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Best practices for choosing the right enterprise network service provider

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Enterprises today need to evaluate their WAN partner carefully than ever before. It's important to select a credible and financially capable partner who has a wide array of network and ICT solutions so as to help organizations keep pace with evolving technologies. This document discusses some criteria to evaluate partners from long term perspective.

Telecom situation: uncertain times ahead

India is one of the fastest growing telecom markets in the world. Recent reports from TRAI reveal that India added a total of 3.65 million subscribers during the quarter. The total wireless (GSM incl. LTE + CDMA) subscriber base increased from 1,161.81 million at the end of March 2019 to 1,165.46 million at the end of June 2019, registering a growth rate of 0.31% over the previous quarter.

Wireless tele-density increased from 88.46 at the end of March 2019 to 88.50 at the end of June 2019 with a quarterly growth rate of 0.05%.

Post Reliance Jio's entry in September 2016, there has been a huge rise in data consumption. Within months of Jio's launch, India became the highest mobile data user in the world, with an average of 1 billion GB of data consumed every month. Jio's entry, though extremely beneficial for consumers, has led to a war for survival for other telecom providers.

In the highly competitive telecom segment, there have been many high-profile telecom service providers who have closed down their mobile network operations: Aircel, Reliance Communications, Tata Teleservices are some of the names. Two telecom service providers, Vodafone and Idea, merged, to create India's largest telecom service provider and to take on the disruptor in the market - Reliance Jio.

However, even as telecom service providers have tried to take on Jio by lowering down their prices, it has created a challenging situation for survival. Vodafone Idea, for example, has faced huge challenges in its network integration process with Idea.

These include logistical challenges and removing of duplicate sites. The other major telecom provider, Bharti Airtel has seen its profit erode significantly post a continuing tariff war with Reliance Jio.

Given this scenario, where Indian network providers are grappling with economic instability and are struggling to maintain their existing networks, enterprises are faced with a huge challenge in deciding their right network partner. In a country like India, where last mile infrastructure is still a challenge, enterprise customers have to opt for multi-carrier networks to ensure connectivity for remote branches/offices. This prevailing uncertainty in telecom partners is making the situation quite difficult for enterprises who have to rollout their network in remote locations on one hand and in doing so they need to partner with carriers with suspect financial credibility which poses business continuity risk. Adding on to the challenge, the network management becomes cumbersome and difficult as enterprises need to manage multiple networks. Thus, firstly enterprises need to evaluate partner for their financial stability and ability to provide credible services in these testing times for telecom sector.

A partner to assist in network transformation

While there were substantial changes in the compute side of ICT with advent of cloud computing, network by and large has remained same with MPLS as a technology being the de facto connectivity solution, with most of the traffic being in hub to spoke model with the central site hosting most of the enterprise applications. However, we now see a momentous shift in this with more and more network traffic shifting onto cloud. Additionally, as network bandwidth requirements have exploded, enterprises are challenged with the task of managing and monitoring the flow of traffic between headquarters or main data centers to regional data centers or branch offices. To overcome these challenges and adopt a cloud native network, enterprises are now adopting SD-WAN in conjunction with MPLS as a hybrid approach to tackle this challenge and better manage their network.

For globally distributed enterprises, this provides significant capability and flexibility to build greater network availability without having to put more investments in WAN networks. Hence, enterprises must choose providers that have proven SD-WAN capabilities. In this digital era, this can be of tremendous advantage as SD-WAN can help enterprises programmatically manage loads and network resources (firewalls, VPNs) using software-based capabilities. Thus, it is important from an enterprise perspective to evaluate a proven network partner who has the necessary wherewithal to provide appropriate solution and can provide end-to-end managed services to help in this enterprise network transformation.

'A credible and financially capable partner can help organizations keep pace with evolving technologies.'

Single integrated service provider who can manage the entire network.

Enterprises today need one single service provider that is able to offer the required depth of geographic reach and coverage, so that the enterprise can ensure a seamless experience across the length and breadth of the nation. From an SLA point of view, the service provider must ensure one single point of service with a consolidated view of the entire network across different carriers and network reports.

Typically, in a country like India most of the large enterprise network have several carriers and hence the entire network is un-optimized and difficult to manage.

The advantage of a single provider managing large networks can be understood from the example of a large automotive firm which wanted to connect over 500 dealer and office locations in India. Their current network was heterogeneous with several carriers providing different network clouds. Thus, it was tough to manage the entire network. NTT-Netmagic created a single flat network and used a mix of technologies such as MPLS, P2P and SD-WAN for connecting these locations across India. This helped the customer in not only reducing the cost but also in improving service quality. NTT-Netmagic leveraged its strong relationship with local telco carriers to build the network. The customer had the advantage of a single window for SLA, reporting and pricing with optimized network design for cost reduction.

A partner with one stop ICT proposition

Enterprises today not only need to consider an integrated network provider but also evaluate a credible partner for the entire gamut of ICT services that can be offered. Providers such as NTT-Netmagic are preferred as it offers a one-stop-solution for the customer with respect to multiple services such as Network Services, Data Center Colocation, Cloud Services and System Integration Services. This has huge benefits for the customer from a vendor consolidation point of view, and also helps in creating long-term partnership with multiple services in the portfolio.

It is quite important for enterprise decision makers who are at the forefront of leading ICT transformation in respective organizations to comprehensively evaluate the vendors, so as to choose a partner who can support the organization in the entire ICT journey and some of the criteria mentioned in this article shall help them to be better prepared to lead such change.

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