

AON Equipment Vendor Value Chain Analysis

James(Jian) Lu

Abstract

Application-oriented networking (AON) is sometimes called application-aware networking or XML-aware networking. The basic idea of AON is to embed the intelligent application message routing right into the network devices, thereby gaining speed and scalability.

AON has been around for years but has recently become a hot property with big companies. However none of them hold the large market share in this emerging market segment. In order to maximize profitability, vendors adopted interdependent, proprietary product architecture that enabled the system as a whole to push ever outward the frontiers of what is technologically possible. Thus, AON value chain is highly integrated.

In this highly integrated value chain, almost all the AON vendors design their chipset, operating system and logic circuitry in house to maximize the functionality for various products in response to solve the increasingly difficult integration problem that enterprise face. The competitive analysis for each of the AON vendors concluded that some of the vendors may have more competition advantage than the others.

Even though enterprise AON is still in the left side of Bell Curve, the increasing adoption is showing that it is crossing the chasm. However the pace to deploy AON solution in service provider networks (Public domain) is very slow due to the interoperability and management issues.

The advances of technology and enterprise network services can be real and create new business opportunities for AON equipment vendors who have to enter the data and enterprise world and move up in the value chain from plain transport capabilities as well as for enterprises to enter the next generation of business process optimization.