Everest Group PEAK Matrix® for Network Transformation and Managed Service Providers 2020

Focus on Orange Business Services

May 2020

Introduction and scope

Everest Group recently released its report titled "[Network Transformation and Managed Services PEAK Matrix® Assessment 2020 – Focus on Communications Service Providers](#)". This report analyzes the changing dynamics of the network services landscape and assesses service providers across several key dimensions.

As a part of this report, Everest Group updated its classification of 10 service providers on the Everest Group PEAK Matrix® for network services into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of network service providers based on their absolute market success and delivery capability.

Based on the analysis, **Orange Business Services emerged as a Leader**. This document focuses on **Orange Business Services'** network services experience and capabilities and includes:

- Orange Business Services' position on the network transformation and managed services (focus on communication service providers) PEAK Matrix
- Detailed network services profile of Orange Business Services

Buyers can use the PEAK Matrix to identify and evaluate different service providers. It helps them understand the service providers' relative strengths and gaps. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements and match them against service provider capability for an ideal fit.

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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

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

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Network services PEAK Matrix® characteristics

Leaders:

AT&T, Orange Business Services, Tata Communications, and Verizon

- Leaders have displayed a broader network services vision. They made sustained strategic investments to bridge the portfolio gaps to achieve full services play
- These providers continue to proactively drive investments in next-generation technology themes and services capability development (internal IP/tools, partnerships, acquisitions, etc.)
- Leaders have a strong focus on driving alignment between the business and IT teams of enterprises to drive higher value through contextual solutions tailored to specific enterprise requirements
- All Leaders have a strong focus on driving large-scale/complex network transformation, specifically for the large enterprise segment (annual revenue greater than US$5 billion)

Major Contenders:

BT, CenturyLink, Telefonica, and Vodafone

- Major Contenders have witnessed decent traction in select areas within network services. However, they require to expand their vision to address the broader network services market
- They have built meaningful capabilities to deliver network services (both management/run and transformation services); however, their service portfolios are not as balanced and comprehensive as those of Leaders (either in terms of coverage across industry verticals or geographies or both) – this is also reflected in the scale of market success achieved by these providers (vis-a-vis Leaders)
- However, all these providers are making continued investments in developing internal IP and tools, as well as expanding their service and technology partnership networks in order to plug their capability gaps, and are, thereby, positioning themselves as strong challengers to the Leaders in this space
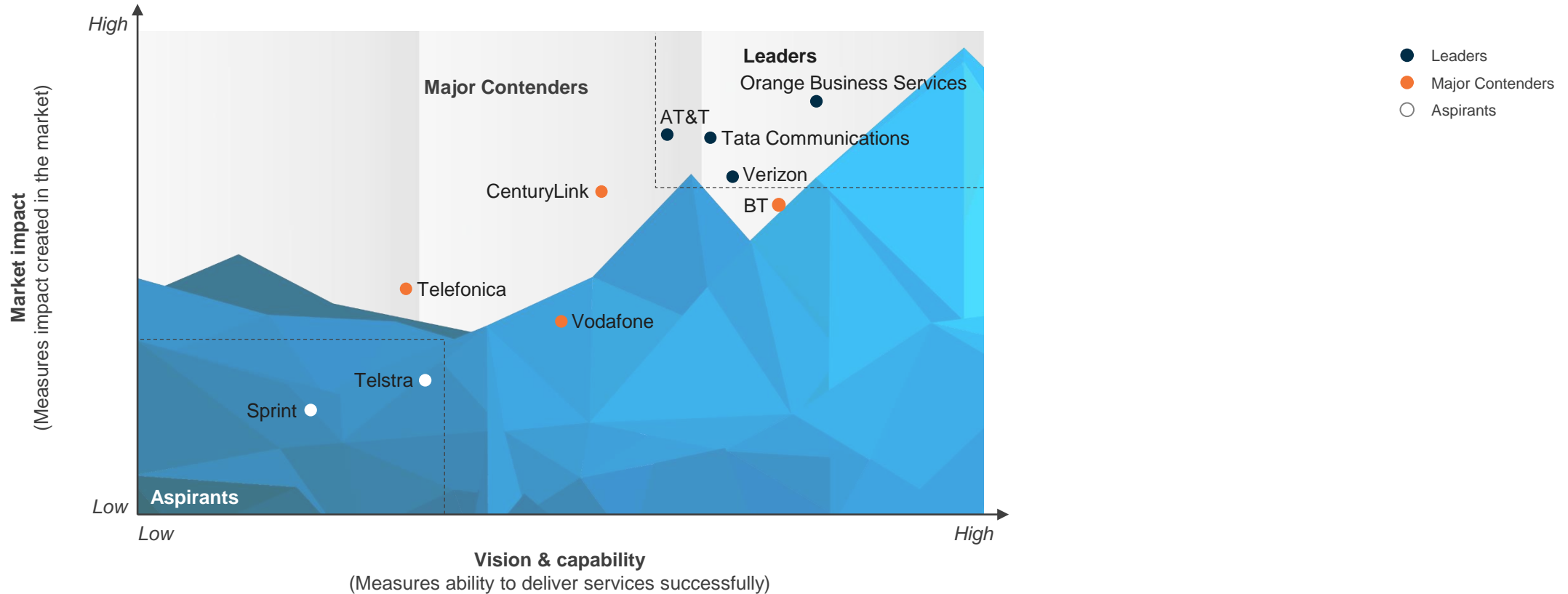
Aspirants:

Sprint and Telstra

- The network services business of Aspirants is in the initial stages of growth and is currently not a leading revenue generator for them
- Nevertheless, these companies are making investments to build broader capabilities to cater to buyers (through service and technology partnerships as well as internal IP/tools)

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Everest Group PEAK Matrix®

Network Transformation and Managed Services PEAK Matrix® Assessment 2020 – Focus on Communication Service Providers | Orange Business Services positioned as Leader

Everest Group Network Transformation and Managed Services PEAK Matrix® Assessment 2020

- Leaders
- Major Contenders
- Aspirants

Leaders
Orange Business Services
AT&T
Tata Communications
Verizon
BT

Major Contenders
CenturyLink
Telefonica
Vodafone

Aspirants
Telstra
Sprint

Market impact
(Measures impact created in the market)

Vision & capability
(Measures ability to deliver services successfully)

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)

Orange Business Services | Network services profile
Network services overview

Network services vision
Orange Business Services aims to provide multi-cloud, multi-service, and multi-access AI-driven networks from the LAN to the WAN to the application for providing end-to-end performance with agility and reduced risks. It aims to deliver intelligent business-driven connectivity to solve customers key data challenges, to succeed in new business ecosystem.

Proprietary solutions (representative list)	
Solution	**Details**
Flexible SD-WAN	• SD-WAN solution provided with integrated security to ensure connectivity with different cloud service providers and enhanced application performance • Embedded with service portal providing monitoring, analytics, and configuration functions for simplified management and visibility into the WAN network
SD-LAN	• SD-LAN creates a centrally-managed wired and wireless network architecture to simplify the management and deliver multi-domain segmentation, automation, and analytics • Works with enterprises and technology vendors including Cisco and Aruba. Orange offers its customers the option to develop and test SD-LAN solutions in its Open Labs program that are tailor-made to the customer's need
Business VPN Galerie	Provides secure access to the cloud service providers through corporate business VPN managed by Orange in coordination with the cloud providers

Network services partnerships (representative list)		
Partner name	**Type of partnership**	**Details**
AWS	Technology partnership	Provides secure and private network to AWS cloud through Next Gen Hub, Business VPN Galerie, and AWS Direct Connect service
Cisco	Technology partnership	Full suite of connectivity services including LAN, WAN, and wireless networks along with datacenter and security services
Juniper	Technology partnership	Works with Juniper across the network landscape from datacenter and LAN network infrastructure to NFV and network automation solutions
Orange also has partnerships with Akamai, Ciena, Fortinet, HPE, Huawei, Infovista, RAD, Riverbed, Splunk, Telia, and Zscaler.		

Recent activities (representative list)	
Development	**Details**
Partnerships	Added/extended partnerships with vendors including Cisco, Fortinet, HPE, Riverbed, and ThousandEyes to strengthen its network services portfolio

Orange Business Services
Everest Group assessment – Leader

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

- Vendor-agnostic approach for SD-WAN with offerings from Cisco, Fortinet, Infovista, Juniper, and Riverbed. Supports a greater number of SD-WAN vendors compared to its peers

- SD-LAN offering in partnership with Cisco to create a centrally managed wired and wireless network architecture, which is self-organized and self-serving

- Partnered with ThousandEyes to deliver real-time, end-to-end visibility on both its enterprise networks and the Open Transit Internet (OTI)

- Clients have appreciated Orange Business Services' wide network services portfolio, innovation & technical expertise, and the ability to provide relevant customer references

Areas of improvement

- Orange Business Services serves certain geographies through multiple local partners, resulting in sub par service levels due to limited control over these partners

- Clients have pointed out that Orange Business Services could be more proactive in coming up with ideas around network transformation and innovation

- Primary focus on large deals makes it vulnerable in the small and mid-sized enterprise segment

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Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix
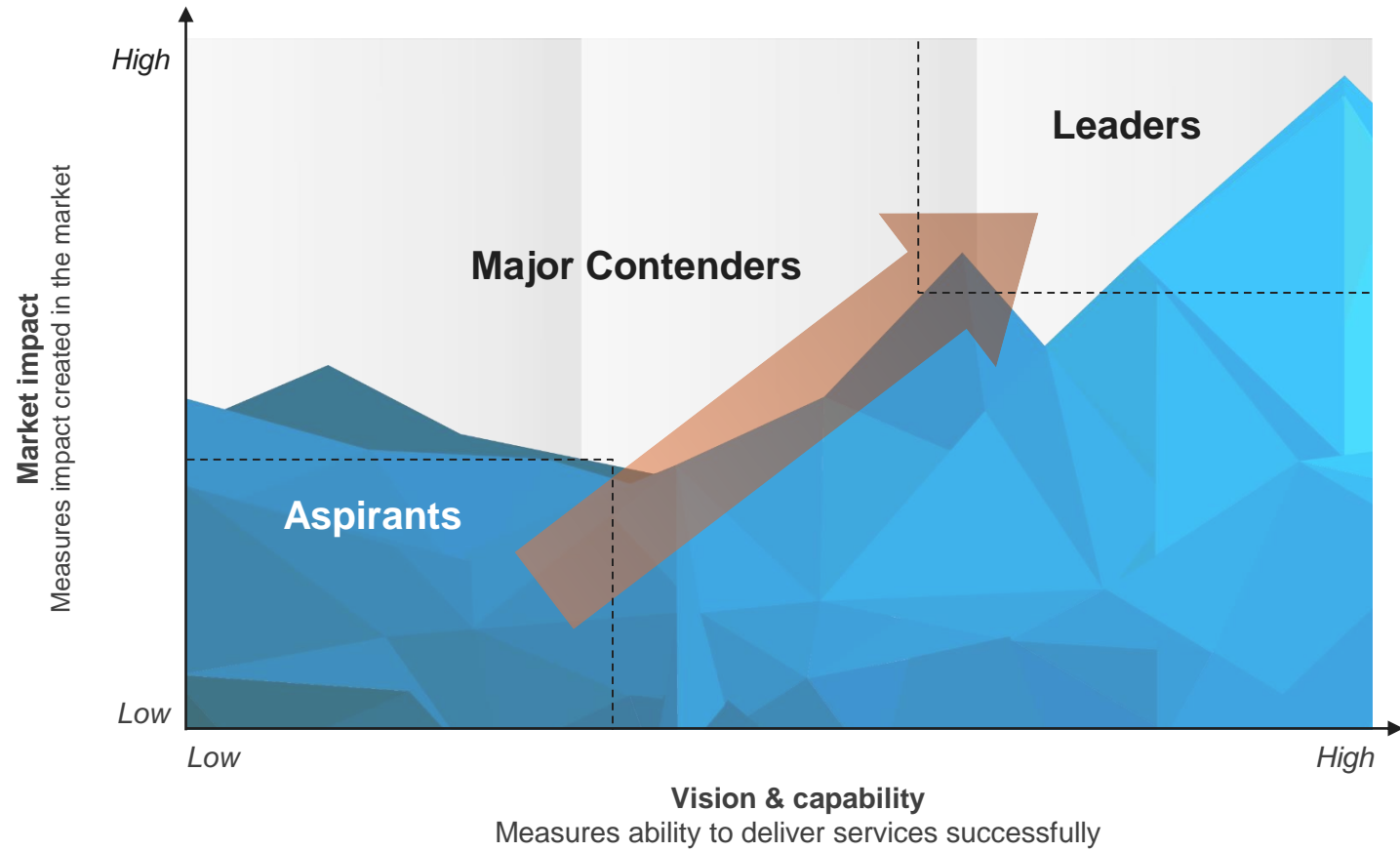
Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption
No. of clients, revenue base, and YOY growth, deal value/volume

Portfolio mix
Diversity of client/revenue base across geos and type of engagements

Value delivered
Value delivered to the client based on customer feedback and transformational impact

Market impact

Leaders

Major Contenders

Aspirants
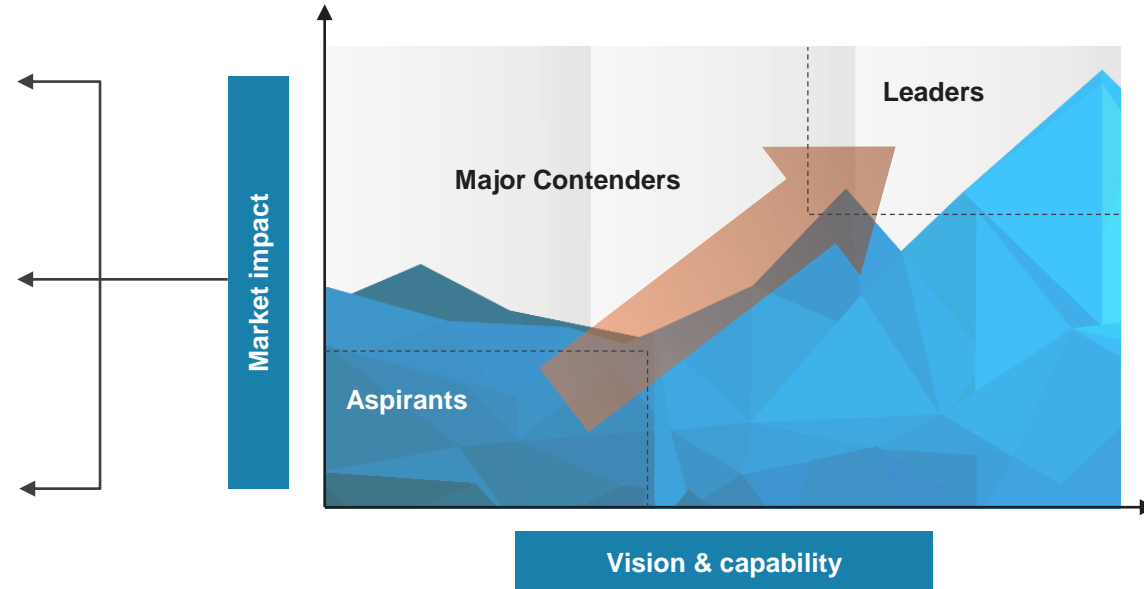
Vision & capability

Measures ability to deliver services successfully. This is captured through four subdimensions

Vision and strategy
Vision for the client and itself; future roadmap and strategy

Scope of services offered
Depth and breadth of services portfolio across service sub-segments / processes

Innovation and investments
Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint
Delivery footprint and global sourcing mix

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?

No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?

A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
- Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  – Issue a press release declaring their positioning. See citation policies
  – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises

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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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