



## OVERVIEW

# Making financial sense of telco cloud



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**Executive summary**  
This paper examines various calculations of the total cost of ownership (TCO) for service providers' networks and telco clouds, with a specific emphasis on 5G Core/RAN and future edge service advancements.

**Highlights**

- The TCO savings of a unified cloud platform range from 30% to 40% or more, depending primarily from OpEx reductions.
- Automation plays a critical role.
- Service providers can realize 30% TCO savings with Red Hat services 5G Core/RAN cloud architectures.
- Hybrid partner solutions and blueprints drive convergence.

**Key takeaways**

- Unified cloud application platform (UCAP) is the foundation for continuous TCO optimization. This platform permits opportunities for improvement in various contributing areas and functionalities, allowing service providers to optimize their TCO at their preferred pace.

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This paper examines various calculations of the total cost of ownership (TCO) for service providers' networks and telco clouds, with a specific emphasis on 5G Core/RAN and future edge service advancements.

We delve into the TCO benefits that service providers can anticipate by using Red Hat solutions-particularly a unified cloud application platform. Numerous research and models conducted by industry analysts have indicated substantial TCO savings of unified, horizontal architectures versus more isolated, vertical cloud architectures, ranging from 30% to over 40%. These savings primarily stem from operational expenditure (OpEx) reductions achieved through resource sharing, Improved productivity, and automation implementation.