Infonova R6 'weaponizes' BT Cloud of Clouds in its bid for accelerated growth

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In the year since Cloud of Clouds became the organizing principle for BT's Global Services, the firm says its cloud business has grown to be an important contributor to the division's overall revenue. The company expects that accelerated growth will be driven by its use of Infonova R6, enabling it to become a cloud services integrator.

It will use R6 to tie together an arsenal including BT's own cloud services (BT Cloud Compute and BT Private Compute), its datacenter and network assets, and customers' and partners' datacenters and resources. The R6 digital ecosystem management software is key to realizing this vision, and underpins the Compute Management System to which all BT cloud customers are being migrated.

THE 451 TAKE

With Cloud of Clouds and Infonova R6, BT has a plan plus a partnership, positioned as the change agent that will buck the prevailing telco industry trend and deliver a growing, profitable long-term cloud business. A key to understanding the impact of R6 as an enabler of the Cloud of Clouds strategy can be seen in the effect it has had on BT Compute's own development process. The kind of digital-service enablement and delivery envisioned by BT requires continuous improvement. BT Compute has transitioned from a waterfall-style development method to a continuous development model in order to support the opportunity R6 brings it. BT is now leveraging this internal transformative process change into the market.

BUSINESS MODEL

BT Compute's cloud services are now being delivered from 22 of the company's 48 datacenters. It says R6 enables it to get services to market in 20% of the time it previously took, and at 70% of the usual implementation cost. The platform can be personalised where the customer wants to resell BT's or its own services to its own communities, and BearingPoint believes supporting 2,000 enterprise customers (5,000 tenants) on the BT platform is realistic.

BT says that, since R6's introduction as part of the Cloud of Clouds strategy in 2015, its average deal size has increased threefold and its win rate has gone up exponentially. The platform is now available globally, enabling it (or its white-label platform customers) to put services together to meet local operating conditions, manage those centrally, and charge for them on a single bill. The units of measure are dictated by the customer, but are typically bits, bandwidth or I/O performance. The service is hosted and managed by BT, as well as Infonova-owner BearingPoint, which also provides support.

All of BT Compute's current customers are being migrated to the R6-based platform. It has about 10 companies using R6 currently, including previously referenced customer Ricoh, which is combining its own datacenters with BT datacenters (Ricoh-branded) to do digital invoice management and catalog management, taking this to all of its customers globally.

TECHNOLOGY

BT is now on R4.02 of the Compute Management System. The Fedcore user interface and portal provides identity management. Contracts, orders and finance management functions (known as Geneva and Jupiter, plus the Global Services Portal) also use the Remedy Expedio OM. These are connected to R6 (portal, incident management, mediation, order management, catalog, rating and settlement).

These components are supported as ITSM on top of the core Cloud Platform stack, together with Appcara App360 application migration and onboarding, Caringo storage, VMware, VMTurbo service management and Trend Micro security. It is integrated with Cisco InterCloud Fabric (hence Cloud of Clouds) and other BT datacenter infrastructure resources.

BT has already committed to support Oracle Cloud Platform and Azure as federated cloud ecosystems, as well as Hyper-V, EMC Federation Enterprise Hybrid Cloud, Cloud Foundry, CommVault, Dynatrace Ruxit, CTERA and a container management research project. It is adding support for private Azure services (Azure Stack) to leverage its global presence and network, and deliver compliant service from any location. The Compute Management System can run on BT datacenters, customer premises, or Azure in public, private or hybrid arrangements. It's currently talking to new Cloud Platform owner Accelerite about future OpenStack components that are likely to be added to the platform.

BT's white-label partners skin the cloud management platform for their own customers, which don't see BT, Infonova or BearingPoint in their service unless their provider sells through a BT-branded service, such as its storage or compute services. In the BT use case, it owns the ecosystem and wholesale product catalog. R6 models the financial arrangements to the other tenants, in which each can onboard their own services, resell those from the catalog and host their own partners in a kind of tenant-as-a-service model. BT purchased an R6 license and service agreement together with a certain number of tenants, and also pays integration and consulting revenue to BearingPoint.

BT began development of its own cloud service broker in 2009. It says the Cloud of Clouds portfolio strategy is a continuation of its work to become the cloud services integrator of choice for its customers. The broker effort hasn't been halted, and is at the forefront of its business strategy. Like other telcos, BT will be adding support for third-party services.

COMPETITION

Key global telco cloud competitors Verizon and AT&T have pivoted recently, while CenturyLink continues to stoke its efforts. Competitors with aggressive cloud service plans include Vodafone, T-Systems, Orange, Telefonica, SingTel Optus, Telstra, SoftBank Telecom and NTT Communications. Other rivals include NEC, Fujitsu, IBM, Capgemini, Accenture, CSC, Cognizant, Infosys, Wipro, VMware and Dimension Data. More locally, the likes of Claranet, Interoute Communications and Pulsant have developed regional expertise.

SWOT ANALYSIS

STRENGTHS
BT has rolled out new cloud-based capabilities using its Compute Management System, and attributes to the R6-based system improved onboarding (80% faster) and time to market, lower costs, improved win rates and business growth.

WEAKNESSES
Cloud of Clouds should be seen as BT Global Services' portfolio strategy, rather than a plan for world domination. Cloud services still haven't been brought together across the network. There are still very big integration needs, and multiple complex SLAs and contract issues that will need to be addressed.

OPPORTUNITIES
Network service providers are looking for ways to offset declining revenue from legacy voice businesses, and have turned to ICT service delivery for growth strategies. They're competing with cloud suppliers, integrators, service providers and technology vendors.

THREATS
Telcos own the networks, but have yet to demonstrate an ability to 'weaponize' these and other assets to deliver cloud leadership.