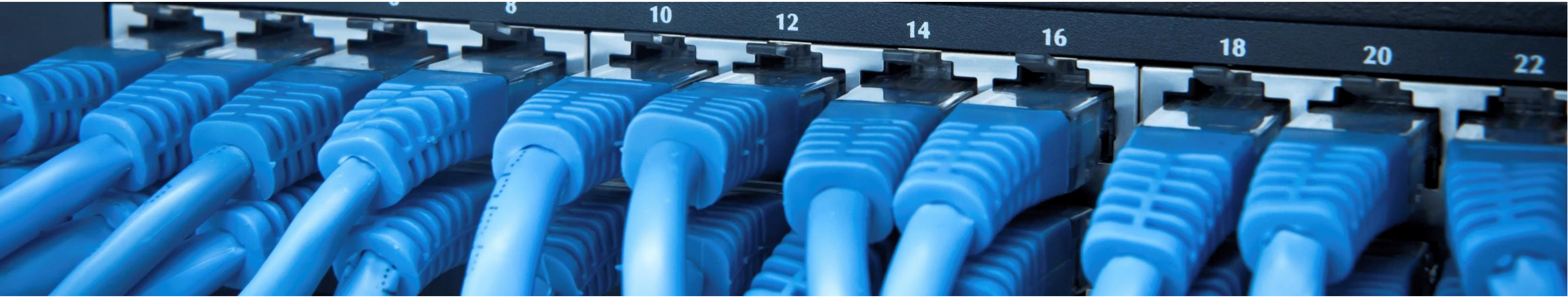
Everest Group®
RESEARCH



Network Transformation and Managed Services Compendium 2020 - Focus on Communication Service Providers

Cloud and Infrastructure Services (CIS)

Market Report – April 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	

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

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

EGR-2020-29-CA-3652

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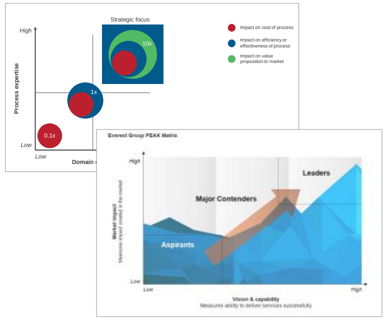
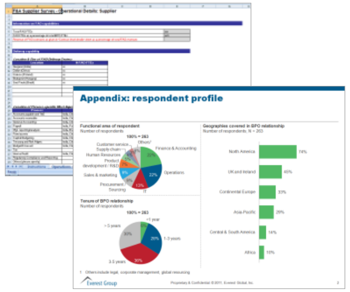
Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

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

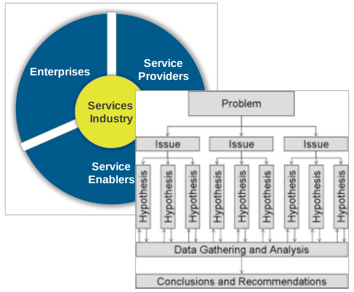
1 Robust definitions and frameworks
PEAK Matrix®, market maturity, and technology adoption/investment



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
  - Number of clients
  - FTE split by different LOBs
  - Revenue split by region
  - Technology solutions developed

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

AT&T Business
BT
CenturyLink
orange Business Services
Sprint Business
TATA COMMUNICATIONS
Telefonica
Telstra
verizon
vodafone business

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 information we collect that is contract specific 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 enterprises expectations and the renewed focus of CSPs to deliver differentiated services, network services is 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 the profiles of 10 CSPs featured on the network services PEAK Matrix® . Each profile provides a comprehensive view of the CSPs network services vision, proprietary solutions, partnerships, recent developments, measure of capability across the PEAK Matrix dimensions, and Everest Group’s remarks on key strengths and areas of improvement for each CSP

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

Services
Network services

Geography
Global

Service providers:
10 leading network service providers

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 report has 10 service provider profiles, focusing on their network services vision, scope of services, partnerships, and recent development activities

XXX | Network services profile
Network services overview

Network services vision
XXX aims to provide transformed network services by underpinning services with a combination of analytics, security, flexibility, and superior performance. They want to make it a platform for innovation

Proprietary solutions (representative list)	
Solution	**Details**
Solution 1	• Service provider's SDN/NFV suite for providing single pane of glass view
Solution 2	• It's automation and analytics platform for end-to-end management of network infrastructure
Solution 3	• It provides managed SD-WAN support for Meraki, Nuage Networks, Viptela, and Velocloud

Network services partnerships (representative list)		
Partner name	**Type of partnership**	**Details**
AWS	Technology partnership	Certified by AWS to provide MPLS connectivity to AWS clo
Cisco	Technology partnership	Leverages Cisco's technology capabilities across the netw
GCP	Technology partnership	Provides on demand network connectivity for business pre
XXX also has partnerships with Ciena, Dell EMC, Ericcson, HPE, Microsoft, and VMware.		

Recent activities (representative list)	
Development	**Details**
Acquisition	Service provider acquire firm x to integrate with its SDN/NFV solutions

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XXX
Everest Group assessment – Major Contender

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
- XXX, has a robust portfolio of internal IPs to incorporate automation within network services
- It supports multiple virtual functions from six different vendors, making it vendor agnostic
- Clients have appreciated its flexibility in terms of providing specific solutions as per enterprise requirement

Areas of improvement
- XXX 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
- Clients raised concern over non-conformity to service level agreements

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Research calendar – Cloud and Infrastructure Services

Published | Planned | Current release

Flagship CIS reports	Release date
Network Transformation and Managed Services PEAK Matrix® Assessment 2020 – Focus on Communications Service Providers	March 2020
Network Transformation and Managed Services Compendium 2020 - Focus on Communication Service Providers	**April 2020**
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:

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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.

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