Tata Communications adds integrated security and management to IZO Private Cloud

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Since its global launch of IZO Private Cloud (aka Enterprise Private Cloud) in October 2015, Tata Communications has focused on striking a balance between security and openness with its proprietary management stack working side-by-side with OpenStack. Aside from tightening up its hybrid cloud capabilities, the company continues to expand its cloud footprint with additional cloud nodes across multiple regions. Its global expansion and product strategies are beginning to pay off as the company continues to grow its customer base outside of India, extending into Singapore, Malaysia, the Middle East and Europe. Looking into the future, Tata Communications is committed to proving that its cloud platform is indispensable for managing complex enterprise applications across multiple IT environments.

THE 451 TAKE

Taking the open framework approach, Tata Communications plays the role of an enabler for hybrid cloud deployments. From a platform capability standpoint, the company has demonstrated its commitment with added features and capabilities. Moving up the value chain with vertical-focused offerings seems to be the logical next step, but the company will need to establish a robust network of partners for product innovation down the road. This is as much a technology issue as it is a go-to-market issue if Tata Communications is serious about becoming a credible contender in the cloud race.

CONTEXT

It has been some time since we've had a formal update from the cloud product team, but it appears to have made good progress with IZO Private Cloud since our last report. There has been a focus on three key themes – hybrid cloud, managed services and security – as the design principles of its cloud platform to complement and advance the community-led adoption of OpenStack in the production environment. Working collaboratively with partners including Mirantis, SwiftStack and Intel, Tata Communications claims to have jointly inspired technology innovation in areas of dynamic provisioning, high availability workload deployment, secure NFV orchestration, and flexible cloud platforms with workshops and discussion groups.

The company reported INR149bn ($2.3bn) for the first nine months of FY 2017 ending December 31, 2016, down by 2.7% YoY. The company's IZO-branded offerings are grouped under its data-business services, which stood at INR12.8bn for the first nine months of FY 2017.

PRODUCTS

Taking an open framework approach, the company is committed to making OpenStack-based IZO Private Cloud enterprise-ready with security and performance capabilities that it thinks matter most to enterprises. Security services such as distributed-denial-of-service detection, security gateways, two-factor authentication, and security and incident management are baked into the IZO Private Cloud from the core to the edge. The company also claims to have a strong alignment with the ITIL framework for its cloud and managed hosting infrastructures, and is backed by more than 80 ITIL-certified engineers. Working alongside OpenStack, the proprietary cloud management platform provides proactive management and monitoring of the OS and hypervisor, as well as enabling auto-ticketing of all changes and updates in the configuration and management database. It maintains the audit logs for six years for compliance and auditing.

Another area of product enhancement is the flexibility to pick and choose among templates, an OS (Windows, Linux, Ubuntu and RHEL), hypervisor technologies (VMware ESXi, KVM and Hyper-V), and to work across multiple IT environments and cloud platforms with its proprietary management portal. As far as a service option is concerned, the company has recently added support for the IBM iSeries (which is still commonly known as the AS/400). There is also a quarterly update for its management platform with added capabilities. Evidence of the latest enhancement came with the integration of third-party IT service management platforms (ServiceNow, Zoho and Remedy) to enable 'ebonding.'

At the heart of Tata Communications' IZO Private Cloud is the ability to enable hybrid deployment in its entirety all the way to the network layer. The company is considering enabling the deployment of software-defined WAN workloads in the cloud as the first step in the network transformation journey, but it isn't providing a specific timeline. Looking ahead, the company says it will focus on developing additional new services and capabilities, with application catalog and container as a service being top of mind from a product strategy standpoint. Cloud migration service is on the company's roadmap as well. The company notes that the product team has already spent a great deal of its efforts on developing big-data analytics in the cloud and a commercial offering is likely in the coming months. While the company is running proof-of-concept (POC) and custom projects with customers who are interested in PaaS, it has no immediate plans to commercialize a PaaS offering.

IZO Private Cloud, which is configured as a virtual private cloud offering, has been available in nine distributed datacenters (four in India, two in Singapore, one in Hong Kong and two in the UK) and has recently been made available in Germany. As part of the global expansion plan, the company is looking to add two more IZO Private Cloud nodes in Malaysia and Dubai by June. Companies opting for fully dedicated private cloud can choose from 13 distributed datacenters across the globe.

STRATEGY

With approximately 90% of its revenue derived from direct selling, Tata Communications continues to adopt a high-touch approach when it comes to harnessing enterprise opportunities. That being said, the company is eager to broaden its market reach through working with ISV customers and to forge strategic partnerships with SIs for cloud service delivery. For value selling, it is tightening up relationships with OEM partners for joint sales and marketing opportunities.

While investing in adding platform capabilities remains a strong value proposition for IZO Private Cloud, Tata Communications says it has increasingly focused on demonstrating the value of IZO Private Cloud with vertical-specific offerings – particularly with its consultative approach to cloud migration and implementation in the media and communications segments (e.g., Vice Media), IT (e.g., Aegis Global) and ISVs (e.g., Mercator).

CUSTOMERS

The company says it has been successfully selling IZO Private Cloud to companies undergoing datacenter consolidation, and is gaining traction with online services companies looking for horizontal scaling capability. It has garnered more than 60 customers (from about a dozen last June) for IZO Private Cloud and claims to have about 20 customers running POCs. Aiming at the enterprise segment, Tata Communications says one of the deployment scenarios for companies turning to the cloud is to support enterprise applications, such as SAP HANA, with instances correctly distributed between primary and secondary datacenters. In terms of cloud usage, it has started supporting a handful of customers implementing a large cloud footprint across multiple locations. Skylab is one such example on which the vendor has deployed its IoT offerings on IZO Private Cloud for a higher level of system and network availability. Aside from playing the role of a cloud enabler, Tata Communications says it is in talks with Skylab to explore future opportunities in the IoT arena.

COMPETITION

Tata Communications' primary competition in the cloud infrastructure service arena comes from managed cloud and datacenter providers like Sify Technologies, Netmagic Solutions (an NTT Communications company), Nxtra Data and HCL Infosystems. Niche players like CtrlS, ESDS and XcellHost are active players in the local business market. Cloud startup NxtGen struck a deal with telecom incumbent Bharat Sanchar Nigam Limited (BSNL) to acquire a number of datacenters and its existing customer base in the public sector, and is pursuing enterprise opportunities with a hyperconverged infrastructure and a cloud datacenter network, which the company calls an 'infinite datacenter' strategy. For managed private cloud and hybrid cloud deployments, Tata Communications is likely to compete with global technology providers and IT specialists for end-to-end service delivery. Companies like Accenture, IBM, CSC, Microsoft, Capgemini, TCS and Wipro are in this group. Besides the global hyperscalers – AWS, Microsoft Azure and Google – foreign providers eyeing cloud opportunities in India include Rackspace, SoftLayer (an IBM company), IIJ, China Telecom and Alibaba Cloud.

SWOT ANALYSIS

STRENGTHS
Tata Communications has made good progress in building out a set of features and capabilities that facilitate hybrid cloud deployment, and is keeping pace with enterprise requirements from a product strategy standpoint.

WEAKNESSES
Although the company is beginning to pursue enterprise opportunities with its vertical-specific offerings, it lacks a robust ecosystem of partners for product innovation.

OPPORTUNITIES
Enterprises increasingly opt for open-standards-based platforms and technologies that promote interoperability and accessibility, which should be a welcome change for OpenStack supporters including Tata Communications.

THREATS
The biggest challenge Tata Communications faces is to keep its core business growing in an increasingly crowded marketplace while entering new service segments – namely cloud and managed security – which are also highly competitive.