



IDC MarketScape

IDC MarketScape: Worldwide Service Providers 2018
Vendor Assessment

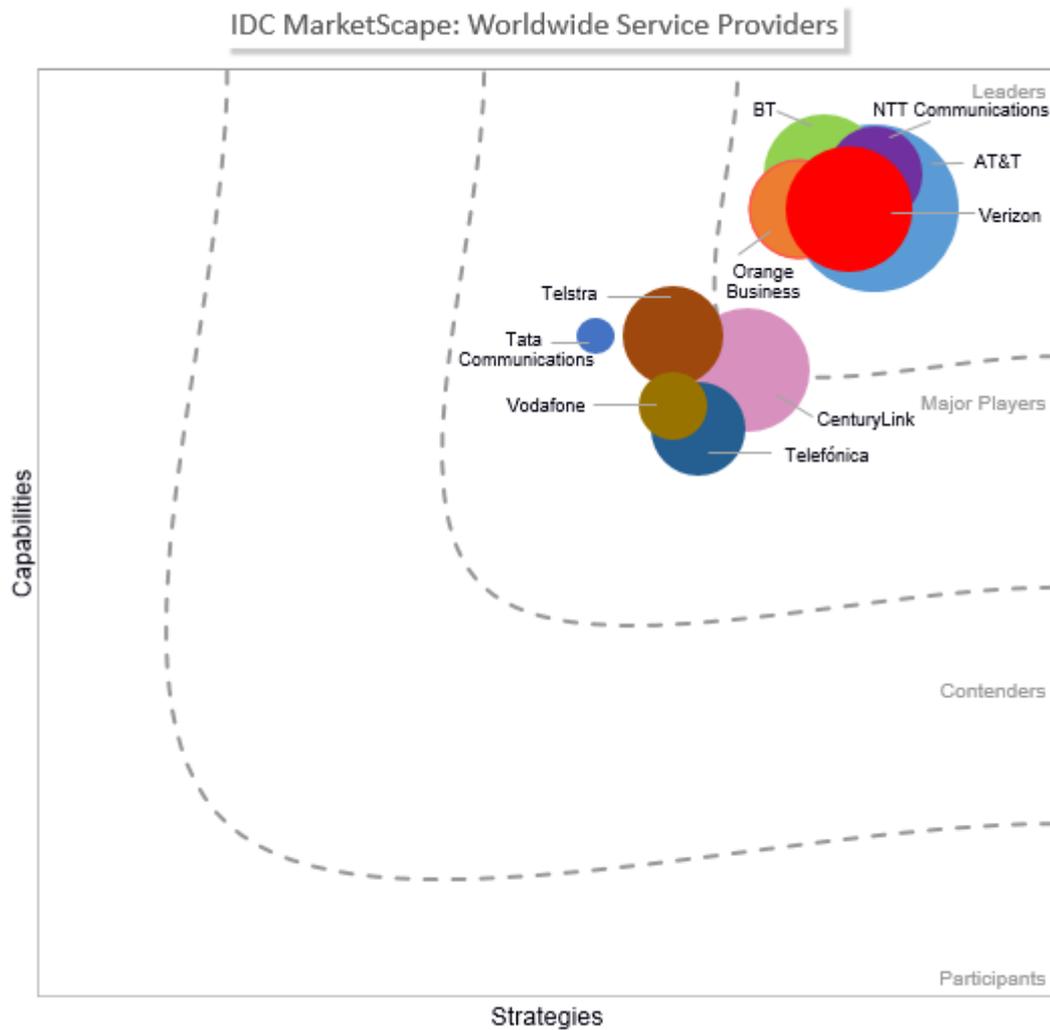
Courtney Munroe

THIS IDC MARKETSCAPE EXCERPT FEATURES NTT COMMUNICATIONS

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Service Providers Vendor Assessment



Source: IDC, 2018

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly IDC MarketScape: Worldwide Service Providers 2018 Vendor Assessment (Doc #US44488617). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This study leverages the IDC MarketScape methodology to evaluate the leading global telecommunications service providers (SPs). IDC identified the top 10 providers by scale and scope of operations, primarily their global coverage and the ability to provide services to global multinational corporations (MNCs). One major qualification was the presence of at least 30% of employees located outside the global service provider's (GSP's) home country, as well as the ability to provide innovative and forward-thinking solutions. The primary focus of this study is the portfolio of the emphasis on stimulating enterprise digital transformation from legacy to agile and on-demand solutions. Apart from the global networking and sales presence on multiple continents, IDC identified the following three major categories for consideration in this study:

- Software-defined services based on software-defined networking (SDN)/NFV platforms
- The ability to provide enhanced customer services capabilities
- GTM, global distribution, and support capabilities

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

Key criteria include the ability to provide a comprehensive global portfolio of services ranging from traditional voice and data networking services to cloud and collaboration services. These service providers must have, at minimum, enhanced global capabilities to offer the following:

- Implementing software-defined networking
 - Managed cloud and virtualized services (list portfolio of MNS and managed hosting/cloud capabilities)
 - Secure cloud connect capabilities (list portfolio of secure access to public cloud/SaaS)
 - SD-WAN capabilities
- Managing the customer experience
 - Presale consulting, design, and pricing capabilities
 - Post-sale onboarding capabilities: provisioning and self-service capabilities
 - Customer portal capabilities and support
- GTM, channel, and partnership strategies
 - GTM and messaging strategy
 - ICT global support and partners
 - Global channel distribution

A global organizational sales and support structure was also a key element in the inclusion process. One key criterion was the ability of worldwide telecom service providers to implement a centralized global account and support management team to offer a consistent global experience.

The companies included in this study are:

- AT&T
- BT Services
- CenturyLink (CTL)
- NTT Communications (NTT Com)
- Orange Business Services
- Tata Communications
- Telefónica
- Telstra Enterprise
- Verizon Enterprise Solutions
- Vodafone Group Enterprise

ADVICE FOR TECHNOLOGY BUYERS

Global CSPs have dramatically evolved in response to the changing requirements of enterprises. As companies leverage the cloud, mobile networking, and other emerging technologies, their WAN requirements have changed. Companies are shedding rigid and complex platforms. They need flexibility, speed, and simplicity to engage with customers in a cost-effective manner. They need new models based on cloud fundamentals, on-demand, always on, reachable from anywhere via any device.

In response, CSPs have upended the operational model. All of the CSPs covered in this document have revolutionized their platforms. All of them have established a road map leveraging software-defined networking. This platform facilitates flexibility in managing a cost-effective multivendor environment. All are in some stage of implementing SD-WAN in response to enterprise demand. The next stage in the evolution is the migration of legacy central offices to cloud hubs that will facilitate hosted virtual network functions in a multivendor/multisourced environment.

Also on the horizon is a road map for enhanced automation and standardization that will further improve provision and management of remote assets. Companies will increasingly leverage AI to manage the network, customer usage, and requirements in a proactive manner. In detail:

- Companies in the leadership quadrant of this study are well on the way to implementing the aforementioned. AT&T is notable for its groundbreaking open network automation platform (ONAP) and for pushing vendors to rapidly evolve with cost-effective open source standards. NTT, BT, and Orange have the broad portfolios spanning cloud, SDN, and extensive global reach. Verizon has been at the forefront of the SD-WAN movement and is paving the way for CSPs in this segment.
- The other companies in the Major Player quadrant are slightly behind the Leaders in some facet, but all offer reliable world-class service depending on the enterprise requirement. The new CenturyLink, which just acquired Level 3, will compete with the Leaders in 2018. Telstra, the Australian-based SP, has established a strong base in the Asia/Pacific (APAC) region and has beefed up its portfolio and is moving into new regions aggressively. Tata Communications has implemented an impressive portfolio and is becoming more visible in markets outside of India.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths and challenges.

NTT Communications

NTT Com maintains its standing as a Leader in the IDC MarketScape for worldwide service providers. NTT Com group is a leading global ICT service provider. The company has an established global network, internet backbone, and a comprehensive vision for providing end-to-end ICT services on its cloud vision platform. NTT Com has several key tenets: It has developed a sophisticated software-defined networking/NFV platform that includes SD-WAN service portfolio. The company is one of the few network providers to also offer a strong cloud services suite and also offer integration and digital transformation road map including consulting and integration services via its partners and sister companies.

Strengths

NTT Com provides ICT services to global multinational companies in APAC, Europe, North America, Africa, Latin America, and other regions. The company has an innovative suite of services that includes SD-WAN services, secure web gateway services, application acceleration gateways, secure cloud access, security services, emerging software-defined services, traditional networking, managed ICT, and cloud computing. NTT Com was one of the first companies to implement a SDN/NFV platform, and in June 2017, the company launched the largest SD-WAN portfolio with service available in 190 countries. The services include cloud-based and CPE options, multivendor options, uCPE and NFV vCPE options, and a hybrid suite of access options.

NTT Com has one of the most comprehensive suite of cloud compute and access solutions. The company offers private cloud, managed cloud services, and secure cloud connect to multiple cloud providers. Its "unified hybrid cloud management" strategy facilitates the unified management of both NTT Com provided and third-party cloud assets. Its integration management platform also includes its managed security services platform that provides botnet protection and intrusion detection management based on the NTT Com's Security Information and Event Management (SIEM) platform.

NTT Com takes a proactive role in its client's digital transformation strategy. The company leverages its own NTT Group companies, including NTT Data and Dimension Data, to provide the most optimal ICT solution. It has also established partnerships with multiple ICT and systems integrators.

Challenges

NTT Com has the most comprehensive services portfolio that ranges from SD-WAN, SDN-based services, MPLS, traditional networks, and cloud and managed security services. NTT has one of most robust global network and IP backbone. While NTT has a great visibility in its home base and throughout the APAC region and has steadily increased its visibility in North America and Europe, it's only natural weakness is recognition outside its home and key regional markets, but as it expand its virtual platform, the company will steadily increase its visibility and presence.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level

decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

The IDC MarketScape vendor assessment model is designed to provide an overview of the competitive portfolio and positioning of information and communications technology (ICT) suppliers in a given market.

LEARN MORE

Related Research

- *IDC MarketScape: Asia/Pacific Next-Generation Telcos: Telecom Services 2016-2017 Vendor Assessment* (IDC #AP42353917, March 2017)
- *IDC MarketScape: Worldwide Telecom Service Provider 2015 Vendor Assessment* (IDC #257339, July 2015)

Synopsis

This IDC study presents a vendor assessment of the 2017 telecommunications ICT services market using the IDC MarketScape model. This assessment covers 10 key telecom service providers (SPs) on a worldwide basis. The assessment is based on current and future capabilities with a view of presenting the most comprehensive analysis of enterprise requirements.

"A key requirement of MNCs today is to partner with GSPs that will contribute to their digital transformation journey. The service providers featured in this study have implemented dramatic internal restructuring to help enterprises streamline and enhance their customer engagement strategies. CSPs are making bold moves to improve agility and flexible to meet these demands." – Courtney Munroe, group vice president, Worldwide Telecommunications

About IDC

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