

REPORT REPRINT

Tata Communications advances cloud offerings, extends geographic reach

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In preparation of the next wave of enterprise transformation, Tata has been developing what it calls 'robust digital core,' adding new services such as big data and hardening its cloud platform with country-specific compliance requirements and certifications.

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As Tata Communications continues to make headway in India with government-led smart city projects, the company is eager to demonstrate its readiness to align its cloud expertise with enterprise requirements across the board. In addition to extending its cloud footprint in Malaysia and Dubai, it has built out its managed cloud capability for AWS cloud and released a native mobile app to support mobile workers and remote users looking to deploy and manage their IT resources directly from their mobile devices.

Tata also announced a tie-up with Hadoop distributor Cloudera late last year for the delivery of big-data services. The quest for a unified experience in cloud management has already driven the company to invest in automation technologies. Over the next six months, the company aims to create a richer user experience by further investing in adding platform intelligence, improving UI and broadening monitoring capabilities.

THE 451 TAKE

Tata thus far has delivered on its promise of an agile and relevant cloud platform, pushing the envelope in terms of features and functionality. Rather than deploying new offerings in silos, the company continues to focus on extensibility and unification of service management. Its country-specific security and compliance certifications should help Tata get its message across the board, while taking its cloud offerings and capabilities to the global market. Nevertheless, business organizations have no shortage of technology options to choose from when making a transition. The company will need to improve readiness by developing compelling business cases for broader enterprise adoption.

CONTEXT

In preparation for the next wave of enterprise transformation, Tata has been developing and tuning what the company described as 'robust digital core,' which we think is manifested in its product roadmap. Being a user and contributor to the OpenStack community, the company is a strong supporter for API-led open framework and microservices-based application development.

It has also enriched customer experience with continuous investment in advancing platform capability and bringing new services such as big data to customers. The current fashion for agile development should work in the company's favor from a platform design standpoint, and allows it to respond quickly and proactively to changing enterprise requirements.

Getting government customers on board with country-specific security and compliance certifications – such as Ministry of Electronics and Information Technology's empanelment as certified cloud service provider in India, MTCS Level 3 certification in Singapore, and GDPR compliance in Europe – also helps strengthen the company's cloud credibility in the industry. Tata believes that the time is right to engage with industry verticals – banking and finance, oil and gas, and the public sectors – to accelerate their transformation strategies.

Tata reported \$635.2m in revenue for Q3 FY 2018 ended December 31, 2017, down by 5.6% YoY. The company's IZO™-branded offerings are grouped under its data business growth services, which stood at \$86m for Q3 FY 2018, up by 38.5% YoY. Tata says it has a customer base of more than 1,000 enterprises, approximately 30% of which have a cloud component.

TECHNOLOGY AND PRODUCT

Enabling customers to achieve data consolidation as well as gain business intelligence is the major objective behind Tata's big-data analytic services. Running Cloudera's Hadoop Platform in a dedicated or multi-tenant cloud environment, enterprises can define and implement their big-data strategy using a pay-as-you-use pricing model.

Some of the key features available for customers include data lifecycle management across acquisitions, analytics and governance, managed analytics and visualization tools. Delivered as a managed big-data service out of its datacenters in Mumbai, Singapore and the UK, the company offers SLA-backed data replication across big-data nodes, and ensures the integrity of data management processes, which is based on ISO 27001 standards. Tata notes that it also incorporates Cloudera's Enterprise Data Hub to run data analytics at rest or in motion. Thus far, common use cases include 360-degree customer review, fraud detection and threat management.

Tata has also invested a great deal to boost operational efficiency and achieve a unified user experience through automating repetitive tasks for IT infrastructure management, and deepening integration with third-party ITSM tools. The company hopes that its unification of service management not only brings disparate IT together, but also delivers business outcomes to all stakeholders – enterprise users, IT admin, developers, CIO, CMO, CFO and CEO – from within the organization. Further investing in business process automation is likely in the next 6-12 months.

The company sees great opportunity in the managed services arena for multi-cloud and hybrid cloud deployments – an area where many of its competitors are hoping to make inroads. Having already invested in delivering full lifecycle support and management with several dozen Azure-certified engineers, the company says it has extended managed cloud capability for AWS Cloud. While Tata is still working out the relationship with the internet heavyweight on the commercial front, it says the managed services team is ready to go full steam ahead.

Tata's managed cloud strategy does not rest here. In anticipation of enterprise demand, providing managed services for Google Cloud Platform is on its product roadmap. There is also interest in running SAP HANA on hybrid architectures. To that end, the company has already provided support for a dozen cloud customers deploying SAP and SAP HANA. In cases where the scenarios are complex, it has teamed up with partners for end-to-end support. Accordingly, the company is working on a roadmap covering a period of 12 months to bring in partners and augment in-house capabilities for SAP HANA opportunities.

Tata's cloud offerings (IZO™ Private Cloud and VPDC) are now available in 16 geographically distributed datacenters (five in India, two in Singapore, one in Hong Kong, one in Malaysia, one in Dubai, four in the UK, and two in the US) and is looking to further expand its cloud footprint in Southeast Asia through partnering with local providers. New locations on the roadmap include Thailand, Indonesia and the Philippines.

GO-TO-MARKET STRATEGY

Tata continues to work closely with local providers to bring IZO™ Private Cloud and hybrid cloud offerings into new markets and regions. In addition to providing physical datacenter facilities, local incumbent partners often play a critical role in managing local relationships, including providing L1 service support.

As mentioned in our previous report, approximately 30% of the company's cloud revenue is derived from service provider partners, including ISVs, SIs and OEM distributors. Taking an outcome-based approach, Tata stays focus on developing repeatable use cases to address vertical or segment-specific requirements for IT infrastructure development. Nevertheless, some use-case scenarios might turn into specific opportunities, such as the government community cloud project in India.

COMPETITION

The company's primary competition comes from managed cloud and datacenter providers like Sify Technologies, Netmagic Solutions (an NTT Communications company), Nextra Data and HCL Infosystems. Niche players like CtrlS, ESDS, NxtGen and XcellHost are active players in India's business market.

With the company's managed cloud messaging, however, Tata will likely be pitted against global technology providers and IT specialists like Accenture, Hewlett Packard Enterprise, IBM, CSC, Capgemini, TCS and Wipro for hybrid cloud and multi-cloud deployments.

Having become a managed cloud partner for Microsoft Azure and AWS, hyperscalers (AWS, Microsoft, and Google) are more partners than competitors in this part of the business, but managed cloud and IT providers that include Rackspace, Dynatrace and Microland all woo customers with vendor-specific expertise and certifications.

SWOT ANALYSIS

STRENGTHS

The company has made good progress in developing new digital services and enhanced platform capabilities, combining its in-house competency with partners' expertise. Hardening the cloud with industry- and country-specific certifications and accreditations is a prudent move.

WEAKNESSES

As with any innovative offering, sales professionals are challenged to adapt and fine-tune their sales skills. While it's hardly an isolated issue, Tata needs to quickly evolve its sales enablement strategy.

OPPORTUNITIES

Running workloads and applications in multi-cloud/hybrid environments is increasingly becoming an integral part of IT transformation, yet the complexity of managing them intensifies. Offerings that smooth the way are in heightened demand.

THREATS

Business organizations are aware of emerging IT models and innovations like API-led open platform and microservices-based architecture, yet actual implementation remains spotty. Their readiness will threaten broader adoption.