



## **Network Transformation and Managed Services PEAK Matrix® Assessment 2020 – Focus on Communications Service Providers**

Cloud and Infrastructure Services (CIS)

Market Report – March 2020: Complimentary Abstract / Table of Contents

# Our research offerings for global services

▶ Market Vista™ Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available	
▶ Application Services	▶ Human Resources
▶ BPS   Banking & Financial Services	▶ ITS   Banking & Financial Services
▶ BPS   Healthcare & Life Sciences	▶ ITS   Healthcare
▶ BPS   Insurance	▶ ITS   Insurance
▶ Catalyst™	▶ IT Services Executive Insights™
▶ Cloud & Infrastructure	▶ ITS   Life Sciences
▶ Customer Experience Management Services	▶ Locations Insider™
▶ Data & Analytics	▶ PricePoint™
▶ Digital Services	▶ Procurement
▶ Engineering Services	▶ Recruitment & Talent Acquisition
▶ Enterprise Platform Services	▶ Service Optimization Technologies
▶ Finance & Accounting	

## More about membership

In addition to a suite of published research, a membership may include

- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model® reports
- PriceBook
- Virtual Roundtables
- Workshops

## Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

## Membership information

- This report is included in the following research program(s)
  - [Cloud and Infrastructure Services \(CIS\)](#)
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at [info@everestgrp.com](mailto:info@everestgrp.com)

# Table of contents

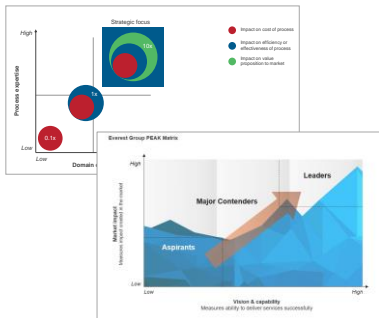
---

Topic	Page no.
Introduction and overview .....	4
<b>Section I: PEAK Matrix® for network services</b> .....	<b>9</b>
<b>Section II: Everest Group’s remarks on network service providers</b> .....	<b>17</b>
• AT&T .....	18
• BT .....	19
• CenturyLink .....	20
• Orange Business Services .....	21
• Sprint .....	22
• Tata Communications .....	23
• Telefonica .....	24
• Telstra .....	25
• Verizon .....	26
• Vodafone .....	27
<b>Appendix</b> .....	<b>28</b>
• Glossary of terms .....	29
• Research calendar .....	30
• References .....	31

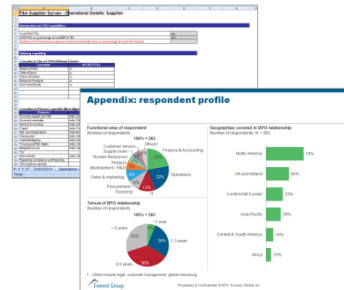
# Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

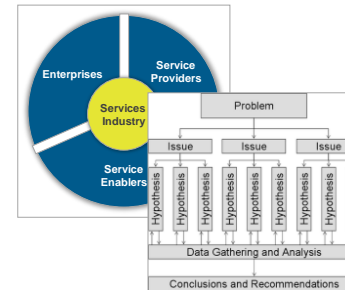
**1 Robust definitions and frameworks**  
PEAK Matrix, market maturity, and technology adoption/investment



**2 Primary sources of information**  
Annual contractual and operational RFIs, service provider briefings and buyer interviews, web-based surveys, and market feedback



**3 Diverse set of market touchpoints**  
Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership



**4 Fact-based research**  
Data-driven analysis with expert perspectives, trend analysis across market adoption, contracting, and service providers



- Annual RFI process and interaction with leading Communication Service Providers (CSPs)
- Dedicated team for researching network services and adoption trends
- Over 25 years of experience in advising clients on global services decisions
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

# This report is based on four key sources of proprietary information

- Proprietary database of contracts of major **communication service providers** with network services in scope of work (updated annually)
- The database tracks the following elements of each contract:
  - Buyer details including size and signing region
  - Contract details including service provider, contract type, TCV & ACV, service provider FTEs, start & end dates, duration, and delivery locations
  - Scope details including share of individual buyer locations being served in each contract, Line of Business (LOB) served, and pricing model employed

- Proprietary database of communication service providers (updated annually)
- The database tracks the following for each service provider:
  - Revenue and number of FTEs
  - Revenue split by region
  - Number of clients
  - Technology solutions developed
  - FTE split by different LOBs

- **Service provider briefings**
  - Vision and strategy
  - Key strengths and improvement areas
  - Annual performance and future outlook
  - Emerging areas of investment

- **Buyer reference interviews, ongoing buyer surveys, and interactions**
  - Drivers and challenges for adopting network services
  - Assessment of service provider performance
  - Emerging priorities
  - Lessons learnt and best practices

## Service providers assessed



Note: Assessment for AT&T, Sprint, Telefonica, Telstra, Verizon, and Vodafone excludes service provider input in this particular study and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, ongoing coverage of these service providers, service provider public disclosures, and interaction with buyers

**The source of all content is Everest Group unless otherwise specified**

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information collected will only be presented back to the industry in an aggregated fashion

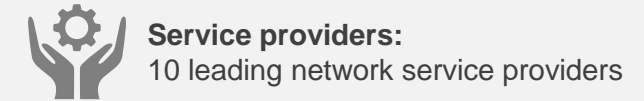
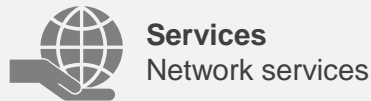
# Background of the research

---

- Networks in the past have been treated like the “sleeping giant” that should not be disturbed or it will lead to utter chaos. However, as enterprises embarked on the digital transformation journey, they started to realize that without network transformation, true benefits of digital transformation cannot be realized
- In the past, CSPs primarily focused on providing traditional connectivity services for enterprises such as wireline, wireless, and internet services. However, to meet the digital needs of enterprises, CSPs are providing value-added services on top of their traditional service delivery models
- With these changing enterprise expectations and the renewed focus of CSPs to deliver differentiated services, network services are evolving to help enterprises achieve their desired business-oriented outcomes. Enterprises are engaging CSPs for network transformation across their business connectivity solutions including Software-Defined Wide Area Network (SD-WAN), business Virtual Private Network (VPN), cloud connectivity, network virtualization, and network optimization
- In this research, we present an assessment of 10 CSPs featured on the network services PEAK Matrix®

The assessment is based on Everest Group’s annual Request For Information (RFI) process for calendar year 2020, interactions with leading network service providers, client reference checks, and an ongoing analysis of the network services market

## Scope of this report



**This report assessed the following 10 service providers on the network services PEAK Matrix:**

**Leaders:** AT&T, Orange Business Services, Tata Communications, and Verizon

**Major Contenders:** BT, CenturyLink, Telefonica, and Vodafone

**Aspirants:** Sprint and Telstra

# This report assesses prominent communication service providers in the area of network services

Focus of this research



## Market definition – network services

### Traditional network services

Consulting, design and build, and managed services of traditional networks involving network components such as physical routers, switches, firewalls, and gateways

### Next-generation network services

- Network Function Virtualization (NFV)
- Software-defined Network for Datacenter (SDN-DC)
- Software-defined Wide Area Network (SD-WAN)
- Software-defined Local Area Network (SD-LAN)



#### Consulting services

Strategy, roadmap formulation, readiness assessment, Total Cost of Ownership (TCO) analysis, etc.



#### Design and build services

Network design, data/ethernet cabling, server configurations, switch and router setup, wireless setup, etc.



#### Managed services

L1, L2, L3, and L4 support, network provisioning, administration, troubleshooting, monitoring, performance optimization, network availability analysis, capacity planning, configuration support, network testing, network policy management, and network automation

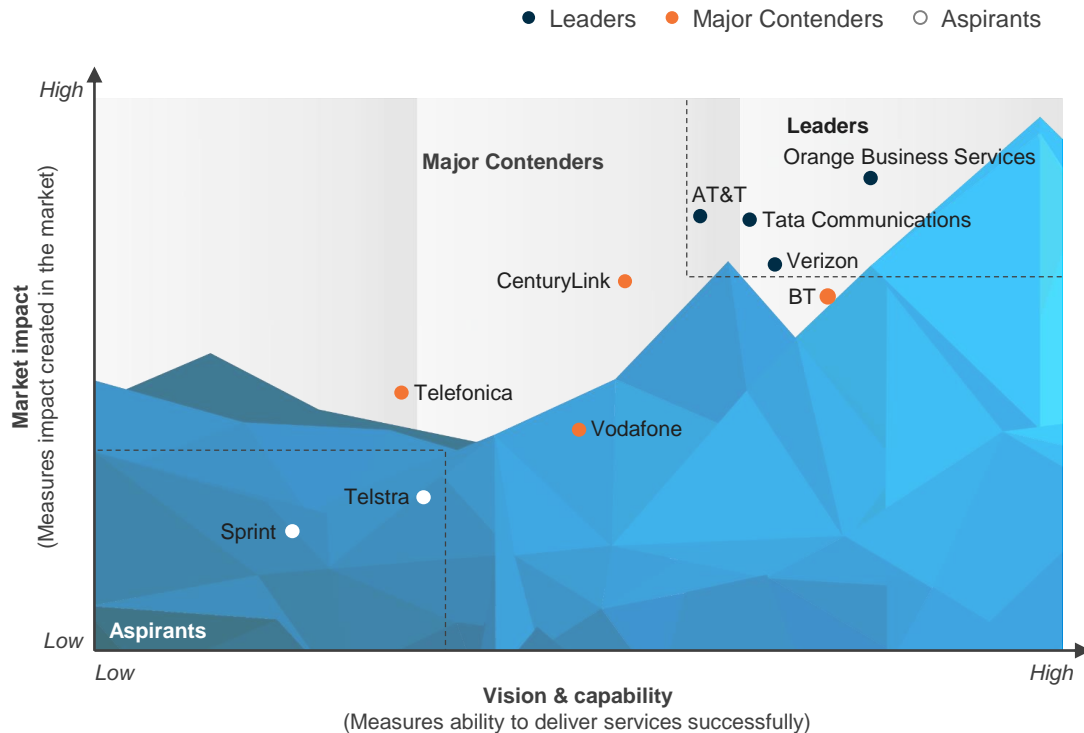
#### Exclusions from this assessment:

- 4G/5G mobile network services
- Private Branch Exchange (PBX) and Voice over Internet Protocol (VoIP) services



# This study offers a deep dive into key aspects of network services market; below charts illustrate the depth of the report

## Assessment of Network Service Providers



Note: Assessment for AT&T, Sprint, Telefonica, Telstra, Verizon, and Vodafone excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with buyers

Source: Everest Group (2020)

## Capability assessment

Illustrative example

Measure of capability: ● High ○ Low

Service provider	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
Service provider 1	●	○	●	●	○	○	●	○	○
Service provider 2	○	○	○	○	○	○	○	○	○
Service provider 3	○	●	●	●	●	○	○	○	○
Service provider 4	○	○	●	○	●	○	○	○	○
Service provider 5	○	○	○	○	○	○	○	○	○
Service provider 6	○	○	○	○	○	○	○	○	○
Service provider 7	○	○	○	○	○	○	●	○	○
Service provider 8	○	○	○	○	○	○	○	○	○
Service provider 9	○	○	○	○	○	○	○	○	○

## Everest Group's remarks on service providers

Illustrative example

Measure of capability: ● High ○ Low

Market impact				Vision & capability				
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
●	●	●	●	●	○	○	○	○

### Strengths

- Service provider 1, has a robust portfolio of internal IPs to incorporate automation within network services
- Clients have appreciated its flexibility in terms of providing specific solutions as per enterprise requirement

### Areas of improvement

- Service provider 1 significantly lags its peers in providing SD-WAN services
- Proof points around building and executing on large-scale transformation roadmaps are still limited in number



# Research calendar – Cloud and Infrastructure Services

Published
  Planned
  Current release

## Flagship CIS reports

### Release date

Network Transformation and Managed Services PEAK Matrix™ Assessment 2020: Transform your Network or Lie on the Legacy Deathbed .....	December 2019
<b>Network Transformation and Managed Services PEAK Matrix® Assessment 2020 – Focus on Communications Service Providers .....</b>	<b>March 2020</b>
IT Security Services PEAK Matrix® Assessment 2020 .....	Q2 2020
State of the Market: IT Security Services 2020 .....	Q2 2020
Aware IT Infrastructure Automation Services PEAK Matrix® Assessment 2020 .....	Q2 2020
State of the Market: Aware IT Infrastructure Automation Services .....	Q2 2020
Digital Workplace Services PEAK Matrix® Assessment 2020 .....	Q3 2020
State of the Market: Digital Workplace Services 2020 .....	Q3 2020
AWS Cloud Services PEAK Matrix® Assessment 2020 .....	Q4 2020
Azure Cloud Services PEAK Matrix® Assessment 2020 .....	Q4 2020
GCP Cloud Services PEAK Matrix® Assessment 2020 .....	Q4 2020

## Thematic CIS reports

Connected Workplace – The Next Experience Frontier .....	January 2020
Upcoming Contract Renewals – Infrastructure Services .....	March 2020
Enterprise Pulse Report: The Dissatisfaction Conundrum .....	Q1 2020
Tech Bytes – Debunking Myths Around Containers .....	Q1 2020

Note: For a list of all our published CIS reports, please refer to our [website page](#)

# Additional Cloud and Infrastructure Services research references

The following documents are recommended for additional insights into the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest

- 1. Top 10 SD-WAN Trailblazers: The Missing “Link” in Enterprise Digital Transformation Story** ([EGR-2019-29-R-3410](#)); 2019: Traditional WAN architecture is suboptimal to meet the demands of enterprise digital transformation initiatives. Software Defined Wide Area Network (SD-WAN) is emerging as a key transformation lever to address these challenges. Multiple start-ups have emerged to serve this space and drive innovation across network segments through next-generation concepts. This report provides market trends in SD-WAN along with detailed profiles and assessment of 10 SD-WAN start-ups providing services and solutions such as edge SD-WAN appliances, multi-cloud connectivity, enhanced application performance, branch platforms, optimized bandwidth usage, cloud security, and managed SD-WAN
- 2. 5G – An Enterprise Primer** ([EGR-2019-33-V-3401](#)); 2019: In the recent decades, communication technologies have served as the bedrock for innovations and new businesses. Fifth Generation Wireless (5G) is the next step in communications, enabled by a clutch of technologies that mitigate challenges with existing wireless networks affecting user experience, service delivery, and operations. It thus paves the way for scaled adoption of next-generation technologies such as Augmented Reality (AR), Virtual Reality (VR), edge computing, and autonomous mobility, among others. This viewpoint helps enterprises understand and navigate 5G to confidently move into a post-digital world
- 3. Network Transformation and Managed Services PEAK Matrix Assessment 2020: Transform your Network or Lie on the Legacy Deathbed** ([EGR-2019-29-R-3450](#)); 2019: Digital transformation within enterprises has so far focused on the compute aspect, with cloud being the main driver. However, enterprises now realize that without network transformation, optimum benefits of digital transformation cannot be realized. This has changed enterprise expectations from networks and they have now begun leveraging network services to achieve the desired business outcomes. In this report we talk about network transformation and how enterprise stand to benefit from these initiatives as they increasingly depend on service providers to aid them in this transformation. This report also provides an assessment of 13 IT service providers featured on Everest Group’s PEAK Matrix for network transformation and managed services

For more information on this and other research published by Everest Group, please contact us:

**Ashwin Venkatesan**, Vice President

[ashwin.venkatesan@everestgrp.com](mailto:ashwin.venkatesan@everestgrp.com)

**Preetam Koka**, Practice Director

[Preetam.Koka@everestgrp.com](mailto:Preetam.Koka@everestgrp.com)

**Mukesh Ranjan**, Practice Director

[Mukesh.Ranjan@everestgrp.com](mailto:Mukesh.Ranjan@everestgrp.com)

**Titus M**, Senior Analyst

[Titus.M@everestgrp.com](mailto:Titus.M@everestgrp.com)

**ITS research:**

[ITSresearch@everestgrp.com](mailto:ITSresearch@everestgrp.com)

Website: [www.everestgrp.com](http://www.everestgrp.com) | Phone: +1-214-451-3000 | Email: [info@everestgrp.com](mailto:info@everestgrp.com)



## About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at [www.everestgrp.com](http://www.everestgrp.com).

### Dallas (Headquarters)

info@everestgrp.com  
+1-214-451-3000

### Bangalore

india@everestgrp.com  
+91-80-61463500

### Delhi

india@everestgrp.com  
+91-124-496-1000

### London

unitedkingdom@everestgrp.com  
+44-207-129-1318

### New York

info@everestgrp.com  
+1-646-805-4000

### Toronto

canada@everestgrp.com  
+1-416-388-6765

## Stay connected

### Website



[www.everestgrp.com](http://www.everestgrp.com)

### Social Media



@EverestGroup



@Everest Group

### Blog



[www.everestgrp.com/blog/](http://www.everestgrp.com/blog/)

*This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.*