

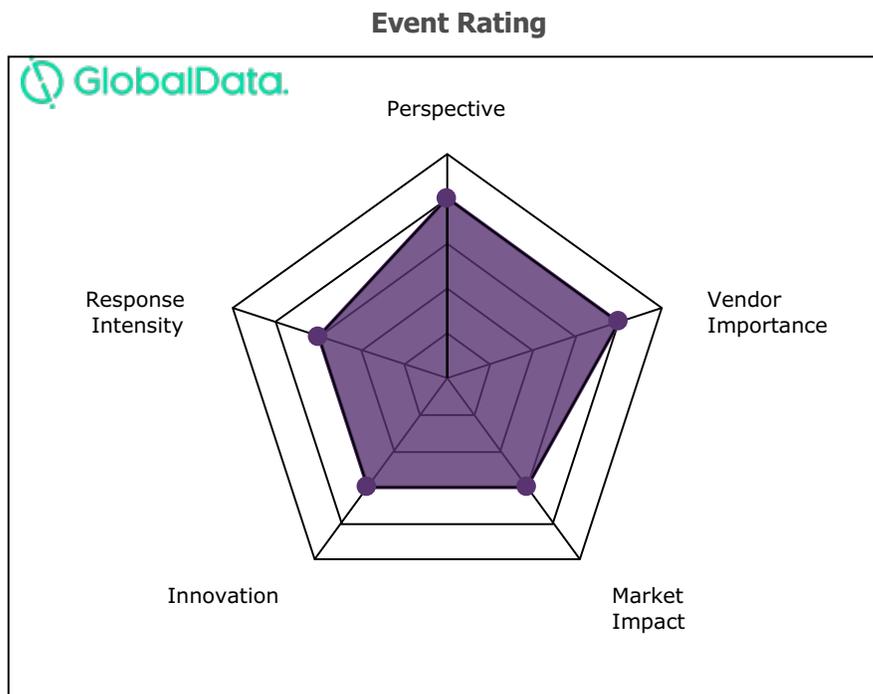
Tata Communications Revamps its Cloud Services, Focusing on Application and Data Management

Soh, Siow Meng

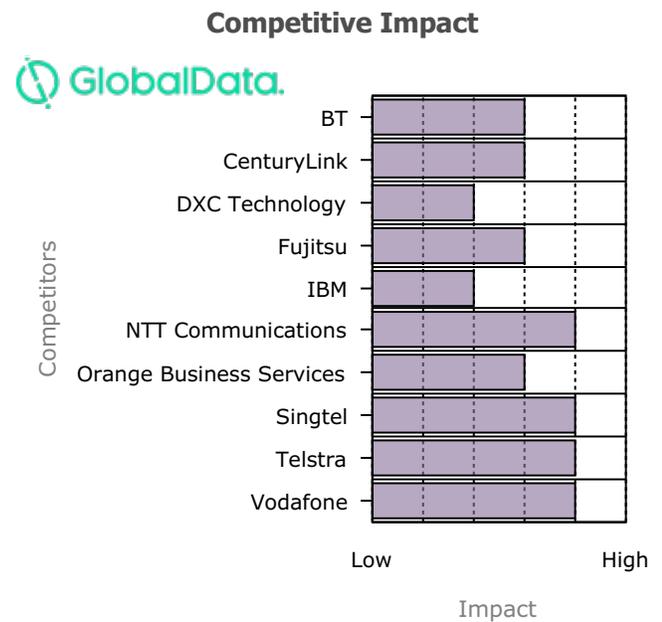
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INTELLIGENCE REPORT

QUICK TAKE



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Competitive Positives

- Tata Communications’ cloud services cover a lot of ground to help customers manage a hybrid, multi-cloud environment.
- The Catalyst orchestration platform simplifies the management of a multi-vendor environment.
- Tata Communications has achieved regulatory compliance (e.g., GDPR) and this is a major consideration for enterprises.
- Tata Communications is ahead of many telecom providers in offering big data and container services.
- Tata Communications offers managed services for AWS and Azure and it will add Google Cloud next.

Competitive Concerns

- Tata Communications does not have a cloud node in Australia and so is missing some opportunities in a market where companies are embracing cloud services.
- Tata Communications does not have plans to add managed services for Alibaba and IBM.
- Tata Communications continues to enhance its managed security services, which is crucial for businesses embracing DevOps and supporting cloud-native environments.

EVENT SUMMARY

July 30, 2018 – Tata Communications gave an update on its global cloud services, strategy, and roadmap. The company has brought together various cloud, network, and security elements, and developed an orchestration layer as well as self-service management tools for ease of management and visibility. The company has invested in new areas such as managed Azure/AWS capabilities, container services, big data services, and global cloud certifications and compliance.

ANALYTICAL SUMMARY

Perspective



- Positive on Tata Communications' enhancements to its cloud portfolio because the company is showing a clear strategy in helping customers overcome their pain points in managing different clouds in a hybrid environment. Many enterprises are using multiple vendors for cloud services and Tata Communications already supports major public cloud providers and is giving customers the right tools to manage these services. Moreover, there are specific data and applications that need to be hosted in a private and dedicated environment for security, compliance and performance reasons. Tata Communications' investment in big data analytics and container-as-a-service offerings will meet these requirements.

Vendor Importance



- High to Tata Communications' enterprise services portfolio roadmap due to their clear enhancement already made and being planned. As more competitors are building similar platforms to enable a single pane of glass and network/cloud integration, Tata Communications needs to develop its own new differentiators. Cloud, microservices, and big data analytics will play a crucial part in supporting IoT solutions. Tata Communications has a strong interest in IoT and smart city. Its cloud services are already supporting many smart city projects involving street lighting and intelligent transport systems in India; and there are many more opportunities around the world.

Market Impact



- Moderate on global and regional cloud services, because there are many players in the market and each competitor is developing its own capabilities and partnerships to address customer demand. There is now greater emphasis on cloud orchestration and management, and the integration of these tools with network services. In this regard, Tata Communications' approach is not unique. However, Tata Communications is starting to develop new differentiators. It is ahead of many competitors in developing managed services capabilities for Google Cloud. Other capabilities in its roadmap such as API gateways, bare metal, GPU and application performance monitoring will continue to push Tata Communications ahead of competition in service innovation.

COMPETITIVE STRENGTHS

Competitive Positives

- Tata Communications has a solid platform for delivering cloud infrastructure services. The company envisioned the need to integrate cloud services with network and security, which led to the development of IZO as a cloud networking platform. A differentiator for Tata Communications is the range of third-party public clouds it connects through its IZO Private Cloud. These include AWS, Azure, Google, Alibaba, Oracle, and Salesforce.
- Tata Communications has developed in-house the Catalyst cloud orchestration layer. Catalyst focuses on the integration with its service management platforms and being able to work across multi-vendor environments. This will help customers to resolve many inconsistencies with vendor APIs. This also positions the operator more as a system integrator capable of taking complexity away from the customer.
- Regulatory compliance is an area where Tata Communications wants to stay ahead of competition. The company has obtained key certifications for its cloud services including GDPR (Munich), PCI DSS, MTCS (Singapore), and HIPAA (for healthcare). Regulatory compliance is becoming a major consideration for enterprises and while public cloud providers have been certifying their cloud services, it is crucial for Tata Communications to have similar accreditation to ensure compliance across hybrid environments.
- Many businesses are now tapping into data to look for insights. Application development is also rapidly shifting from the monolithic architecture to more agile containers and microservices. Major cloud service providers such as AWS, Azure, and Google already have big data analytics and container-as-a-service offerings. However, there are companies that require their data and applications to be hosted in dedicated or private cloud for security and/or compliance reasons. Tata Communications is ahead of many telecom providers in developing these capabilities.
- Customers often require assistance in planning and implementing cloud services. Tata Communications has been building expertise in AWS, Azure, and Google Cloud to offer managed hybrid cloud services. Services offered include design consultation, deployment, migration support, resource optimization, and proactive monitoring and management. It has two service management centers located in Chennai and Pune to deliver 24x7x365 service management.

COMPETITIVE WEAKNESSES

Competitive Concerns

- Tata Communications is targeting MNCs with its cloud services and it is adding cloud nodes based on customer demand. It has nodes in major cities such as New York, London, Munich, Dubai, Singapore, Malaysia, and Hong Kong. Notably, it does not have one in Australia. Competitors such as Singtel and Telstra will have an advantage over Tata Communications in competing for MNC customers that have operations in Australia.
- Tata Communications offers managed services for AWS and Azure and it will be adding Google Cloud Platform. It has no plans to develop similar capabilities for Alibaba and IBM. While IBM does not have a huge revenue share in the public cloud space, it has strong mind share in the large enterprise and MNC space. Alibaba on the other hand is growing rapidly and gaining attention in different geographies.
- While Tata Communications is revamping its cloud strategy, especially around partners and capability, competitors such as AT&T, BT, NTT, Orange Business Services, and Singtel are ahead in the security space. This

is important because while many businesses want to be more agile, embrace DevOps, support more cloud native environments, they need to also do so in a secure and compliant way.

RESPONSE & RECOMMENDATIONS

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- While Tata Communications is revamping its cloud strategy, especially around partners and capability, competitors such as AT&T, BT, NTT, Orange Business Services, and Singtel are ahead in the security space. This is important because while many businesses want to be more agile, embrace DevOps, support more cloud native environments, they need to also do so in a secure and compliant way. Responses & Recommendations

BUYER ACTIONS

- Tata Communications should be considered a strong contender for delivering hybrid cloud infrastructure services. The carrier has a strong networking layer (IZO) as well as its Catalyst cloud workload management layer. Moreover, the carrier is able to support global deployment, connect to different public cloud services, and offer managed services.
- Customers should also note that Tata Communications has a roadmap to bring new capabilities to the market. In particular, customers looking for managed Google Cloud should engage Tata Communications and understand the timeline and possibilities.

ANALYTICAL PERSPECTIVE

Tata Communications has been expanding its cloud services and it now has a strong portfolio that addresses the infrastructure challenges enterprises face in deploying cloud services. These challenges include the network, security, and compliance, as well as managing disparate IT environments. First, Tata Communications offers IZO, a cloud-ready WAN solution which has various options using SD-WAN, deterministic routing over the Internet, and dedicated connectivity into major public clouds. Second, Tata Communications' Catalyst is an orchestration layer built in-house that integrates various services such as managed hosting, IZO Private Cloud, IZO Cloud Storage, public cloud, security, and network services. The company is able to offer a single pane of glass with visibility across different services as well as a set of APIs. It also has multiple API management platforms. Third, Tata Communications has nodes in key locations in the US, Europe, and Asia and its cloud services are certified to meet regulatory compliance such as GDPR (Munich), MTCS T3 (Singapore), PCI DSS and HIPAA (for healthcare).

The company is now moving towards the next phase of development to help organisations manage their siloed data, modernise their applications helping customers move away from monolithic environments and to work across disparate internal and external parties from lines of business to suppliers and partners. Tata

Communications has partnered with Cloudera to offer big data and analytics services. The company provides managed Hadoop platform services (dedicated hosted/on-premise or public platforms), analytical and visualisation tools, and lifecycle management. The solution combines Tata Communications' global cloud footprint and Cloudera's machine learning and analytics capabilities. To enable enterprises to implement microservices, Tata Communications has chosen Red Hat Cloud Suite for its Container-as-a-Service offering. The company has gained differentiation through these new offerings and they will also play a crucial part in supporting Tata Communications' IoT and smart city solutions.

Tata Communications offers managed AWS and Azure services which include design consultation, deployment, migration support, resource optimisation and proactive monitoring and management. The company is now developing similar capabilities to support Google Cloud. Google has made significant efforts to win market share in the enterprise segment. Google Cloud has a partnership with Cisco to develop capabilities to support hybrid cloud management. It has significantly strengthened its security portfolio in first half of 2018 to meet the needs of enterprise customers. New products include Cloud Armor (DDoS), Cloud Security Command Center, VPC Service Controls, DLP API (Data Loss Prevention), and Access Transparency (near real-time access log). Google also has a team of regulatory compliance experts to ensure privacy and security compliance for Google as well as to help customers with their GDPR compliance. Such moves are helping Google to secure more business from enterprise customers. This will also benefit Tata Communications in the long run, if it can demonstrate the value it can add to such a powerful platform.

However, Tata Communications still has major cloud markets such as Australia and Japan where it does not have a cloud node. Security and data breaches remain key concerns for companies adopting cloud for big data and there are still some gaps between Tata Communications and its key carrier competitors. Moreover, the cloud market is rapidly evolving and competitors are finding new partnerships, adding new features and seeking new ways to differentiate. Orange Business Services for example has invested heavily in professional and managed services and Vodafone is hoping to extend its German partnership with Alibaba Cloud globally. Tata Communications needs to constantly innovate to stay ahead of the curve.

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GlobalData PLC,
John Carpenter House,
7 Carmelite Street,
London,
EC4Y 0AN,
+44 (0) 207 936 6400