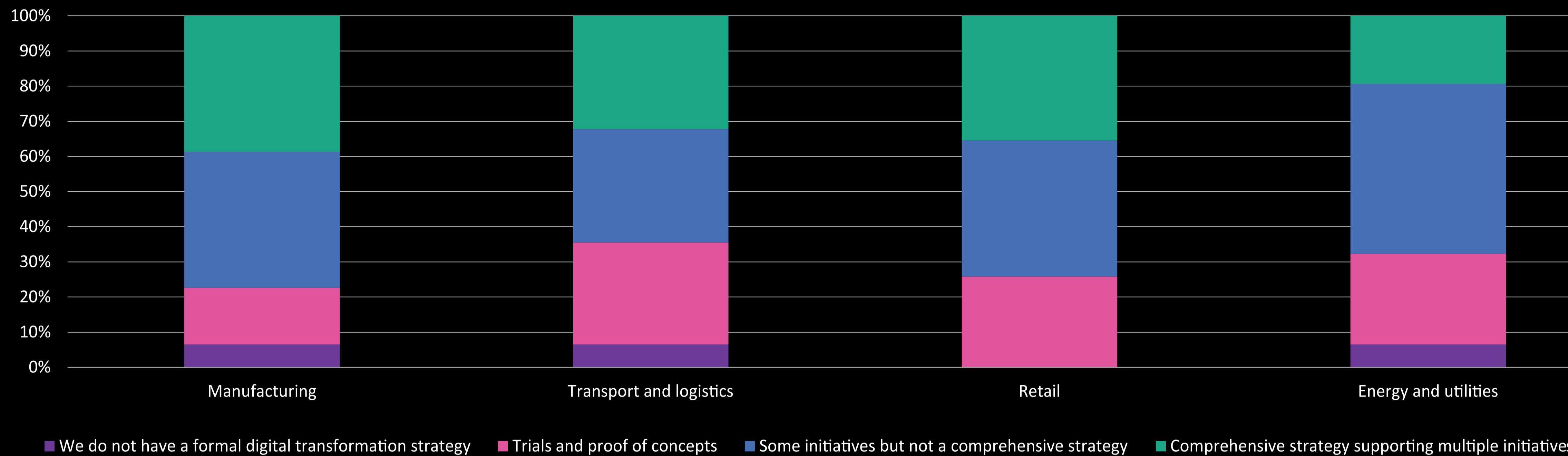
n=124
Source: Omdia

© 2023 Omdia

Every enterprise, no matter in which vertical they operate, knows the importance of digital transformation and its pivotal role to remain competitive. In fact, 95% of enterprises across all the examined verticals have started their digital transformation journey, with only 5% of surveyed enterprises being without a formal digital transformation strategy.

Digital transformation is essential to meet the key challenges faced by the enterprise

- Security is the main concern that is common to all enterprises.
- The size or the annual turnover of the enterprise or the vertical of activity does not affect the fact that security is the greatest challenge they currently face.

Where is your organization in its digital transformation journey?

52%	47%	42%	37%	33%
Enhanced security	Employee productivity	Outbound logistics	Product innovation	Operational efficiencies

n=124
Source: Omdia

© 2023 Omdia

PREVIOUS   NEXT

Private 5G and private MEC can make a real difference in this early-stage market, though education is needed

This is an early-stage market with enterprises learning about edge computing and MEC

This is a market with significant demand for private 5G and private MEC

Confidence from the most advanced enterprises paves the way for private 5G and private MEC adoption

Only 22% of respondents are highly knowledgeable and with direct expertise of edge computing delivered via private MEC.

1 in 2 enterprises are planning to adopt private MEC as part of their private 5G project within 12–24 months

95% of enterprises with a comprehensive strategy see private 5G and private MEC as essential enablers for their digital transformation

n=124
Source: Omdia

© 2023 Omdia
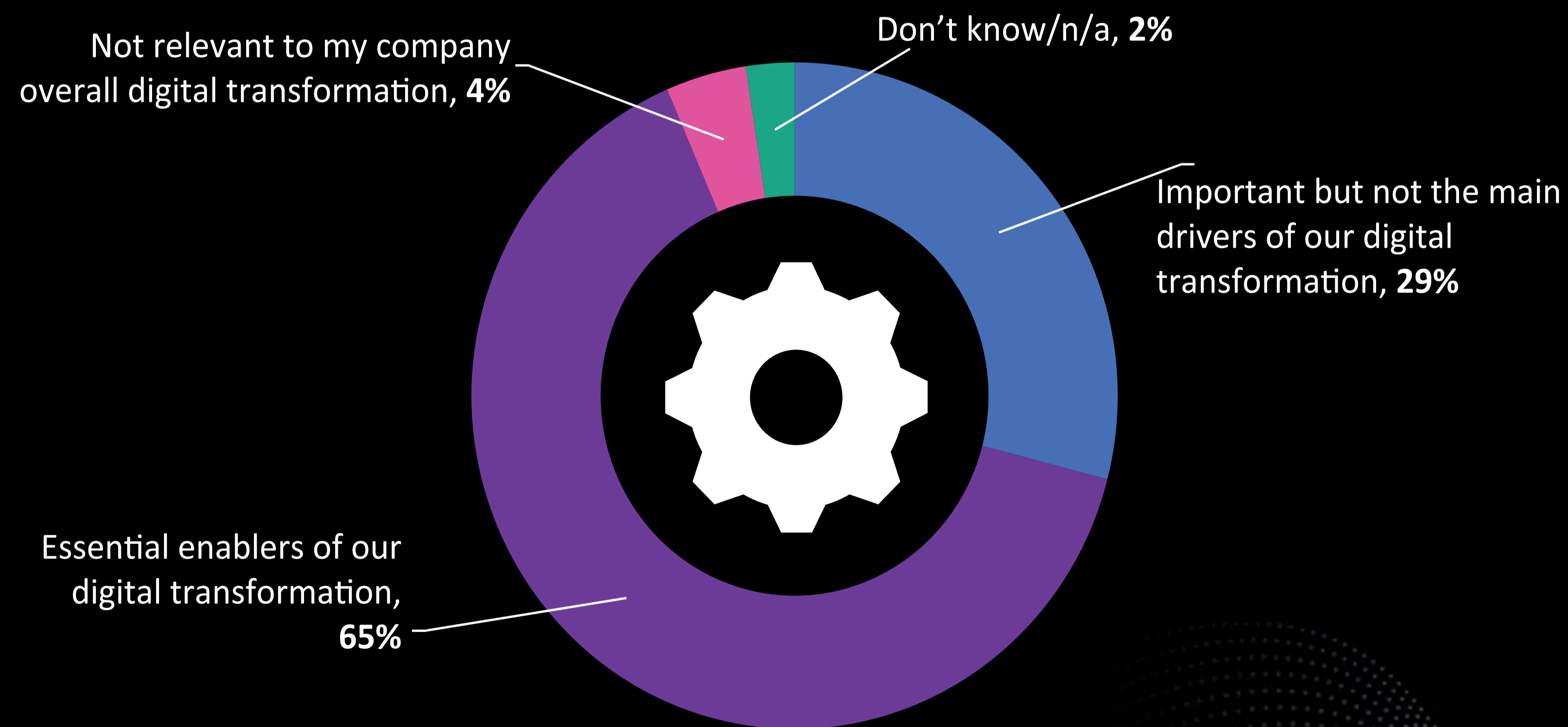
Private 5G and private MEC meet the needs of the enterprise

Why do enterprises want private 5G and MEC? 65% see private 5G and MEC as enablers of their digital transformation

In the eye of the enterprise private 5G and private MEC are critical components of an enterprise's digital transformation.

How do private 5G and private MEC compare to other technologies used for your organization's digital transformation?

Not relevant to my company overall digital transformation, **4%**

Don't know/n/a, **2%**

Important but not the main drivers of our digital transformation, **29%**

Essential enablers of our digital transformation, **65%**

Private 5G and private MEC address the key enterprise challenge of security

Why have connectivity and computing in one solution?

1 in 2 enterprises see better data security as the key reason to select a solution that combines connectivity and computing.

Why adopt private 5G and private MEC?

61% of enterprises selected data privacy, security, and confidentiality as their main driver for adoption of the combined solution.
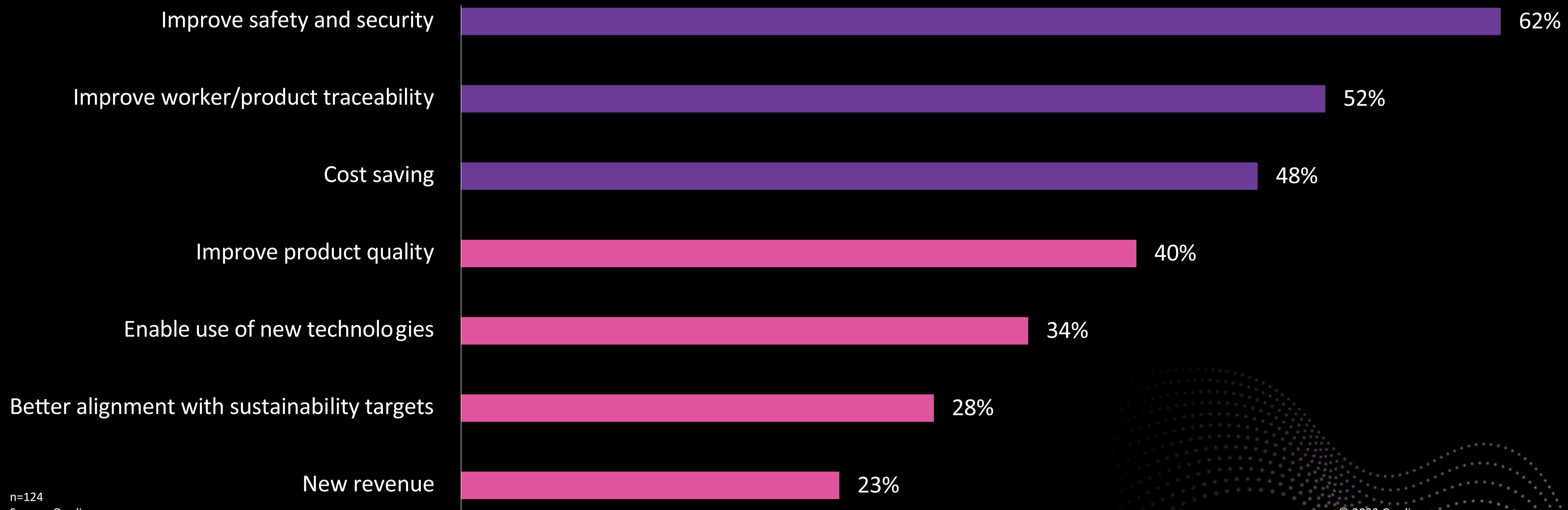
There is no overarching challenge to private 5G and private MEC growth

Challenges to adoption are quite fragmented. This means there is no systemic challenge to the adoption of this solution. Cost (31%) is the main challenge in the eye of the enterprise.

n=124
Source: Omdia

© 2023 Omdia

There is a healthy appetite to scale

- There is a healthy appetite for scaling private 5G and private MEC:

— For instance, 10% of enterprises are currently deploying in six or more locations, while within 24 months this will grow to 32% of enterprises.

— While currently no enterprise is deploying private 5G and private MEC, in more than 10 locations this will change in 24 months with 3% of enterprises planning this wide adoption.

- Plans to increase adoption of private 5G and private MEC indicates that early engagements are providing positive results for the enterprise and thus creating a solid business case for future planned expansion.

How many locations will benefit from private 5G and private MEC?

Category	Value
Improve safety and security	62%
Improve worker/product traceability	52%
Cost saving	48%
Improve product quality	40%
Enable use of new technologies	34%
Better alignment with sustainability targets	28%
New revenue	23%

n=124
Source: Omdia

© 2023 Omdia

PREVIOUS   NEXT

# Private 5G and private MEC deliver results by supporting multiple use cases

Enterprises are investing in a solution delivering cost savings

Enterprises have budgets and expect significant savings. 94% of enterprises have a budget that is higher than $100,000. More than 60% of enterprises currently using private 5G and private MEC expect 5–24% cost savings of their organization's costs (opex and capex)

Investment

How much will you invest in private 5G and private MEC technologies during the initial 24 months of deployment?
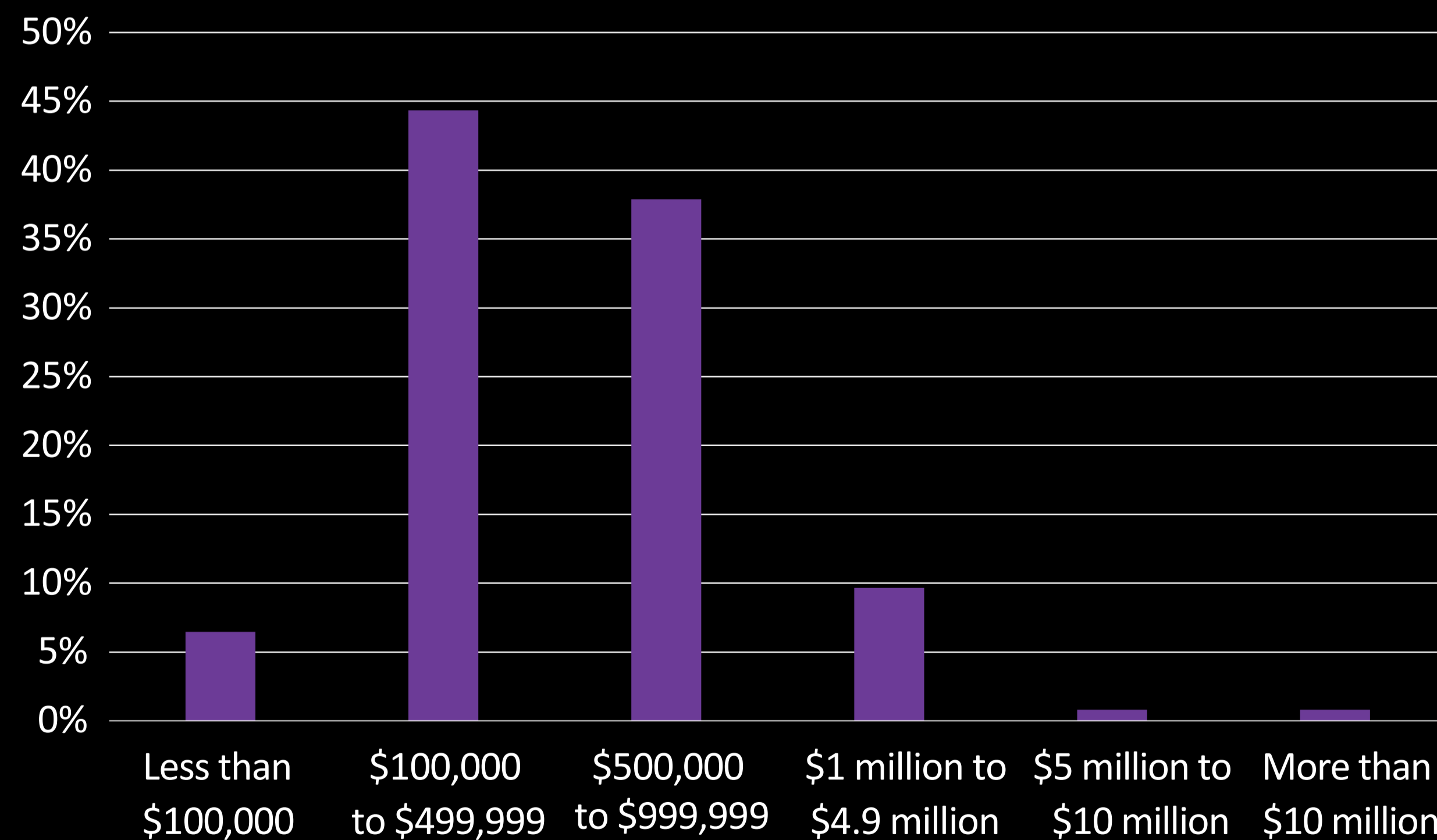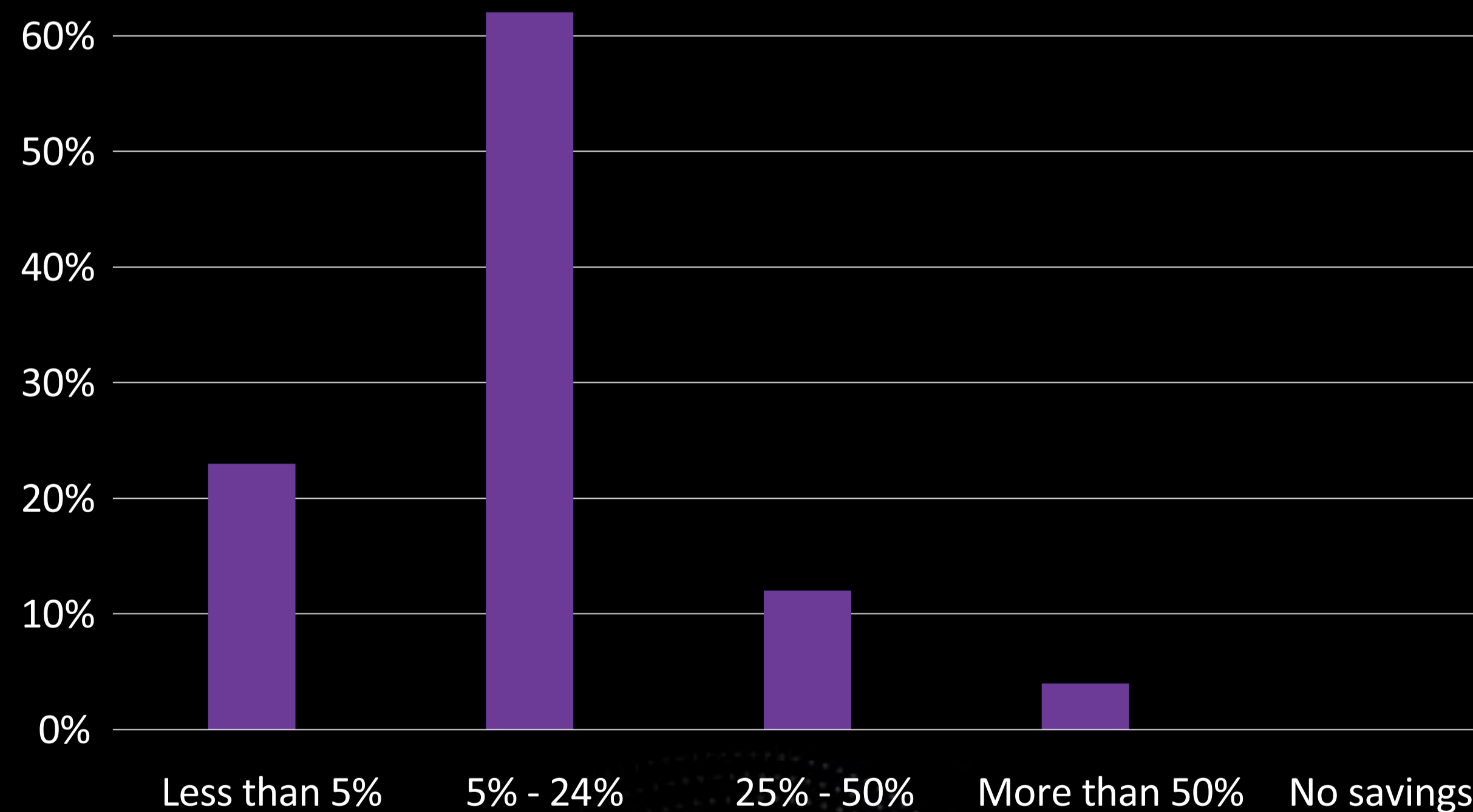

n=124
Source: Omdia

© 2023 Omdia

Expectations from enterprises using private 5G and private ME

What cost savings do you expect to achieve in a 12-month period from private 5G (with private MEC activities) as a percentage of your organization's costs (opex and capex)?

n=6; enterprises currently using private 5G and private MEC
Source: Omdia

© 2023 Omdia

Digital transformation is essential to meet the key challenges faced by the enterprise

What use cases are private 5G and private MEC expected to support?

- The strength of combining private 5G and private MEC is in the fact that this solution can address most use cases of any enterprise.

- From predictive maintenance for fixed assets to always-on connectivity for mobile workers and quality control via camera-based application – no other solution
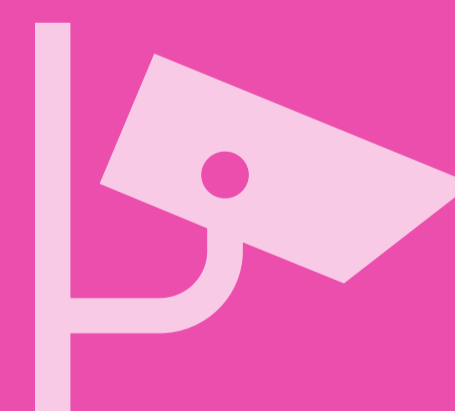
What functions will be performed for fixed assets/ machinery-based use cases?

81% Asset monitoring

63% Process automation

51% Predictive maintenance
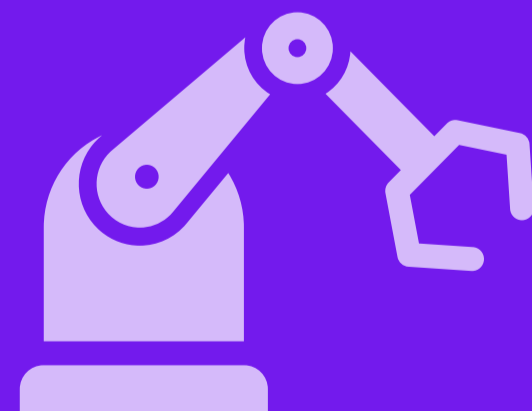
What functions will be performed for camera-based use cases?

74% Quality control

63% Site security

41% Inventory management control

What functions will be performed for worker (customer)-based use cases?

82% Always-on connectivity

53% Collaborative safety worker

33% Digital worker AR/VR

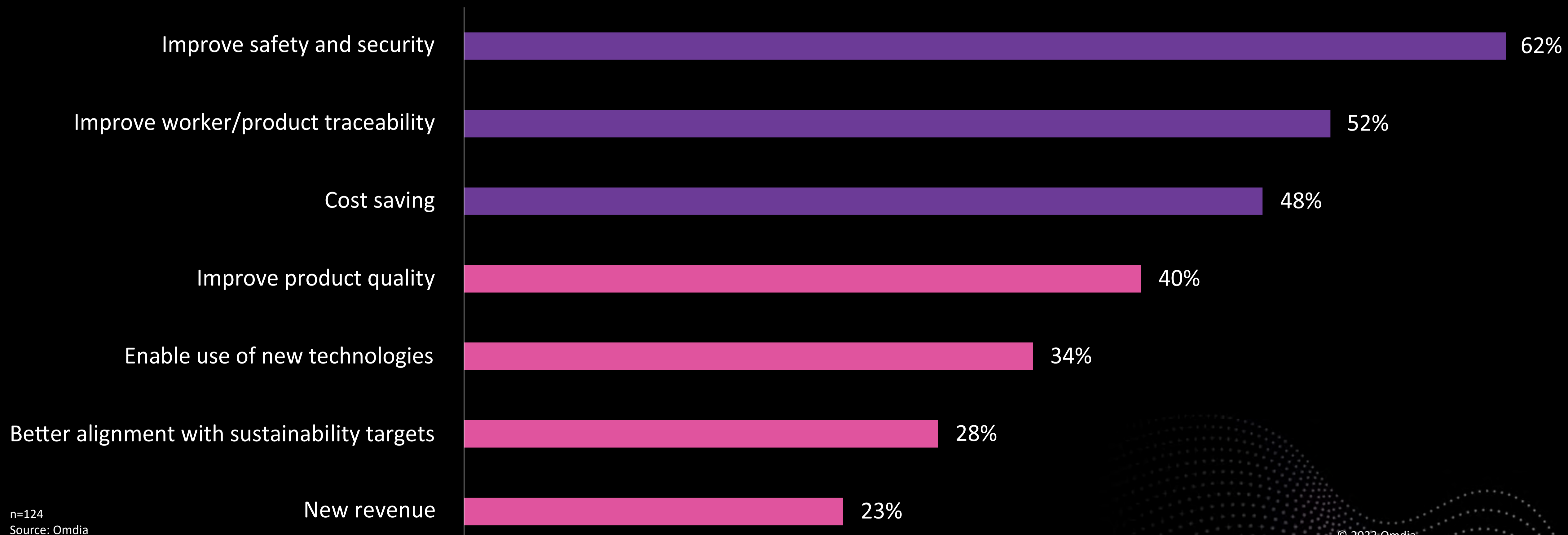**What functions will be performed for moving assets/ machinery-based use cases?**

87% Asset monitoring

74% Asset tracking

55% Predictive maintenance

21% Process automation

n=124
Source: Omdia

Private 5G and private MEC are building momentum through results: results match enterprise challenges

- Security is one of the key challenges that still affects the enterprise.
- Improving worker performance is also critical to increase productivity as well as safety.

How do private 5G and private MEC compare to other technologies used for your organization's digital transformation?

Category	Percentage
Improve safety and security	62%
Improve worker/product traceability	52%
Cost saving	48%
Improve product quality	40%
Enable use of new technologies	34%
Better alignment with sustainability targets	28%
New revenue	23%

n=124
Source: Omdia

© 2023 Omdia

PREVIOUS   NEXT

"1 every 2 enterprises has seen a significant impact on day-to-day operations from the use of private 5G and private MEC"

56% of enterprises see the solution driving increased efficiencies and 46% see the solution encouraging IT and OT collaboration

Key takeaways

Key takeaways

1

Across the landscape of an enterprise digital transformation there is a significant opportunity for private 5G and private MEC to accelerate enterprise transformation by meeting the enterprise's key challenge of security.

2

61% of enterprises select data privacy, security, and confidentiality as their main drivers for adoption. The solution enables the enterprise to tailor its connectivity needs as well as its computing environment at the edge, thus improving and managing privacy, reliability, and security of the data.

3

Private 5G and private MEC are delivering results to the enterprise by supporting the widest possible array of use cases that can be static, mobile, and nomadic. From predictive maintenance to quality control, private 5G and MEC meet the stringent connectivity requirements as well as specific edge computing needs.

Appendix

Survey details and methodology (1 of 3)

- The survey and related report and infographic were created by Omdia as part of a custom work engagement commissioned by Verizon. The survey was conducted by Omdia and a third-party survey provider during 2Q23. The survey consisted in total of 24 questions.

- A total of 124 enterprise respondents in the US were qualified to complete the survey. Enterprise respondents belonged to the following verticals:
  — Manufacturing (25%)
  — Transport and logistics (25%)
  — Energy and utilities (25%)
  — Retail (25%).

- To qualify, the respondents had to answer screening questions to assess their knowledge of the private 5G and private MEC technologies, as well as their role in terms of influence within their enterprise for purchasing technology products and their enterprise adoption of private 5G and private MEC.

- Given the early stage of the private 5G and private MEC market, small enterprises with less than 999 employees or less than $500 million in annual revenue were excluded from this survey.
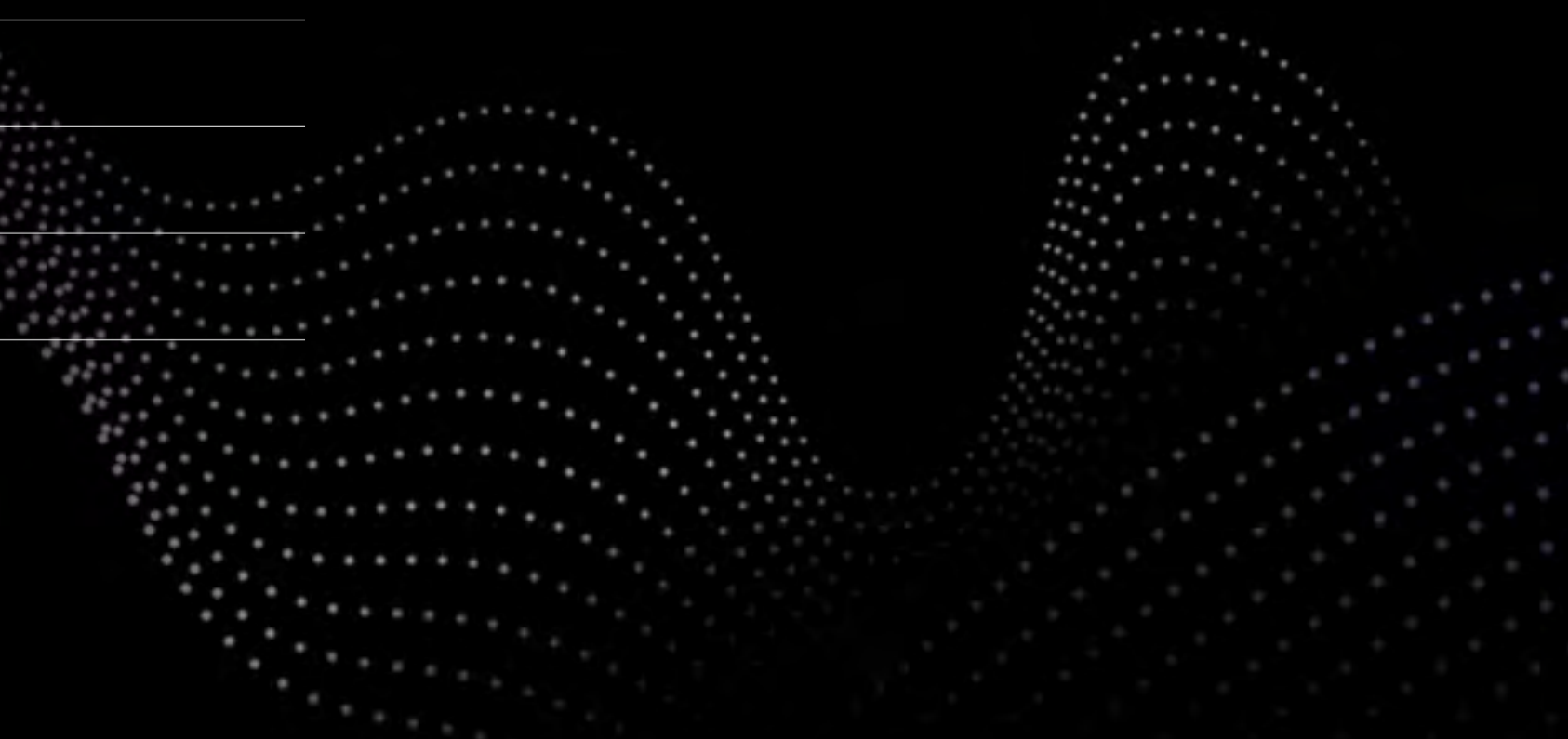
Survey details and methodology (2 of 3)

What is your level of influence for purchasing technology products and services for your organization?	Response
I am sole or group decision maker for information and communications technologies (IT) and services	17%
I am sole or group decision maker for operational technologies (OT) and associated services	23%
I am sole or group decision maker for both IT and OT-related purchasing	32%
I design or specify technology solutions for lines of business that other teams implement	27%
No influence	0%
Grand total	**100%**

How many employees do you have in your organization?	Response
Less than 500	0%
500–999	0%
1,000–4,999	40%
5,000–10,000	37%
More than 10,000	23%
Grand total	**100%**

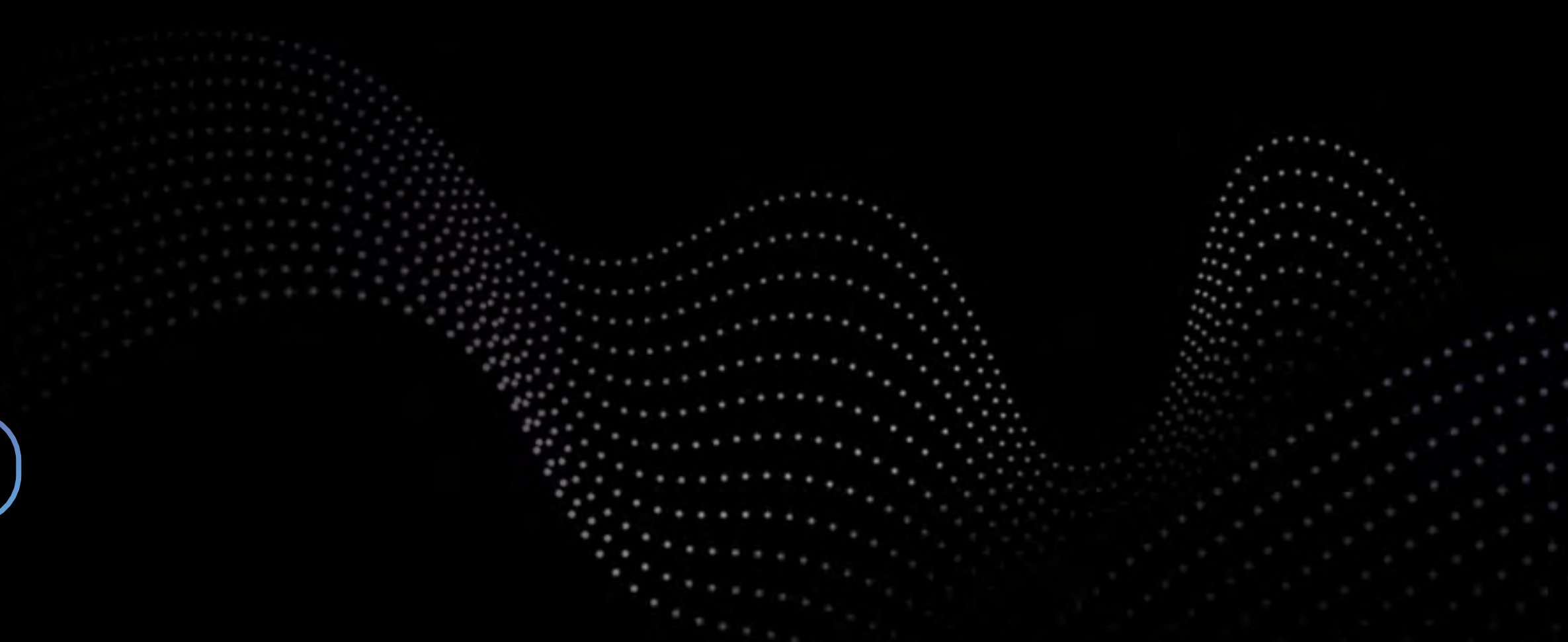| What is the annual revenue of your organization?	Response
Less than $100 million	0%
$100 million to $499 million	0%
$500 million to $999 million	19%
$1 billion to $4.99 billion	24%
$5 billion to $10 billion	23%
More than $10 billion	34%
Grand total	**100%**

Survey details and methodology (3 of 3)

What is your knowledge of 5G?	Response
Knowledge of essential concepts and technologies	37%
Highly knowledgeable but no direct experience	31%
Highly knowledgeable with direct experience	32%
No knowledge	0%
Grand total	**100%**

What is your knowledge of edge computing delivered via the private multi-access edge computing (MEC) technology?	Response
Knowledge of essential concepts and technologies	40%
Highly knowledgeable but no direct experience	39%
Highly knowledgeable with direct experience	22%
No knowledge	0%
Grand total	**100%**

Do you use or plan to use private 5G?	Response
Currently use	34%
Plan to deploy within 12 months	28%
Will consider within 12–24 months	38%
Not considering	0%
Don't know	0%
Grand total	**100%**

Do you use or plan to use private MEC as part of your private 5G project computing (MEC) technology?	Response
Currently use	21%
Plan to deploy within 12 months	31%
Will consider within 12–24 months	48%
Not considering	0%
Don't know	0%
Grand total	**100%**

Get in touch

www.omdia.com

askananalyst@omdia.com