

AFIX Technical Workshop: Session 2 Trainer's Notes

Cost-savings exercise

This session explores the cost-savings dynamics associated with participation in an IXP by an ISP, including the dynamics for the overall ISP market.

Timing/duration

1.5 hours.

Prerequisite skills/knowledge

- Participants should have completed the previous sessions in the workshop.

Resources included

- Handout – can be copied and handed out to participants, or put on a CD or website.
- Powerpoint presentation.
- Excel spreadsheet modelling tool, to be distributed to participants. This should be pre-installed on PCs for each participant if they are available.

Content outline

- What operating costs can change and why, when ISPs have the option to participate in an IXP.
- How interrelationships among ISPs in a market can affect cost.
- How different sizes of ISPs and varied levels of participation in an IXP affect cost for individual ISPs.
- How to use the modelling tool provided to compare and test different scenarios for ISP participation in an IXP, and what cost-savings implications result.

Objectives

After the session, participants should:

- Understand what factors drive cost and savings for an ISP participating in an IXP.
- How other ISPs in a market are likely to be affected by the creation of an IXP.
- How to use a modelling tool to test various scenarios pertaining to the establishment of an IXP and understand the likely cost-savings implications.

Comments

- The trainer must take time before the session to become comfortable working with the ISP-IXP modelling tool. This includes creating and modifying scenarios on the Scenario worksheets of the modelling tool, as well as modifying variables on the ISP Models worksheet. The trainer must understand how the model shows the general cost-savings dynamics associated with an IXP, as well as how different kinds of scenarios result in different levels of cost and savings.
- During the session the trainer should walk through the detailed example written in the handout with the session participants while the pre-configured scenario in the modelling tool (Scenario A) is projected on the screen.
- The trainer should then walk through, as a group exercise with all session participants, the creation of one scenario using the modelling tool, without modifying the variables on the "ISP Models" worksheet. The trainer should then modify some of the variables on the "ISP Models" worksheet and look at how these modifications affect the results of the earlier scenario.
- If each participant has a PC or if several PCs are available, the trainer should then ask the session participants to explore or create up to four different scenarios by themselves or in small groups

using the modelling tool. The spreadsheet already incorporates four scenarios – participants can either use these or construct their own. It is suggested that participants create and explore a set of very different scenarios, including ones with very small and very large numbers of ISP's and very low and very high levels of participation in an IXP. The trainer should walk around the session room providing hands-on assistance and answering technical questions pertaining to the model.

- The trainer should allow 10-15 minutes at the end for a discussion of the results and comments on the model itself.